

Asset Management Report

Feb 2017 Fiscal Period




<Notice>

We invite you to view the webcast by President and CFO Yoji Tatsumi of GLP Japan Advisors Inc. (the asset manager) on the results for the February 2017 fiscal period.

Presentation of results for the fiscal period ended February 2017, hosted by GLP J-REIT

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

Date and time	7 p.m. to 8 p.m., May 30 (Tue), 2017	QR code 
Presenter	Yoji Tatsumi, President and CFO, GLP Japan Advisors Inc.	
How to participate	Please access from the QR code on the right or the "Seminar" page of the top menu of the website of SBI Securities Co., Ltd. (https://www.sbisec.co.jp/).	

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



10th Fiscal Period

(from September 1, 2016 to February 28, 2017)

GLP J-REIT

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

Dividend per unit (Feb 2017 actual)

2,511 yen

(including an optimal payable distribution of 304 yen)

Dividend per unit (Aug 2017 forecast)

2,467 yen

(including an optimal payable distribution of 304 yen)

Total assets (as of Feb 28, 2017)

442.8 bn yen

(Note) Based on acquisition price

Occupancy (as of Feb 28, 2017)

99.8%

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To Our Unitholders

On behalf of GLP J-REIT, I am pleased to present the financial results of the tenth fiscal period ended February 2017.

In terms of external growth, GLP J-REIT acquired five properties in September 2016 for 58,210 million yen^(Note 1) from the GLP Group^(Note 2) through an offering for the fourth consecutive year subsequent to its IPO. As a result, GLP J-REIT's portfolio value after the acquisition grew to 442,854 million yen^(Note 1), making it one of the largest portfolios as a logistics REIT^(Note 3).

In terms of internal growth, GLP J-REIT maintained or increased rent for all rent contracts that expired during the tenth period, while maintaining an average occupancy of as high as 99% or more for the ninth consecutive fiscal period since its listing.

Meanwhile, we borrowed 52.3 billion yen in new bank loans^(Note 4) on the back of a favorable funding environment, as well as issuing J-REIT bonds worth 9.0 billion yen in total, in order to reduce borrowing costs and extend the terms of borrowings.

As a result, the tenth period ended with operating revenues of 14,065 million yen, ordinary income of 6,298 million yen, and net income of 6,297 million yen. Reflecting the above performance, the total dividend for the tenth period is 2,511 yen per unit, comprised of a dividend of 2,207 yen per unit and an optimal payable distribution per unit of 304 yen.

In the eleventh period (ending August 2017), we expect an increase in expenses, as we will begin to record real estate tax for the six properties acquired in 2016 as expenses (160 million yen). However, the effect of this is expected to be reduced as part of our efforts to improve occupancy of our portfolio assets and increase rents, among others. As a result, we forecast a dividend of 2,467 yen per unit, comprised of a dividend of 2,163 yen per unit and an optimal payable distribution per unit of 304 yen.

Adjusted DPU (stabilized DPU after adjustment) as of the end of the tenth period grew 33.3% since the listing of GLP J-REIT, while NAV (Net Asset Value) per unit increased 69.9% from the end of the second fiscal period ended February 2013, which immediately followed its listing, thereby enhancing our unitholders' value, which is our primary goal.

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

I thank you for your ongoing support.



Yoji Tatsumi
Executive Director, GLP J-REIT
President and CFO, GLP Japan Advisors Inc.

(Note 1) Based on acquisition price.
(Note 2) Global Logistics Properties Limited ("GLP"), the parent company of GLP J-REIT's sponsor, and its group companies are hereinafter collectively referred to as the "GLP Group."
(Note 3) "Logistics REIT" in this document refers to a Japanese listed investment corporation that owns 95% or more of logistics facilities on an acquisition price basis. As of the date of this document, Japan Logistics Fund, Inc., Nippon Prologis REIT, Inc., LaSalle LOGIPORT REIT, Mitsui Fudosan Logistics Park Inc., and GLP J-REIT fall under this category. The same applies hereafter.
(Note 4) Includes refinancing.



Yoji Tatsumi
Executive Director
GLP J-REIT

Overview of GLP

Investment in Modern Logistics Facilities

1 Top-tier asset size (Note 1)
among logistics J-REITs **442.8** bn yen

2 Industry-leading sponsor
Largest logistics AUM in Japan

3 Largest sponsor pipeline (Note 2)
among logistics J-REITs **3.2** mm sqm

4 Robust internal growth Avg. occupancy since IPO (Note 3) **99%**
Most recent rent increase (Note 4) **10%**

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

(Note 1) "Asset size" is based on the acquisition price as of the end of February 2017.

(Note 2) "Sponsor pipeline" is the total gross floor area for "Right-of-First-Look" properties as well as properties owned by JV funds as of the end of December 2016.

(Note 3) "Avg. occupancy since IPO" is the weighted average occupancy calculated by dividing the total leased area for each property by the total leasable area at the end of every month during the term since the IPO to February 2017, and rounded off to the nearest whole number.

(Note 4) Average rent growth of leases signed with increased rent for the August 2016 (9th) and February 2017 (10th) fiscal period, rounded off to the nearest whole number.

Investment Target

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

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

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



Investment Areas

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

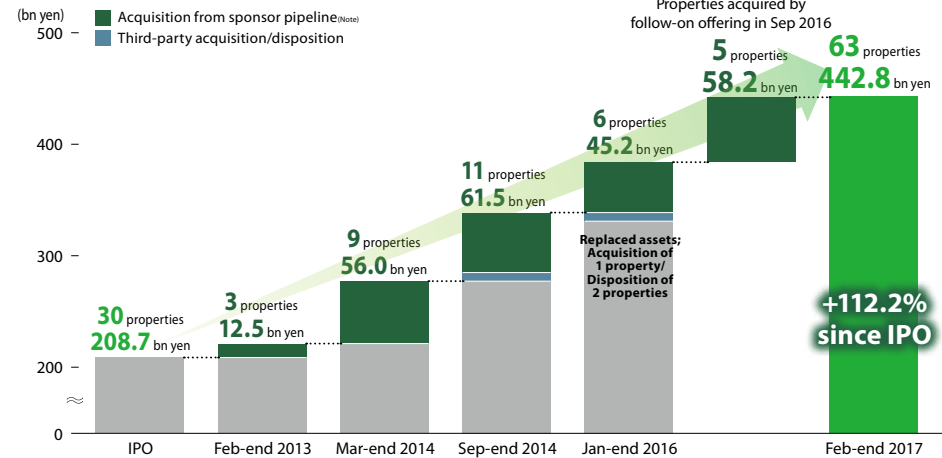
Investment percentage by location (based on acquisition price)

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

Enhancement of Unitholders' Value

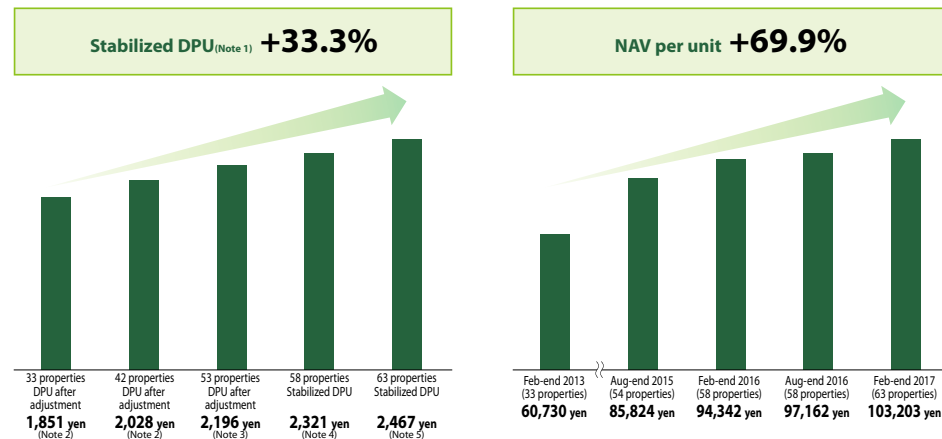
Due to the acquisition of properties during the tenth period (September 2016) GLP J-REIT's asset size reached 442.8 billion yen, representing a growth of 112.2% since its listing. Furthermore, net asset value (NAV) and dividend per unit grew, resulting in accretive financing which led to an increase in unitholders' value.

Steady Expansion of the Portfolio



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

Track Record Since Listing



(Note 1) Stabilized DPU including OPD.
 (Note 2) Adjusted DPU described in "Amendment of Forecast for the Fiscal Period Ending February 28, 2014 and Announcement of Forecast for the Fiscal Period Ending August 31, 2014" dated September 3, 2013.
 (Note 3) Adjusted DPU described in "Amendment of Forecast for the Fiscal Period Ending February 29, 2016 and Announcement of Forecast for the Fiscal Period Ending August 31, 2016" dated August 10, 2015.
 (Note 4) Finalized DPU for the Aug 2016 fiscal period described in "Summary of Financial Results for the 9th Fiscal Period Ended August 31, 2016" dated October 13, 2016.
 (Note 5) Forecast DPU for the Aug 2017 fiscal period described in "Summary of Financial Results for the 10th Fiscal Period Ended February 28, 2017" dated April 13, 2017.

Financial Highlights

Financials

Feb 2017
 (from September 1, 2016
 to February 28, 2017)

Aug 2017 (forecast)
 (from March 1, 2017
 to August 31, 2017)

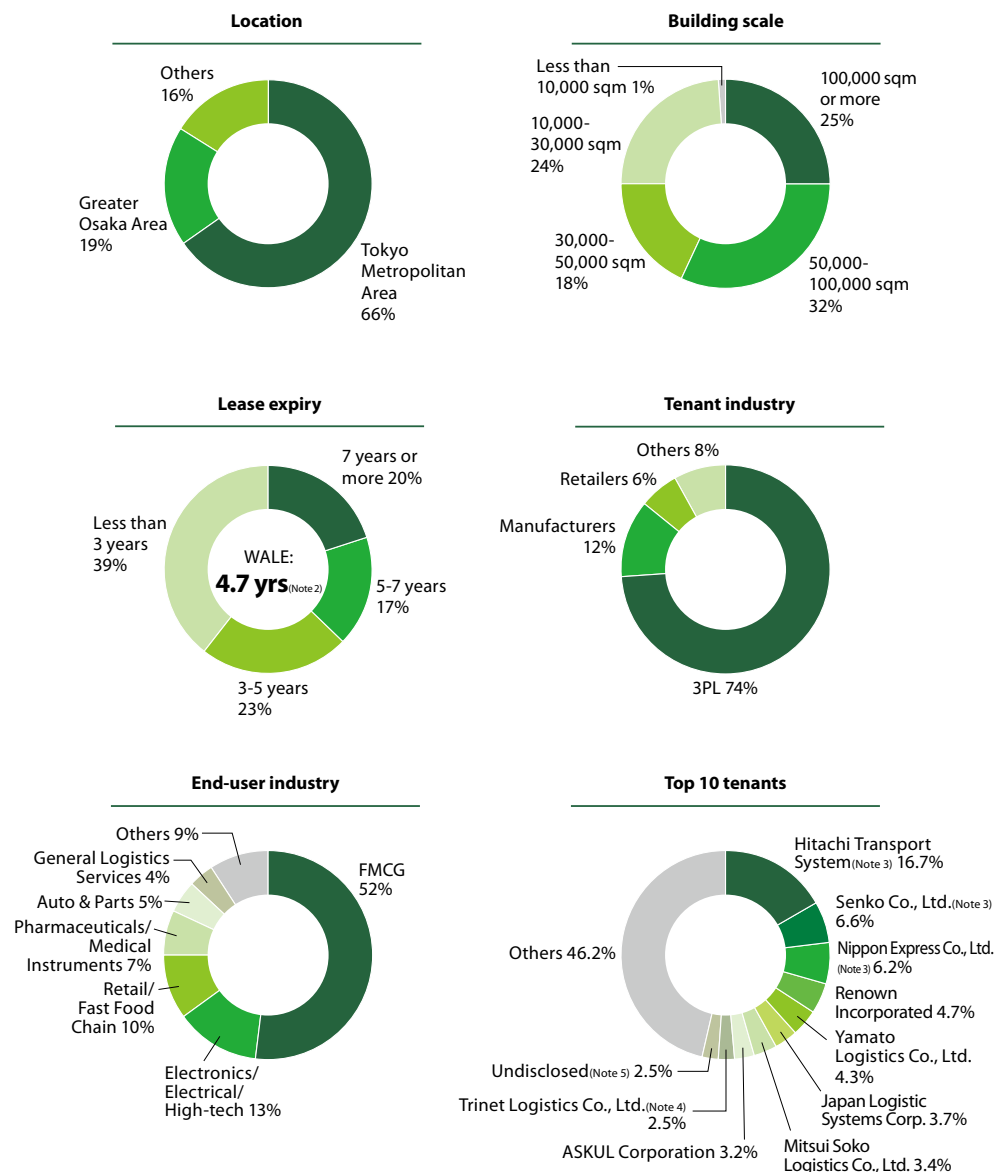
Operating revenue (mm yen)	14,065	14,159
Operating income (mm yen)	7,471	7,341
Ordinary income (mm yen)	6,298	6,175
Net income (mm yen)	6,297	6,174
No. of properties at fiscal end	63	63

Dividend per Unit (yen)

Feb 2017
 (from September 1, 2016
 to February 28, 2017)

Aug 2017 (forecast)
 (from March 1, 2017
 to August 31, 2017)

Dividend per unit (total) (yen)	2,511	2,467
Dividend per unit (excl. OPD) (yen)	2,207	2,163
Optimal payable distribution per unit (yen)	304	304



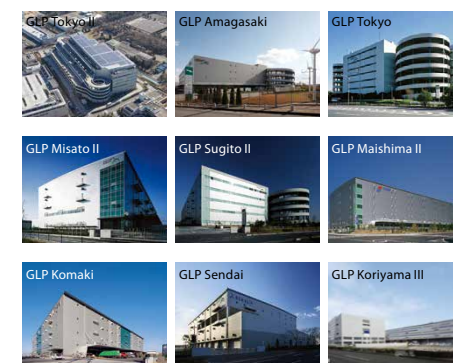
(Note 1) The above data is as of the end of February 2017 (based on 63 properties). Data for location and building scale is based on acquisition price. Other data is based on leased area excluding vacant area.
 (Note 2) WALE (weighted average lease expiry) indicates the remaining lease period of each lease agreement weighted averaged on a leased area basis.
 (Note 3) Hitachi Transport System, Senko, and Nippon Express include group companies.
 (Note 4) Trinet Logistics Co., Ltd. was renamed Mitsui & Co. Global Logistics, Ltd. as of April 1, 2017.
 (Note 5) We have not obtained permission to disclose the name of the tenant group, an international courier and third-party logistics provider.

Sustainability Practices

GLP J-REIT provides high quality services and environmental friendly functions in the logistics facilities that it manages in order to maintain and improve customers' convenience and satisfaction. Going forward, GLP J-REIT will continuously and actively make efforts to contribute to realizing a sustainable society through its investment and asset management of logistics properties.

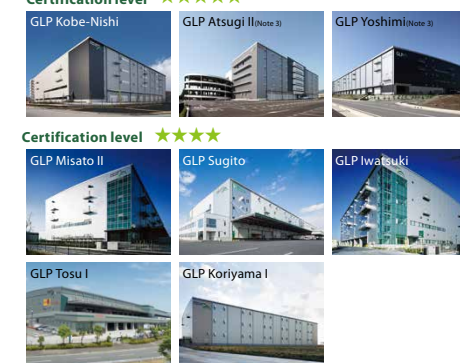
Properties that Have Received Sustainability or Environmental Certificates

DBJ Green Building Certification (Note 1)



BELS Assessment (Note 2)

Certification level ★★★★★



CASBEE (Note 4)

CASBEE for New Construction Class A



CASBEE Saitama Class A

(Note 1) DBJ Green Building Certification System is a system to certify excellent buildings that meet the various stakeholders' social requirements, such as environmental design, security or disaster prevention based on the scoring model originally developed by DBJ. This system aims to promote the expansion of "Green Buildings" that are friendly to the environment.
 (Note 2) The BELS (Building Energy-Housing Efficiency Labeling System) is a public evaluation system under which a third party evaluates the energy conservation performance of non-residential buildings based on evaluation standards identified by Japan's Ministry of Land, Infrastructure, Transport and Tourism.
 (Note 3) Acquired on September 1, 2016.
 (Note 4) "CASBEE (Comprehensive Assessment System for Built Environmental Efficiency)" is an evaluation system that ranks buildings and structures in terms of their environmental performance. In addition to each building's ability to reduce its environmental impact across a variety of areas including energy and resource conservation as well as recycling, this system comprehensively evaluates the environmental performance of each building and structure including its aesthetic appeal.

Environmental Friendly Items



Environmental, Social & Governance Policy

GLP J-REIT together with its asset management company, GLP Japan Advisors Inc., shares the sustainability objectives, and continues to embed sustainability into our business. For details, please see the website of the asset management company.

Service Improvement

- Develop tenant programs
- Conduct customer satisfaction surveys
- Consider tenants' BCP

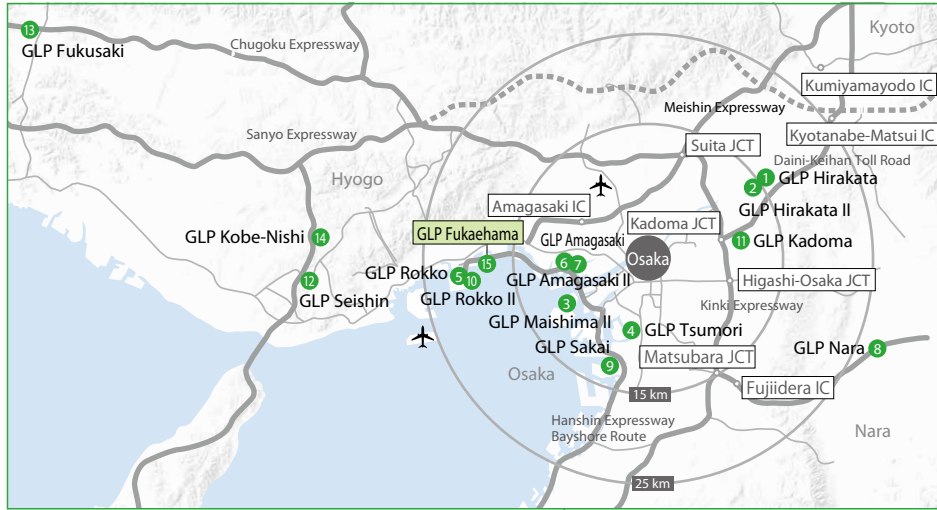
Participation in the GRESB Survey (Note)

Received "Green Star," the highest rating in the 2016 GRESB survey in two consecutive years (GRESB rating: 4 stars)

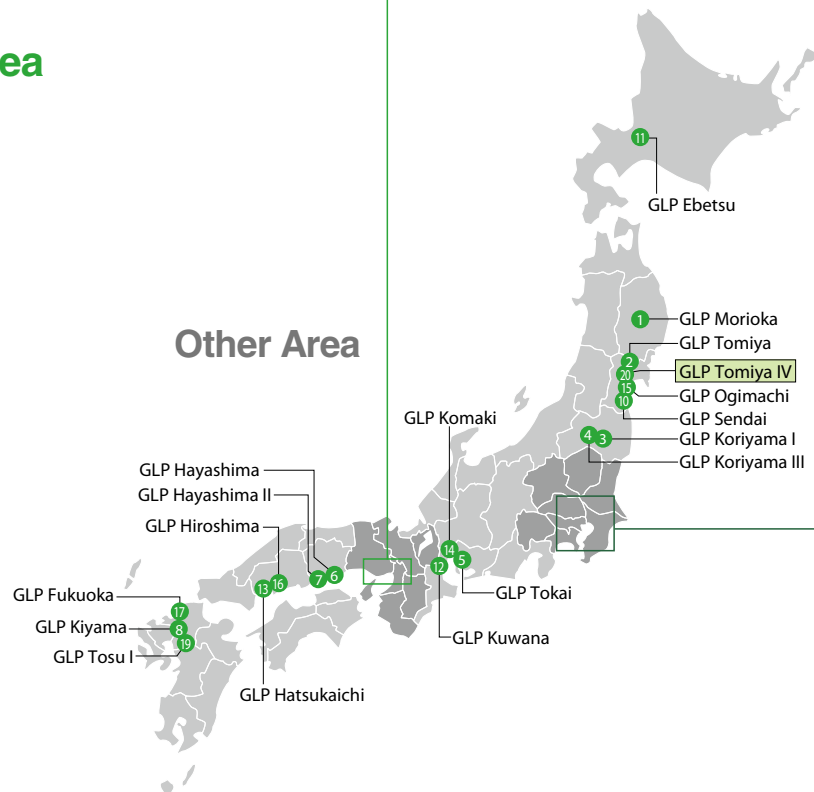


(Note) GRESB is an industry-driven organization widely regarded as a global standard for real estate sustainability. Its benchmark is used by leading global institutional investors to evaluate their investment portfolios.

Portfolio Map



Greater Osaka Area



Tokyo Metropolitan Area



●: Properties owned by GLP J-REIT/ Properties acquired during the 10th period
(58 properties) (5 properties)

Overview of Portfolio in Tokyo Metropolitan Area



1 GLP Tokyo Ota, Tokyo



18 GLP Urayasu III Urayasu, Chiba



2 GLP Higashi-Ogishima Kawasaki, Kanagawa



3 GLP Akishima Akishima, Tokyo



5 GLP Narashino II Narashino, Chiba



4 GLP Tomisato Tomisato, Chiba



17 GLP Sodegaura Sodegaura, Chiba



16 GLP Funabashi III Funabashi, Chiba



8 GLP Fukaya Fukaya, Saitama



6 GLP Funabashi Funabashi, Chiba



9 GLP Sugito II Kita-katsushika, Saitama

Overview of Portfolio in Tokyo Metropolitan Area



10 GLP Iwatsuki Saitama, Saitama



11 GLP Kasukabe Kasukabe, Saitama



12 GLP Koshigaya II Koshigaya, Saitama



27 GLP Matsudo Matsudo, Chiba



7 GLP Kazo Kazo, Saitama



20 GLP Tatsumi IIb Koto, Tokyo



21 GLP Tokyo II Koto, Tokyo



25 GLP Narita II Sambu, Chiba



14 GLP Tatsumi Koto, Tokyo



19 GLP Tatsumi IIa Koto, Tokyo



13 GLP Misato II Misato, Saitama

Overview of Portfolio in Tokyo Metropolitan Area



29 GLP Atsugi II Aiko, Kanagawa



30 GLP Yoshimi Hiki, Saitama



24 GLP Narashino Narashino, Chiba



26 GLP Sugito Kita-Katsushika, Saitama



28 GLP-MFLP Ichikawa Shiohama Ichikawa, Chiba



15 GLP Hamura Hamura, Tokyo



22 GLP Okegawa Okegawa, Saitama



23 GLP Shinkiba Koto, Tokyo

Overview of Portfolio in Greater **Osaka** Area



1 GLP Hirakata Hirakata, Osaka



2 GLP Hirakata II Hirakata, Osaka



6 GLP Amagasaki Amagasaki, Hyogo



4 GLP Tsumori Osaka, Osaka



11 GLP Kadoma Kadoma, Osaka



9 GLP Sakai Sakai, Osaka



8 GLP Nara Yamato koriyama, Nara



3 GLP Maishima II Osaka, Osaka



13 GLP Fukusaki Kanzaki, Hyogo



10 GLP Rokko II Kobe, Hyogo

Overview of Portfolio in Greater **Osaka** Area



15 GLP Fukaeahama Kobe, Hyogo



12 GLP Seishin Kobe, Hyogo



5 GLP Rokko Kobe, Hyogo



14 GLP Kobe-Nishi Kobe, Hyogo



7 GLP Amagasaki II Amagasaki, Hyogo

Overview of Portfolio in **Other** Area



1 GLP Morioka Shiwa, Iwate



2 GLP Tomiya Tomiya, Miyagi



3 GLP Koriyama I Koriyama, Fukushima



4 GLP Koriyama III Koriyama, Fukushima



5 GLP Tokai Tokai, Aichi



6 GLP Hayashima Tsukubo, Okayama

Overview of Portfolio in Other Area

Acquired in
10th period



20 GLP Tomiya IV Tomiya, Miyagi



8 GLP Kiyama Miyaki, Saga



12 GLP Kuwana Kuwana, Mie



13 GLP Hatsukaichi Hatsukaichi, Hiroshima



19 GLP Tosu I Tosu, Saga



10 GLP Sendai Sendai, Miyagi



16 GLP Hiroshima Hiroshima, Hiroshima



7 GLP Hayashima II Tsukubo, Okayama



14 GLP Komaki Komaki, Aichi



17 GLP Fukuoka Fukuoka, Fukuoka



11 GLP Ebetsu Ebetsu, Hokkaido



15 GLP Ogimachi Sendai, Miyagi

ASSET MANAGEMENT REPORT

[Overview of Asset Management]

1. Trends in Key Indicators

		6th Period	7th Period	8th Period	9th Period	10th Period
		Sept. 1, 2014 to Feb. 28, 2015	Mar. 1, 2015 to Aug. 31, 2015	Sept. 1, 2015 to Feb. 29, 2016	Mar. 1, 2016 to Aug. 31, 2016	Sept. 1, 2016 to Feb. 28, 2017
Operating revenues	Million yen	10,991	11,075	12,332	12,278	14,065
Of which, Property-related revenues	Million yen	10,991	11,075	12,252	12,278	14,065
Operating expenses	Million yen	5,189	5,341	5,821	5,949	6,593
Of which, Property-related expenses	Million yen	4,051	4,148	4,474	4,605	5,067
Operating income	Million yen	5,801	5,733	6,510	6,328	7,471
Ordinary income	Million yen	4,695	4,649	5,360	5,252	6,298
Net income	Million yen	4,695	4,648	5,360	5,250	6,297
Total assets	Million yen	347,501	353,068	390,197	387,848	446,849
[Period-on-period changes]	%	[18.5]	[1.6]	[10.5]	[(0.6)]	[15.2]
Total net assets	Million yen	165,737	164,991	187,382	186,494	216,693
[Period-on-period changes]	%	[24.3]	[(0.4)]	[13.6]	[(0.5)]	[16.2]
Unitholders' capital, net (Note 3)	Million yen	161,040	160,342	182,020	181,242	210,393
Number of investment units issued and outstanding	Unit	2,390,731	2,390,731	2,593,784	2,593,784	2,853,078
Net assets per unit	Yen	69,324	69,013	72,243	71,900	75,950
Distributions	Million yen	5,393	5,355	6,139	6,020	7,164
Of which, Distributions of earnings	Million yen	4,695	4,647	5,361	5,249	6,296
Of which, Distributions in excess of retained earnings	Million yen	698	707	778	770	867
Distributions per unit	Yen	2,256	2,240	2,367	2,321	2,511
Of which, Distributions of earnings per unit	Yen	1,964	1,944	2,067	2,024	2,207
Of which, Distributions in excess of retained earnings per unit	Yen	292	296	300	297	304
Ordinary income to total assets (Note 4)	%	1.5	1.3	1.4	1.4	1.5
[Annualized ordinary income to total assets]	%	[3.0]	[2.6]	[2.9]	[2.7]	[3.0]
Return on unitholders' equity (Note 4)	%	3.1	2.8	3.0	2.8	3.1
[Annualized return on unitholders' equity]	%	[6.3]	[5.6]	[6.1]	[5.6]	[6.3]
Unitholders' equity to total assets (Note 4)	%	47.7	46.7	48.0	48.1	48.5
[Period-on-period changes]	%	[2.2]	[(1.0)]	[1.3]	[0.1]	[0.4]
Payout ratio (Note 4)	%	100.0	100.0	100.0	100.0	99.9
【Other Information】						
Number of operating days		181	184	182	184	181
Number of investment properties		53	54	58	58	63
Occupancy ratio	%	98.6	99.0	99.1	99.2	99.8
Depreciation expense	Million yen	2,329	2,361	2,601	2,572	2,898
Capital expenditures	Million yen	655	404	557	569	635
Rental NOI (Net Operating Income) (Note 4)	Million yen	9,274	9,287	10,379	10,245	11,896
FFO (Funds from Operation) (Note 4)	Million yen	7,029	7,009	7,882	7,823	9,195
FFO per unit (Note 4)	Yen	2,940	2,931	3,038	3,016	3,223
Total distributions / FFO ratio (Note 4)	%	76.7	76.4	77.9	76.9	77.9
Debt service coverage ratio (Note 4)		7.1	6.8	7.4	7.3	8.2
The ratio of interest bearing liabilities to total assets	%	49.1	50.0	49.0	48.7	48.7

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

(Note 2) Any fraction is rounded down for monetary amounts unless otherwise stated. Ratios are rounded to the first decimal places.

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

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

Ordinary income to total assets	$\text{Ordinary income} / [(\text{Total assets at beginning of period} + \text{Total assets at end of period}) / 2] \times 100$
Return on unitholders' equity	$\text{Net income} / [(\text{Net assets at beginning of period} + \text{Net assets at end of period}) / 2] \times 100$
Unitholders' equity to total assets	$\text{Net assets at end of period} / \text{Total assets at end of period} \times 100$
Payout ratio	$\text{Distributions per unit (excluding OPD**)} / \text{Net income per unit} \times 100$ (Any fraction is rounded down to the first decimal place.) For the 6th, 8th and 10th Periods, the following formula is used due to the issuance of new units during the period. $\text{Total distributions (excluding OPD**)} / \text{Net income} \times 100$
Rental NOI (Net Operating Income)	$\text{Property-related revenues} - \text{Property-related expenses} + \text{Depreciation expenses} + \text{Loss on disposal of property and equipment}$
FFO (Funds From Operation)	$\text{Net income} + \text{Depreciation expenses} + \text{Loss on disposal of property and equipment} - \text{Gain on sale of properties}$
FFO per unit	$\text{FFO} / \text{Number of investment units issued and outstanding}$
Total distributions / FFO ratio	$\text{Total distributions (including OPD**)} / \text{FFO} \times 100$
Debt service coverage ratio	$(\text{Net income} + \text{Interest expenses} + \text{Interest expenses on investment corporation bonds}) / (\text{Interest expenses} + \text{Interest expenses on investment corporation bonds})$

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

2. Performance Review for the 10th Period

(1) Brief Background of GLP J-REIT

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

Since starting its operation as a listed J-REIT with 30 properties (total acquisition price of 208,731 million yen) as at January 2013, GLP J-REIT has been steadily expanding its assets through continuous acquisition of properties. As of the end of the current fiscal period, GLP J-REIT owns 63 properties (total acquisition price of 442,854 million yen).

(2) Investment Environment and Business Performance

During the current fiscal period, the Japanese economy as a whole is on a moderate recovery, while delayed improvement can be seen in some areas. Under the economic measures undertaken by the government and the BOJ’s ongoing Quantitative and Qualitative Easing policy, corporate earnings remained at a high level and consumer spending continued to be strong, backed by a steady improvement in employment and personal income.

In the real estate investment market, the financing environment remained favorable, leading to active acquisitions and public unit offerings by J-REITs. Investments by private funds and foreign investors also continue to be active. Logistics properties were fully recognized as attractive real estate investments and asset liquidity was enhanced. The recent increase in the number of market participants continued to lower rates of return.

In the leasing market for logistics facilities, the new development of large-scale facilities stays very active and the supply of new large-scale facilities has reached an all-time high in the year of 2016. New demand for spaces, on the other hand, has also reached a high with the expansion of third party logistics (3PL) as well as the recent expansion of internet shopping and a movement towards reorganization of retailers’ logistics hubs. Thus, new spaces were readily taken up.

Under these conditions, GLP J-REIT acquired a total of five beneficiary rights of real estates in trust (total acquisition price 58,210 million yen) in September 2016 by using funds generated through the fourth consecutive annual global offering and bank borrowings. The beneficiary rights acquired were selected from the RoFL properties (Note 2) held and managed by GLP Group (Note 1) and GLP fund properties held by a joint venture between GLP Group and a third party. GLP J-REIT successfully expanded its asset size and promoted steady portfolio growth while enhancing the quality of its portfolio.

In addition, by providing services to satisfy the needs of existing tenants, GLP J-REIT actively sought to increase rents in an environment of strong 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 nine consecutive fiscal periods since its listing on the Tokyo Stock Exchange.

As a result of these operations, GLP J-REIT owns 63 properties with a total acquisition price of 442,854 million yen and total leasable area of 2,150,770.96 m² as of the end of the current fiscal period. The occupancy rate across the entire portfolio remained stable at the high level of 99.8% as of the end of the current fiscal period. Furthermore, the appraisal value of the entire

portfolio reached 515,983 million yen with an unrealized gain of 84,917 million yen and the unrealized gain ratio (Note 3) of 19.7%.

(Note 1) GLP Group presents Global Logistic Properties Limited, the Sponsor of GLP J-REIT, (hereinafter “GLP”) and its group companies.

(Note 2) Logistics properties held and managed by GLP Group are expected to be a valuable pipeline for the future external growth of GLP J-REIT. Based on such basic understanding, the Asset Manager of GLP J-REIT entered into a Rights-of-First-Look agreement with GLP in order to acquire logistics properties held by GLP Group on a stable and continuous basis. Properties subject to the agreement, under which the Asset Manager obtains preferential information on acquisition, are referred to as the “RoFL properties.”

(Note 3) $\text{Unrealized gain ratio} = \frac{\text{Unrealized gain (Appraisal value or research price at the fiscal period end} - \text{Book value)}}{\text{Book value}}$.

(3) Overview of Financing

As a policy, GLP J-REIT flexibly operates with a target Loan-To-Value ratio (hereinafter “LTV”) of 45% to 55%, with an upper limit set at 60%. Operating under stable financial conditions, GLP J-REIT strives to lengthen debt maturity and reduce borrowing costs under the current favorable financing environment.

In the current fiscal period, GLP J-REIT raised 29,922 million yen through a public offering in September 2016 and accompanying third party allotment, and 38,310 million yen through new bank borrowings for the purpose of acquiring five beneficiary rights of real estate in trust and repaying 8,130 million yen of borrowings. In addition, GLP J-REIT raised 8,000 million yen in November 2016 by issuing the three-year-maturity 7th investment corporation bonds and the ten-year-maturity 8th investment corporation bonds, making an early repayment of existing borrowings due in June or October 2017.

Furthermore, GLP J-REIT refinanced bank borrowings due in December 2016 by entering into new bank borrowings totaling 8,500 million yen in December 2016. GLP J-REIT also refinanced bank borrowings due in February 2017 using cash on hand and funds generated through an issuance of the ten-year-maturity 9th investment corporation bonds and 5,500 million yen of new borrowing in February 2017.

As a result of the above, outstanding interest-bearing liabilities as of the end of the current fiscal period totaled 217,440 million yen (outstanding loans 189,940 million yen, outstanding investment corporation bonds 27,500 million yen) and the ratio of interest-bearing liabilities to total assets (LTV) was 48.7 %.

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

(4) Overview of Financial Results and Cash Distribution

As a result of these management efforts, GLP J-REIT reported total operating revenues of 14,065 million yen, operating income of 7,471 million yen, ordinary income of 6,298 million yen and net income of 6,297 million yen for the current fiscal period.

As for cash distribution for the current fiscal period, in accordance with the distribution policy set forth in its Articles of Incorporation, GLP J-REIT decided to distribute 6,296,743,146 yen. This cash distribution is eligible for the special tax treatment on investment corporations (Section 67.15 of the Special Taxation Measures Act) and represents the multiple of the number of investment units issued and outstanding (2,853,078 units) from unappropriated retained earnings. Accordingly, distribution per unit for the current fiscal period was 2,207 yen.

In addition, GLP J-REIT intends to distribute funds in excess of the amount of retained earnings (Optimal Payable Distribution (hereinafter “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 867,335,712 yen, an amount almost equivalent to 30% of depreciation (2,898 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 304 yen.

(Note) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings that do not exceed the amount obtained by deducting capital expenditure for the operating period immediately before the period in which the distribution is made from an amount equal to depreciation expenses for the corresponding period. The amount obtained by deducting 635 million yen of capital expenditure for the current fiscal period from 2,898 million yen of depreciation expenses for the period is 2,262 million yen.

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

With respect to all 63 properties held as of the end of the current fiscal period, the six-month period average of the total amount of the short-term emergency repair and maintenance expenses and the medium- to long-term repair and maintenance expenses, which are set forth in the Engineering Reports, is 502 million yen.

3. Changes in Number of Investment Units Issued and Outstanding

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

Date	Type of issue	Number of investment units issued and outstanding (Unit)		Unitholders’ capital, net (Note 1) (Million yen)		Note
		Increase (decrease)	Total	Increase (decrease)	Total	
June 22, 2012	Issuance of new units through allocation to a third party	180	400	90	200	(Note 2)
October 31, 2012	Unit split	2,800	3,200	—	200	(Note 3)
December 20, 2012	Public offering	1,747,100	1,750,300	102,189	102,389	(Note 4)
January 21, 2013	Issuance of new units through allocation to a third party	87,400	1,837,700	5,112	107,501	(Note 5)
May 22, 2013	Distributions in excess of retained earnings (a refund of investment)	—	1,837,700	(154)	107,347	(Note 6)
September 26, 2013	Public offering	249,955	2,087,655	22,179	129,527	(Note 7)

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	
October 16, 2013	Issuance of new units through allocation to a third party	10,045	2,097,700	891	130,418	(Note 8)
November 19, 2013	Distributions in excess of retained earnings (a refund of investment)	—	2,097,700	(475)	129,942	(Note 9)
May 19, 2014	Distributions in excess of retained earnings (a refund of investment)	—	2,097,700	(526)	129,415	(Note 10)
September 1, 2014	Public offering	281,709	2,379,409	30,973	160,389	(Note 11)
September 24, 2014	Issuance of new units through allocation to a third party	11,322	2,390,731	1,244	161,633	(Note 12)
November 19, 2014	Distributions in excess of retained earnings (a refund of investment)	—	2,390,731	(593)	161,040	(Note 13)
May 19, 2015	Distributions in excess of retained earnings (a refund of investment)	—	2,390,731	(698)	160,342	(Note 14)
September 1, 2015	Public offering	197,594	2,588,325	21,784	182,126	(Note 15)
September 25, 2015	Issuance of new units through allocation to a third party	5,459	2,593,784	601	182,728	(Note 16)
November 17, 2015	Distributions in excess of retained earnings (a refund of investment)	—	2,593,784	(707)	182,020	(Note 17)
May 17, 2016	Distributions in excess of retained earnings (a refund of investment)	—	2,593,784	(778)	181,242	(Note 18)
September 1, 2016	Public offering	247,507	2,841,291	28,561	209,804	(Note 19)
September 27, 2016	Issuance of new units through allocation to a third party	11,787	2,853,078	1,360	211,164	(Note 20)
November 16, 2016	Distributions in excess of retained earnings (a refund of investment)	—	2,853,078	(770)	210,393	(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 necessary operating funds, GLP J-REIT issued new investment units through a third party allocation at 500,000 yen per unit.

(Note 3) GLP J-REIT executed an 8-for-1 unit split.

(Note 4) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 58,491 yen or the offer price of 60,500 yen per unit.

(Note 5) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 58,491 yen.

(Note 6) At the Board of Directors’ Meeting held on April 16, 2013, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment) of 84 yen per unit for the 2nd Fiscal Period (the period ended February 28, 2013). The payment of distributions was commenced on May 22, 2013.

(Note 7) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 88,735 yen or the offer price of 91,942 yen per unit.

- (Note 8) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 88,735 yen.
- (Note 9) At the Board of Directors' Meeting held on October 16, 2013, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment) of 259 yen per unit for the 3rd Fiscal Period (the period ended August 31, 2013). The payment of distributions was commenced on November 19, 2013.
- (Note 10) At the Board of Directors' Meeting held on April 15, 2014, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment) of 251 yen per unit for the 4th Fiscal Period (the period ended February 28, 2014). The payment of distributions was commenced on May 19, 2014.
- (Note 11) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 109,947 yen or the offer price of 113,827 yen per unit.
- (Note 12) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 109,947 yen.
- (Note 13) 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 14) 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 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 110,247 yen or the offer price of 114,174 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 110,247 yen.
- (Note 17) 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 18) 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 19) 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 20) 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 21) 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.

[Changes in Unit Price at TSE]

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

(Unit: Yen)

Fiscal Period	6th Period	7th Period	8th Period	9th Period	10th Period
For the period ended	February 28, 2015	August 31, 2015	February 29, 2016	August 31, 2016	February 28, 2017
Highest	140,100	131,000	124,800	133,000	135,500
Lowest	116,300	111,500	103,300	120,500	122,500

4. Distributions

Actual amount of distributions is as follows:

(Unit: Thousand yen, unless otherwise stated)

	6th Period Sept. 1, 2014 to Feb. 28, 2015	7th Period Mar. 1, 2015 to Aug. 31, 2015	8th Period Sept. 1, 2015 to Feb. 29, 2016	9th Period Mar. 1, 2016 to Aug. 31, 2016	10th Period Sept. 1, 2016 to Feb. 28, 2017
Unappropriated retained earnings	4,697,068	4,649,872	5,362,512	5,251,989	6,299,307
Retained earnings carried forward	1,672	2,291	1,160	2,170	2,564
Total distributions	5,393,489	5,355,237	6,139,486	6,020,172	7,164,078
[Distributions per unit]	[2,256 yen]	[2,240 yen]	[2,367 yen]	[2,321 yen]	[2,511 yen]
Of which, distributions of earnings	4,695,395	4,647,581	5,361,351	5,249,818	6,296,743
[Distributions of earnings per unit]	[1,964 yen]	[1,944 yen]	[2,067 yen]	[2,024 yen]	[2,207 yen]
Of which, total refund of investments	698,093	707,656	778,135	770,353	867,335
[Total refund of investments per unit]	[292 yen]	[296 yen]	[300 yen]	[297 yen]	[304 yen]
Of total refund of investments, total distributions from Reserve for Temporary difference Adjustments	—	—	—	—	—
[Of total refund of investments per unit, distributions from Reserve for Temporary Difference Adjustments per unit]	[— yen]	[— yen]	[— yen]	[— yen]	[— yen]
Of total refund of investments, total distributions from the unitholders' capital for tax purposes	698,093	707,656	778,135	770,353	867,335
[Of total refund of investments per unit, total distributions from the unitholders' capital for tax purposes per unit]	[292 yen]	[296 yen]	[300 yen]	[297 yen]	[304 yen]

(Note) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings that do not exceed the amount obtained by deducting capital expenditure for the operating period immediately before the period in which the distribution is made from an amount equal to depreciation expenses for the corresponding period. The amount obtained by deducting 635 million yen of capital expenditure for the current fiscal period from 2,898 million yen of depreciation expenses for the period is 2,262 million yen.

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

With respect to all 63 properties held as of the end of the current fiscal period, the six-month period average of the total amount of the short-term emergency repair and maintenance expenses and the medium- to long-term repair and maintenance expenses, which are set forth in the Engineering Reports, is 502 million yen.

5. Future Management Policy and Matters to be Addressed

(1) Operational Environment in Next Fiscal Period

The Japanese economy is expected to continue a moderate recovery thanks to the effectiveness of various governmental policy measures, including the BOJ's monetary policy and continuous improvements in employment and personal income.

However, it will be necessary to pay attention not only to the unclear economic situation overseas, including uncertainties under the Trump administration and the normalization of monetary policy in the U.S. and the future economies in emerging Asian countries including China, but also to the effects of fluctuations in interest rates and capital markets in Japan.

Regarding the leasable logistics facilities market, the capitalization rate is expected to continue declining and intense competition is anticipated for facility acquisition, due to the current favorable financing environment and increased interest in the rapidly-growing logistics sector.

In the leasing market, while new demand steadily increases for modern logistics facilities, new supply is also assumed to continue increasing. Moreover, greater differentiation by areas and characteristics of facilities is expected.

(2) Future Management Policy and Matters to be Addressed

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

In its internal growth strategy, while enjoying the stable cash flows that characterize its portfolio of assets, GLP J-REIT will 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, giving consideration to market rents, upon the expirations of lease periods. 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.

In its external growth strategy, GLP J-REIT will take advantage of 16 RoFL properties (Note 1) (floor area: approximately 830 thousand m²) that GLP Group owns as a specific and flexible pipeline, and seek future opportunities to acquire some of the 27 properties (floor area: approximately 2,380 thousand m²) (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 properties and considering using the bridge scheme through the Optimal Takeout Arrangement ("OTA") (Note 2).

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

(Note 1) It presents figures as of December 31, 2016.

(Note 2) Please refer to (Note 5) on p.36 "3. Summary of Portfolio Properties" for the OTA Assets.

6. Significant Subsequent Events

None to report.

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[Profile of GLP J-REIT]

1. Status of Unitholders' Capital

	6th Period As of February 28, 2015	7th Period As of August 31, 2015	8th Period As of February 29, 2016	9th Period As of August 31, 2016	10th Period As of February 28, 2017
Number of investment units authorized (Units)	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Number of investment units issued and outstanding (Units)	2,390,731	2,390,731	2,593,784	2,593,784	2,853,078
Unitholders' capital, net (Million yen) (Note)	161,040	160,342	182,020	181,242	210,393
Number of unitholders	15,509	15,182	15,914	14,313	14,521

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

2. Matters Concerning Investment Units

The following is a list of major unitholders as of February 28, 2017.

Name	Location	Number of units held (Units)	Ratio to total number of units issued and outstanding (%) (Note)
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11, Harumi, Chuo-ku, Tokyo	554,776	19.44
GLP Capital Japan 2 Private Limited	Shiodome City Center, 1-5-2, Higashi-Shimbashi, Minato-ku, Tokyo	386,240	13.53
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3, Hamamatsucho, Minato-ku, Tokyo	255,899	8.96
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	Office Tower Z, Harumi Island Triton Square, 1-8-12 Harumi, Chuo-ku, Tokyo	234,158	8.20
Nomura Bank (Luxembourg) S.A.	1-3-2, Marunouchi, Chiyoda-ku, Tokyo Standing proxy: Sumitomo Mitsui Banking Corporation	150,348	5.26
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2-2-2, Otemachi, Chiyoda-ku, Tokyo	103,690	3.63
JP Morgan Chase Bank 385628	Building A, Shinagawa Intercity, 2-15-1, Konan, Minato-ku, Tokyo Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department	89,730	3.14
State Street Bank and Trust Company 505012	3-11-1, Nihonbashi, Chuo-ku, Tokyo Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody Department	39,564	1.38
State Street Bank –West Pension Fund Clients – Exempt 505233	Building A, Shinagawa Intercity, 2-15-1, Konan, Minato-ku, Tokyo Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department	24,713	0.86
Nomura Securities Co., Ltd. (Proprietary Account)	1-9-1, Nihonbashi, Chuo-ku, Tokyo	22,000	0.77
Total		1,861,118	65.23

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

3. Matters Concerning Directors and Auditors

Names of Directors and Independent Auditor for the current period

Title	Name	Other concurrent title	Total amount of fees paid during the Period (Thousand yen)
Executive Director (Notes 1 and 2)	Yoji Tatsumi	President and CFO, GLP Japan Advisors Inc.	—
Supervisory Director (Note 2)	Toraki Inoue	Representative CPA, Toraki Inoue CPA Firm President, Accounting Advisory Co., Ltd.	1,980
	Kota Yamaguchi	Partner, Kimura Takushima & Yamaguchi Law Firm Outside Director, Heiwa Corporation	1,980
Independent Auditor (Note 3)	KPMG AZSA LLC	—	28,500

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

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

(Note 3) The auditor's fee includes fees related to issuing comfort letters in the total amount of 15,000 thousand yen.

Policy on dismissal and non-reappointment of Independent Auditor

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

4. Asset Management Company, Custodian and General Administrators

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

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

[Status on Investment Properties]

1. Investment Status

Type of asset	Use of asset	Area (Note 1)	9th Period As of August 31, 2016		10th Period As of February 28, 2017	
			Total amount held (Million yen) (Note 2)	Ratio to total assets (%) (Note 3)	Total amount held (Million yen) (Note 2)	Ratio to total assets (%) (Note 3)
Property and equipment in trust (Note 4)	Logistics facility	Tokyo Metropolitan area	237,652	61.3	284,311	63.6
		Greater Osaka area	75,163	19.4	79,109	17.7
		Other	61,972	16.0	67,644	15.1
Subtotal			374,788	96.6	431,065	96.5
Deposits and other assets			13,059	3.4	15,783	3.5
Total assets (Note 5)			387,848 [374,788]	100.0 [96.6]	446,849 [431,065]	100.0 [96.5]

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

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

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

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

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

2. Major Properties Owned

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

Name of properties	Book value (Million yen)	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy ratio (%) (Note 3)	Ratio to total rental revenues (%) (Note 3)	Primary use
GLP Tokyo II	35,457	79,073.21	75,719.54	95.8	7.2	Logistics facility
GLP Amagasaki	23,422	110,224.41	110,224.41	100.0	5.8	Logistics facility
GLP Tokyo	21,961	56,105.95	56,105.95	100.0	5.0	Logistics facility
GLP Atsugi II	21,083	74,176.27	74,176.27	100.0	(Note 4)	Logistics facility
GLP Sugito II	17,988	101,272.40	100,162.57	98.9	4.7	Logistics facility
GLP Urayasu III	17,791	64,198.11	64,198.11	100.0	(Note 4)	Logistics facility
GLP-MFLP Ichikawa Shiohama (Note 5)	15,529	50,813.07	50,813.07	100.0	3.3	Logistics facility
GLP Narashino II	14,803	101,623.59	101,623.59	100.0	(Note 4)	Logistics facility
GLP Misato II	14,142	59,208.59	59,208.59	100.0	(Note 4)	Logistics facility
GLP Shinkiba	11,585	18,341.73	18,341.73	100.0	(Note 4)	Logistics facility
Total	193,764	715,037.33	710,573.83	99.4	42.9	

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

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

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

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

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

3. Summary of Portfolio Properties

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

Name of property	Location (Note 1)	Type of ownership	Leasable area (m ²) (Note 2)	Appraisal value (Million yen) (Note 3)	Book value (Million yen)
GLP Tokyo	2-1-2, Tokai, Ota-ku, Tokyo	Beneficiary right of real estate in trust	56,105.95	28,600	21,961
GLP Higashi-Ogishima	23-9, Higashi-Ogishima, Kawasaki-ku, Kawasaki, Kanagawa		34,582.00	6,500	4,963
GLP Akishima	4-13-41, Mihori-cho, Akishima, Tokyo 4-13-42, Mihori-cho, Akishima, Tokyo		27,356.63	8,980	7,026
GLP Tomisato	3-1, Misawa, Tomisato, Chiba		27,042.59	5,600	4,707
GLP Narashino II	3-6-3, Akanehama, Narashino, Chiba		101,623.59	19,700	14,803
GLP Funabashi	1-1389-2, Kaijincho-minami, Funabashi, Chiba		10,465.03	1,900	1,916
GLP Kazo	1-5-1, Minamishinozaki, Kazo, Saitama		76,532.71	14,000	10,749
GLP Fukaya	1900-2, Mizugahara, Orinokuchi, Fukaya, Saitama		19,706.00	2,800	2,278
GLP Sugito II	398-2, Fukawa, Sugito-machi, Kita-Katsushika, Saitama		101,272.40	23,800	17,988
GLP Iwatsuki	2-9-10, Kokaba, Iwatsuki-ku, Saitama, Saitama		31,839.99	8,510	6,625
GLP Kasukabe	1155, Anzai, Suikaku, Kasukabe, Saitama		18,460.73	5,040	3,978
GLP Koshigaya II	2-2-1, Ryutsu-Danchi, Koshigaya, Saitama		43,533.28	12,800	9,426
GLP Misato II	3-2-1, Lala-city, Shinmisato, Misato, Saitama		59,208.59	18,600	14,142
GLP Tatsumi	3-11-10, Tatsumi, Koto-ku, Tokyo		12,925.58	6,310	4,866
GLP Hamura	4-9-8, Shinmeidai, Hamura, Tokyo		40,277.93	9,030	7,505
GLP Funabashi III	2-15-1, Nishiura, Funabashi, Chiba		18,281.84	4,040	3,056
GLP Sodegaura	385-18, Shiinomori, Sodegaura, Chiba		45,582.06	7,850	5,904
GLP Urayasu III	15-27, Chidori, Urayasu, Chiba		64,198.11	20,300	17,791
GLP Tatsumi IIa	3-8-10, Tatsumi, Koto-ku, Tokyo		17,108.52	8,090	6,668
GLP Tatsumi IIb	3-7-7, Tatsumi, Koto-ku, Tokyo		3,276.00	1,140	1,064
GLP Tokyo II	3-4-11 Shinsuna, Koto-ku, Tokyo		79,073.21	39,900	35,457
GLP Okegawa	2-6 Akabori, Okegawa, Saitama		17,062.92	2,660	2,389
GLP Shinkiba	1-10-9, Shinkiba, Koto-ku, Tokyo		18,341.73	12,500	11,585
GLP Narashino	2-6-6, Shibazono, Narashino, Chiba		23,548.03	5,540	5,301
GLP Narita II	1033-1, Yamada, Shibayama-machi, Sambu, Chiba		20,927.35	3,870	3,662
GLP Sugito	398-13, Fukawa, Sugito-machi, Kita-Katsushika, Saitama		58,918.12	9,650	8,235
GLP Matsudo	520-1, Kamihongo, Matsudo, Chiba		14,904.60	2,780	2,442
GLP-MFLP Ichikawa Shiohama (Note 4)	1-6-3, Shiohama, Ichikawa, Chiba		50,813.07	15,900	15,529
GLP Atsugi II	4022-2, Sakuradai, Nakatsu, Aikawa-machi, Aiko, Kanagawa		74,176.27	22,200	21,083
GLP Yoshimi	603-1, Nishi-Yoshimi, Yoshimi-machi, Hiki, Saitama		62,362.89	11,500	11,198
GLP Hirakata	3-2-27, Minami-nakaburi, Hirakata, Osaka 3-2-7, Minami-nakaburi, Hirakata, Osaka		29,829.56	6,230	4,634
GLP Hirakata II	3-3-1, Minami-nakaburi, Hirakata, Osaka		43,283.01	8,910	7,608
GLP Maishima II	2-1-92, Hokukoryokuchi, Konohana-ku, Osaka, Osaka		56,511.10	11,600	8,275
GLP Tsumori	2-1-30, Minami-tsumori, Nishinari-ku, Osaka, Osaka		16,080.14	2,300	2,013
GLP Rokko	3-10, Koyochi-higashi, Higashinada-ku, Kobe, Hyogo		39,339.00	5,800	5,036
GLP Amagasaki	231-2, Nishimukojima-cho, Amagasaki, Hyogo		110,224.41	27,900	23,422
GLP Amagasaki II	16, Nishitakas-cho, Amagasaki, Hyogo		12,342.95	2,270	1,986
GLP Nara	6-4, Imago-cho, Yamatokoriyama, Nara		19,545.35	2,950	2,195
GLP Sakai	1-63, Chikkouyawatamachi, Sakai-ku, Sakai, Osaka		10,372.10	2,230	1,883

Name of property	Location (Note 1)	Type of ownership	Leasable area (m ²) (Note 2)	Appraisal value (Million yen) (Note 3)	Book value (Million yen)
GLP Rokko II	4-15-1 Koyochohigashi, Higashinada-ku, Kobe, Hyogo	Beneficiary right of real estate in trust	20,407.30	4,280	3,263
GLP Kadoma	4-2-1 Shinomiya, Kadoma, Osaka		12,211.73	3,110	2,439
GLP Seishin	2-5-1 Yasakadai, Suma-ku, Kobe, Hyogo		9,533.88	1,640	1,446
GLP Fukusaki	1714-14 Saiji, Fukusaki-cho, Kanzaki-gun, Hyogo		24,167.83	4,130	3,457
GLP Kobe-Nishi	7-1-1, Mitsugaoka, Nishi-ku, Kobe, Hyogo		35,417.31	7,610	6,974
GLP Fukaehama	34-1, Fukaehama-cho, Higashinada-ku, Kobe, Hyogo		19,386.00	4,570	4,473
GLP Morioka	59, Urata, Sakuramachi, Shiwa-cho, Shiwa, Iwate		10,253.80	873	791
GLP Tomiya	9-1-2, Narita, Tomiya, Miyagi		20,466.98	3,250	2,746
GLP Koriyama I	3-2-2, Oroshi, Kikuta-cho, Koriyama, Fukushima		24,335.96	4,540	3,798
GLP Koriyama III	5-12, Mukaihara, Horinouchi, Kikuta-machi, Koriyama, Fukushima		27,671.51	2,720	2,666
GLP Tokai	2-47, Asayama, Tokai, Aichi		32,343.31	7,620	5,950
GLP Hayashima	823, Yao, Hayashima-cho, Tsukubo, Okayama		13,574.58	1,350	1,218
GLP Hayashima II	4507-40, Hayashima, Hayashima-cho, Tsukubo, Okayama		14,447.48	2,700	2,278
GLP Kiyama	2950-1, Urata, Sonobe, Kiyama-cho, Miyaki, Saga		23,455.96	5,560	4,334
GLP Sendai	2-5-2 Sendaikou Kita, Miyagino-ku, Sendai, Miyagi		37,256.23	6,640	5,371
GLP Ebetsu	69-3 Kakuyama, Ebetsu, Hokkaido		18,489.25	2,180	1,488
GLP Kuwana	3646-1 Kanegaya, Mizono, Tado-cho, Kuwana, Mie		20,402.12	4,420	3,468
GLP Hatsukaichi	14-2 Mokuzaikokita, Hatsukaichi, Hiroshima		10,981.89	2,430	1,896
GLP Komaki	1-31 Shinkoki, Komaki, Aichi		52,709.97	12,400	10,006
GLP Ogimachi	1-8-5 Ogimachi, Miyagino-ku, Sendai, Miyagi		13,155.28	1,600	1,501
GLP Hiroshima	2-7-11 Kusatsukou, Nishi-ku, Hiroshima, Hiroshima 2-7-4 Kusatsukou, Nishi-ku, Hiroshima, Hiroshima		21,003.04	4,080	3,661
GLP Fukuoka	1-10-1 Itaduke, Hakata-ku, Fukuoka, Fukuoka		14,641.22	1,690	1,493
GLP Tosu I	1715, Hirata, Hatazaki-machi, Tosu, Saga		74,860.38	10,200	9,031
GLP Tomiya IV	9-7-3, Narita, Tomiya, Miyagi 9-7-7, Narita, Tomiya, Miyagi		32,562.60	6,110	5,941
Total			2,150,770.96	515,983	431,065

OTA Assets (Note 5)					
GLP Noda-Yoshiharu	722-2 Tameshita, Yoshiharu, Noda, Chiba	Beneficiary right of real estate in trust	26,631.40	5,150	—

- (Note 1) “Location” represents the indication of residential address. If no indication of residential address exists, the location of the building (one of those if there are multiple buildings) shown on the registry is stated.
- (Note 2) “Leasable area” is the area of property or property in trust that is available for lease in accordance with relevant lease agreements or architectural drawings. The figures are rounded down to the second decimal place. The leasable area may be changed upon renewal of lease agreements.
- (Note 3) “Appraisal value” represents the appraisal value or research price as set forth on the relevant study reports by real estate appraisers as of the balance sheet date in accordance with the policy prescribed in the Articles of Incorporation of GLP J-REIT and the rules of the Investment Trusts Association, Japan. Concerning the OTA assets, the research price as of February 28, 2017 is stated.
- (Note 4) GLP-MFLP Ichikawa Shiohama is a property under joint co-ownership which GLP J-REIT holds 50% beneficiary right of real estate in trust. “Leasable area” stated above is computed by multiplying 50% of the joint co-ownership ratio.
- (Note 5) On July 14, 2015, GLP J-REIT entered into a forward commitment contract concerning acquisition of GLP Noda-Yoshiharu held by a third party. Under the contract, it is agreed in cooperation with the Mitsubishi UFJ Lease & Finance (“MUFJ L&F”) Group that the asset will be temporarily owned by MUL Property Co., Ltd., a real

estate-related company and a wholly-owned subsidiary of MUFJ L&F, and that GLP J-REIT will acquire the asset on the date designated by GLP J-REIT during the scheduled period from July 14, 2016 to July 13, 2020. The purpose of this scheme is to reduce the acquisition price of the asset. The acquisition price of GLP Noda-Yoshiharu will be determined between 4,170 million yen and 4,650 million yen, the reduction in value proportional to the length of the seller's ownership period, as agreed upon in advance by GLP J-REIT and the seller, MUL Property Co., Ltd. The final acquisition price will be determined by adjusting the difference between (i) planned outlays, including repairs and maintenance costs, and capital expenditures as agreed upon in advance by both parties and (ii) actual expenses incurred cumulatively over the period from the contract date to the acquisition date under the forward commitment contract. GLP J-REIT refers to the scheme as "Optimal Takeout Agreement (OTA)" and the assets subject to the OTA as "OTA Assets".

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

Name of property	9th Period From March 1, 2016 To August 31, 2016				10th Period From September 1, 2016 To February 28, 2017			
	At Period End		Rental revenues (Million yen)	Ratio to total rental revenues (%) (Note 2)	At Period End		Rental revenues (Million yen)	Ratio to total rental revenue (%) (Note 2)
	Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)			Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)		
GLP Tokyo	5	100.0	701	5.7	5	100.0	701	5.0
GLP Higashi-Ogishima	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Akishima	3	100.0	(Note 3)	(Note 3)	3	100.0	(Note 3)	(Note 3)
GLP Tomisato	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Narashino II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Funabashi	—	—	3	0.0	1	100.0	(Note 3)	(Note 3)
GLP Kazo	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Fukaya	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sugito II	4	98.9	660	5.4	4	98.9	661	4.7
GLP Iwatsuki	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kasukabe	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Koshigaya II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Misato II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Tatsumi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hamura	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Funabashi III	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sodegaura	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Urayasu III	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Tatsumi Ila	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tatsumi Iib	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tokyo II	6	100.0	1,021	8.3	5	95.8	1,015	7.2
GLP Okegawa	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Shinkiba	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Narashino	3	100.0	162	1.3	3	100.0	161	1.1
GLP Narita II	3	100.0	138	1.1	3	100.0	137	1.0
GLP Sugito	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Matsudo	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP-MFLP Ichikawa Shiohama	—	—	—	—	5	100.0	461	3.3
GLP Atsugi II	—	—	—	—	2	100.0	(Note 3)	(Note 3)
GLP Yoshimi	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Hirakata	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hirakata II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Maishima II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tsumori	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Rokko	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Amagasaki	7	100.0	823	6.7	7	100.0	820	5.8
GLP Amagasaki II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Nara	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sakai	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Rokko II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)

Name of property	9th Period From March 1, 2016 To August 31, 2016				10th Period From September 1, 2016 To February 28, 2017			
	At Period End		Rental revenues (Million yen)	Ratio to total rental revenues (%) (Note 2)	At Period End		Rental revenues (Million yen)	Ratio to total rental revenue (%) (Note 2)
	Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)			Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)		
GLP Kadoma	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Seishin	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Fukusaki	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kobe-Nishi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Fukaehama	–	–	–	–	1	100.0	(Note 3)	(Note 3)
GLP Morioka	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tomiya	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Koriyama I	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Koriyama III	4	83.3	107	0.9	4	100.0	121	0.9
GLP Tokai	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hayashima	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hayashima II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kiyama	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sendai	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Ebetsu	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kuwana	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hatsukaichi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Komaki	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Ogimachi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hiroshima	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Fukuoka	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tosu I	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tomiya IV	–	–	–	–	1	100.0	(Note 3)	(Note 3)
Total	90	99.2	12,278	100.0	100	99.8	14,065	100.0

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

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

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

4. Specified Transaction

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

	Type	Contract amount (Million yen) (Note 1)		Fair value (Million yen) (Note 2)
			Due after one year	
OTC	Interest rate swaps: Receive floating/ Pay fix	134,430	110,130	(2,006)
Total		134,430	110,130	(2,006)

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

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

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

5. Investments and Other Assets

(1) Investment securities – Equity securities

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

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

(2) Details of other specified assets

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

[Capital Expenditure for Properties Owned]

1. Future Plan for Capital Expenditure

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

Property name	Location	Purpose	Planned period	Estimated construction cost (Million yen)		
				Total amount	Amount paid during the period	Total amount paid
GLP Rokko	Kobe, Hyogo	Renewal of heat source equipment Phase II	From October 2017 to November 2017	56	—	—
GLP Kazo	Kazo, Saitama	Renovation of South-side exterior walls	From September 2017 to November 2017	30	—	—
GLP Kazo	Kazo, Saitama	Renovation of North-side exterior walls	From November 2016 to March 2017	26	—	—
GLP Sendai	Sendai, Miyagi	Renewal of slope snow-melting system	From July 2017 to October 2017	26	—	—
GLP Shinkiba	Koto-ku, Tokyo	Renovation of South-side exterior walls	From October 2017 to November 2017	25	—	—
GLP Rokko	Kobe, Hyogo	Renewal of heat source equipment Phase I	From March 2017 to March 2017	22	—	—
GLP Narashino II	Narashino, Chiba	Renovation of exterior walls Phase V	From May 2017 to June 2017	20	—	—
GLP Narashino II	Narashino, Chiba	Renovation of exterior walls Phase VI	From November 2017 to November 2017	20	—	—

2. Capital Expenditure Incurred for the Period

The following table summarizes the major constructions to holding properties that resulted in capital expenditure for the current period. Capital expenditure for the current period was 635 million yen. The total construction cost amounted to 727 million yen, including repair and maintenance of 91 million yen that was accounted for as expenses.

Property name	Location	Purpose	Period	Construction cost (Million yen)
GLP Tomiya	Tomiya, Miyagi	Construction of fireproof compartment on the first floor	From June 2016 to September 2016	101
GLP Koriyama III	Koriyama, Fukushima	Asphalt waterproof roof repairing work-Building No.1	From May 2016 to October 2016	66
GLP Sendai	Sendai, Miyagi	Renovation of West-side exterior walls	From October 2016 to December 2016	42
GLP Shinkiba	Koto-ku, Tokyo	Renovation of East-side exterior walls	From June 2016 to September 2016	33
GLP Narashino II	Narashino, Chiba	Renovation of exterior walls	From October 2016 to December 2016	20
Other	—	—	—	371
Total				635

3. Funds Reserved for Long-Term Repair Plans

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

(Unit: Million yen)

Operating period	6th Period Sept. 1, 2014 to Feb. 28, 2015	7th Period Mar. 1, 2015 to Aug. 31, 2015	8th Period Sept. 1, 2015 to Feb. 29, 2016	9th Period Mar. 1, 2016 to Aug. 31, 2016	10th Period Sept. 1, 2016 to Feb. 28, 2017
Balance brought forward from the previous period	—	—	—	—	—
Amount reserved during the period	—	—	—	—	—
Amount used during the period	—	—	—	—	—
Balance to be carried forward to the next period	—	—	—	—	—

(Note 1) GLP J-REIT intends not to account for reserves if the estimated amount of capital expenditure of the following period does not exceed the amount equivalent to 70% of the estimated depreciation expenses for the same period. GLP J-REIT estimates the amount of capital expenditure for the 11th period (for the period ending August 2017) to be 550 million yen, which does not exceed 2,024 million yen, the amount equivalent to 70% of 2,891 million yen, which is the estimated depreciation expenses for the same period.

(Note 2) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings that do not exceed the amount obtained by deducting capital expenditure for the operating period immediately before the period in which the distribution is made from an amount equal to depreciation expenses for the corresponding period. The amount obtained by deducting 635 million yen of capital expenditure for the current fiscal period from 2,898 million yen of depreciation expenses for the period is 2,262 million yen.

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

With respect to all 63 properties held as of the end of the current fiscal period, the six-month period average of the total amount of the short-term emergency repair and maintenance expenses and the medium- to long-term repair and maintenance expenses, which are set forth in the Engineering Reports, is 502 million yen. Please refer to the "Summary of Engineering Due Diligence Report" below for the short-term emergency repair and maintenance expenses and the mid-to-long term repair and maintenance expenses for each asset.

(Reference) Summary of Engineering Due Diligence Report

Property number	Name of property	Engineering due diligence company	Date of report	Short-term emergency repair and maintenance expenses (Thousand yen) (Note 1)	Mid-to-Long term repair and maintenance expenses (Thousand yen) (Note2)
Tokyo-1	GLP Tokyo	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	September 19, 2012	—	219,100
Tokyo-2	GLP Higashi-Ogishima			—	561,650
Tokyo-3	GLP Akishima			—	168,950
Tokyo-4	GLP Tomisato			—	75,700
Tokyo-5	GLP Narashino II			—	1,292,600
Tokyo-6	GLP Funabashi			—	240,050
Tokyo-7	GLP Kazo			—	303,800
Tokyo-8	GLP Fukaya			—	410,950
Tokyo-9	GLP Sugito II			—	365,100
Tokyo-10	GLP Iwatsuki			—	50,120
Tokyo-11	GLP Kasukabe			—	170,650
Tokyo-12	GLP Koshigaya II			—	136,530
Tokyo-13	GLP Misato II			—	78,600
Tokyo-14	GLP Tatsumi			—	43,100
Tokyo-15	GLP Hamura		August 20, 2013	—	55,940
Tokyo-16	GLP Funabashi III			—	125,360
Tokyo-17	GLP Sodegaura			—	60,000
Tokyo-18	GLP Urayasu III		March 20, 2014	—	289,550
Tokyo-19	GLP Tatsumi IIa			—	86,120
Tokyo-20	GLP Tatsumi IIb		July 25, 2014	—	93,183
Tokyo-21	GLP Tokyo II			—	333,550
Tokyo-22	GLP Okegawa		July 27, 2015	—	209,530
Tokyo-23	GLP Shinkiba			—	243,980
Tokyo-24	GLP Narashino		July 27, 2015	—	230,950
Tokyo-25	GLP Narita II			—	149,872
Tokyo-26	GLP Sugito	Tokio Marine & Nichido Risk Consulting Co., Ltd.	July 27, 2015	—	266,119
Tokyo-27	GLP Matsudo		December 14, 2015	—	142,870
Tokyo-28	GLP-MFLP Ichikawa Shiohama (Note 3)		April 12, 2016	—	220,644
Tokyo-29	GLP Atsugi II		August 3, 2016	—	180,143
Tokyo-30	GLP Yoshimi			—	142,536
Osaka-1	GLP Hirakata	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	September 19, 2012	—	315,300
Osaka-2	GLP Hirakata II			—	305,900
Osaka-3	GLP Maishima II			—	152,100
Osaka-4	GLP Tsumori			—	142,750
Osaka-5	GLP Rokko			—	476,400
Osaka-6	GLP Amagasaki			—	307,700
Osaka-7	GLP Amagasaki II			—	142,500
Osaka-8	GLP Nara			—	102,910
Osaka-9	GLP Sakai			—	42,200
Osaka-10	GLP Rokko II		August 20, 2013	—	296,150
Osaka-11	GLP Kadoma		July 25, 2014	—	114,160
Osaka-12	GLP Seishin			—	186,900
Osaka-13	GLP Fukusaki		January 28, 2015	—	137,800
Osaka-14	GLP Kobe-Nishi			—	57,340
Osaka-15	GLP Fukaehama	Tokio Marine & Nichido Risk Consulting Co., Ltd.	August 3, 2016	—	203,863

Property number	Name of property	Engineering due diligence company	Date of report	Short-term emergency repair and maintenance expenses (Thousand yen) (Note 1)	Mid-to-Long term repair and maintenance expenses (Thousand yen) (Note2)
Other-1	GLP Morioka	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	September 19, 2012	—	59,600
Other-2	GLP Tomiya			—	61,800
Other-3	GLP Koriyama I			—	28,650
Other-4	GLP Koriyama III			—	350,300
Other-5	GLP Tokai			—	123,880
Other-6	GLP Hayashima			—	126,880
Other-7	GLP Hayashima II			—	33,150
Other-8	GLP Kiyama			—	95,190
Other-10	GLP Sendai			—	159,450
Other-11	GLP Ebetsu		August 20, 2013	—	47,690
Other-12	GLP Kuwana			—	51,170
Other-13	GLP Hatsukaichi			—	33,980
Other-14	GLP Komaki			—	115,500
Other-15	GLP Ogimachi			—	110,170
Other-16	GLP Hiroshima		July 25, 2014	—	198,660
Other-17	GLP Fukuoka			—	134,110
Other-19	GLP Tosu I		Tokio Marine & Nichido Risk Consulting Co., Ltd.	July 27, 2015	—
Other-20	GLP Tomiya IV	August 3, 2016		—	233,500
Total				—	12,060,594

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

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

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

[Expenses and Liabilities]

1. Status of Expenses related to Asset Management

(Unit: Thousand yen)

	9th Period From March 1, 2016 To August 31, 2016	10th Period From September 1, 2016 To February 28, 2017
Asset management fee	1,236,138	1,420,609
Asset custody fee	6,054	6,028
Administrative service fees	20,126	19,993
Directors' remuneration	3,960	3,960
Audit fee	13,000	13,500
Taxes and dues	115	138
Other operating expenses	64,384	61,784
Total	1,343,779	1,526,013

(Note) In addition to the amount shown, the amount of asset management fee capitalized as part of acquisition cost was 174,630 thousand yen for the 10th Period.

2. Status of Borrowings

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

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Short-term loans payable	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 1, 2016	—	—	0.13%	June 30, 2017 (Note 5)	Lump-sum	(Note 11)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	February 28, 2017	—	1,351	0.18%	February 28, 2018	Lump-sum	(Note 10)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	1,144					
	Sumitomo Mitsui Trust Bank, Limited		—	621					
	The Norinchukin Bank		—	503					
	Citibank Japan Ltd.		—	374					
	Development Bank of Japan Inc.		—	345					
	Mizuho Bank, Ltd.		—	315					
	Mitsubishi UFJ Trust and Banking Corporation		—	315					
	The Bank of Fukuoka, Ltd.		—	236					
	Resona Bank, Limited		—	158					
	Shinsei Bank, Limited		—	69					
	The 77 Bank, Ltd.		—	69					
	Subtotal		—	5,500					
Long-term loans payable	Sumitomo Mitsui Banking Corporation	January 4, 2013	6,400	6,400	1.13% (Note 4)	January 4, 2018	Lump-sum	(Note 11)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		5,900	5,900					
	Mizuho Bank, Ltd.		4,000	4,000					
	Mitsubishi UFJ Trust and Banking Corporation		1,800	1,800					
	Citibank Japan Ltd.		1,800	1,800					
	The Bank of Fukuoka, Ltd.		1,800	1,800					
	The Norinchukin Bank		1,300	1,300					
	Resona Bank, Limited		1,300	1,300					
	Sumitomo Mitsui Banking Corporation	January 4, 2013	5,000	5,000	1.41% (Note 4)	January 4, 2020	Lump-sum	(Note 11)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		4,600	4,600					
	Mizuho Bank, Ltd.		4,000	4,000					
	Mitsubishi UFJ Trust and Banking Corporation		1,800	1,800					
	The Bank of Fukuoka, Ltd.		900	900					
	Development Bank of Japan Inc.		4,500	4,500					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	February 1, 2013	3,250	3,250	1.03%	January 31, 2020	Lump-sum	(Note 11)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	February 1, 2013	3,250	3,250	1.30% (Note 4)	February 1, 2021	Lump-sum	(Note 11)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	January 6, 2014	1,200	—	0.32%	December 20, 2016	Lump-sum	(Note 10)	Unsecured not guaranteed
	Mizuho Bank, Ltd.	January 6, 2014	1,150	—	0.32%	December 20, 2016	Lump-sum	(Note 10)	Unsecured not guaranteed
	Sumitomo Mitsui Trust Bank, Limited	January 6, 2014	1,150	—	0.32%	December 20, 2016	Lump-sum	(Note 10)	Unsecured not guaranteed

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Long-term loans payable	Sumitomo Mitsui Banking Corporation	January 6, 2014	1,800	1,800	1.20% (Note 4)	December 20, 2021	Lump-sum	(Note 10)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		500	500					
	Mizuho Bank, Ltd.		900	900					
	Mitsubishi UFJ Trust and Banking Corporation		800	800					
	The Bank of Fukuoka, Ltd.		550	550					
	Resona Bank, Limited		450	450					
	Sumitomo Mitsui Banking Corporation	March 3, 2014	623	—	0.41%	February 28, 2017 (Note 6)	Lump-sum	(Note 11)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		623	—					
	Mizuho Bank, Ltd.		623	—					
	Mitsubishi UFJ Trust and Banking Corporation		623	—					
	Citibank Japan Ltd.		467	—					
	The Bank of Fukuoka, Ltd.		467	—					
	The Norinchukin Bank		311	—					
	Resona Bank, Limited		311	—					
	Sumitomo Mitsui Trust Bank, Limited		137	—					
	Shinsei Bank, Limited		137	—					
	Aozora Bank, Ltd.		137	—					
	The 77 Bank, Ltd.		137	—					
	Sumitomo Mitsui Banking Corporation	March 3, 2014	3,720	3,720	0.76% (Note 4)	February 28, 2019	Lump-sum	(Note 11)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		3,230	3,230					
	Mizuho Bank, Ltd.		2,550	2,550					
	Mitsubishi UFJ Trust and Banking Corporation		500	500					
	Citibank Japan Ltd.		700	700					
	The Bank of Fukuoka, Ltd.		700	700					
	The Norinchukin Bank		450	450					
	Resona Bank, Limited		450	450					
	Sumitomo Mitsui Banking Corporation	March 3, 2014	2,000	2,000	1.09% (Note 4)	February 26, 2021	Lump-sum	(Note 11)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,900	1,900					
	Mizuho Bank, Ltd.		1,250	1,250					
	Mitsubishi UFJ Trust and Banking Corporation		500	500					
	Development Bank of Japan Inc.		450	450					
	Sumitomo Mitsui Banking Corporation	March 3, 2014	1,470	1,470	1.56% (Note 4)	February 29, 2024	Lump-sum	(Note 11)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,170	1,170					
	Development Bank of Japan Inc.		500	500					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	March 3, 2014	3,800	3,800	0.92%	February 26, 2021	Lump-sum	(Note 10)	Unsecured not guaranteed

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Long-term loans payable	Sumitomo Mitsui Banking Corporation	June 30, 2014	1,500	—	0.22%	February 28, 2017	Lump-sum	(Note 10)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,200	—					
	Sumitomo Mitsui Trust Bank, Limited		800	—					
	Development Bank of Japan Inc.		500	—					
	The Norinchukin Bank		500	—					
	Citibank Japan Ltd.		200	—					
	Sumitomo Mitsui Banking Corporation	June 30, 2014	500	500	1.48% (Note 4)	June 30, 2026	Lump-sum	(Note 10)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		500	500					
	Mizuho Bank, Ltd.	September 2, 2014	480	—	— % (Note 12)	September 2, 2016 (Note 7)	Lump-sum	(Note 11)	Unsecured not guaranteed
	Mitsubishi UFJ Trust and Banking Corporation		410	—					
	Citibank Japan Ltd.		640	—					
	The Bank of Fukuoka, Ltd.		370	—					
	The Norinchukin Bank		300	—					
	Resona Bank, Limited		380	—					
	Sumitomo Mitsui Trust Bank, Limited		340	—					
	Shinsei Bank, Limited		260	—					
	Aozora Bank, Ltd.		260	—					
	The 77 Bank, Ltd.		260	—					
	Sumitomo Mitsui Banking Corporation	September 2, 2014	3,890	3,890	0.86% (Note 4)	September 2, 2022	Lump-sum	(Note 11)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		3,470	3,470					
	Mizuho Bank, Ltd.		2,830	2,830					
	Mitsubishi UFJ Trust and Banking Corporation		970	970					
	The Bank of Fukuoka, Ltd.		610	610					
	Development Bank of Japan Inc.		650	650					
	The Norinchukin Bank		350	350					
	Resona Bank, Limited		270	270					
	Sumitomo Mitsui Trust Bank, Limited		560	560					
	Sumitomo Mitsui Banking Corporation	September 2, 2014	1,530	1,530	1.85% (Note 4)	September 2, 2027	Lump-sum	(Note 11)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,170	1,170					
	Sumitomo Mitsui Banking Corporation	January 5, 2015	4,500	—	0.18%	December 20, 2016	Lump-sum	(Note 10)	Unsecured not guaranteed
	The Bank of Fukuoka, Ltd.		500	—					
	Development Bank of Japan Inc.	January 5, 2015	1,250	1,250	0.31%	December 20, 2018	Lump-sum	(Note 10)	Unsecured not guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,250	1,250					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	May 1, 2015	800	800	0.29%	February 28, 2019	Lump-sum	(Note 11)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	May 1, 2015	2,700	2,700	0.52% (Note 4)	April 30, 2021	Lump-sum	(Note 11)	Unsecured not guaranteed
	Mizuho Bank, Ltd.	May 1, 2015	700	700	0.52% (Note 4)	April 30, 2021	Lump-sum	(Note 11)	Unsecured not guaranteed
	The Norinchukin Bank	May 1, 2015	400	400	0.52% (Note 4)	April 30, 2021	Lump-sum	(Note 11)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 1, 2015	3,200	—	— % (Note 12)	September 2, 2016 (Note 8)	Lump-sum	(Note 11)	Unsecured not guaranteed

	Category		Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution									
Long-term loans payable	Sumitomo Mitsui Banking Corporation		September 1, 2015	2,922	2,922	0.61% (Note 4)	February 28, 2022	Lump-sum	(Note 11)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.			2,348	2,348					
	Mizuho Bank, Ltd.			1,640	1,640					
	Mitsubishi UFJ Trust and Banking Corporation			680	680					
	Citibank Japan Ltd.			320	320					
	The Bank of Fukuoka, Ltd.			480	480					
	Development Bank of Japan Inc.			320	320					
	The Norinchukin Bank			320	320					
	Resona Bank, Limited			320	320					
	Sumitomo Mitsui Trust Bank, Limited			440	440					
	Shinsei Bank, Limited			130	130					
	The 77 Bank, Ltd.			130	130					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.			September 1, 2015	1,300					
	Mizuho Bank, Ltd.		January 4, 2016	3,000	3,000	(0.01)% (Note 4)	February 28, 2019	Lump-sum	(Note 10)	Unsecured not guaranteed
	Citibank Japan Ltd.			500	500					
	The Bank of Fukuoka, Ltd.			1,800	1,800					
	The Bank of Fukuoka, Ltd.		January 4, 2016	1,400	1,400	0.35% (Note 4)	February 26, 2021	Lump-sum	(Note 10)	Unsecured not guaranteed
	The Norinchukin Bank			1,400	1,400					
	Mitsubishi UFJ Trust and Banking Corporation		January 4, 2016	1,900	1,900	0.61% (Note 4)	February 29, 2024	Lump-sum	(Note 10)	Unsecured not guaranteed
	Resona Bank, Limited			1,400	1,400					
	Mizuho Bank, Ltd.		January 4, 2016	1,500	1,500	0.93% (Note 4)	February 27, 2026	Lump-sum	(Note 10)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation		January 4, 2016	5,600	5,600	1.22% (Note 4)	December 21, 2026	Lump-sum	(Note 10)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.			5,100	5,100					
	Sumitomo Mitsui Banking Corporation		January 4, 2016	500	500	1.31% (Note 4)	December 20, 2027	Lump-sum	(Note 10)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.			400	400					
	Sumitomo Mitsui Banking Corporation		January 4, 2016	600	600	1.57% (Note 4)	December 20, 2028	Lump-sum	(Note 10)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.			400	400					
	Sumitomo Mitsui Banking Corporation		January 15, 2016	980	980	0.42% (Note 4)	January 14, 2022	Lump-sum	(Note 11)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		January 15, 2016	850	850	0.42%	January 14, 2022	Lump-sum	(Note 11)	Unsecured not guaranteed
	Mitsubishi UFJ Trust and Banking Corporation		January 15, 2016	610	610	0.42% (Note 4)	January 14, 2022	Lump-sum	(Note 11)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation		September 1, 2016	—	—	0.18%	October 31, 2017 (Note 9)	Lump-sum	(Note 11)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		September 1, 2016	—	3,780	0.29%	September 1, 2023	Lump-sum	(Note 11)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation		September 1, 2016	—	4,100	0.31%	September 1, 2024	Lump-sum	(Note 11)	Unsecured not guaranteee

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Long-term loans payable	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 1, 2016	—	530	0.23%	September 2, 2019	Lump-sum	(Notes 10 and 11)	Unsecured not guaranteed
	Mizuho Bank, Ltd.		—	510					
	Citibank Japan Ltd.		—	310					
	The Bank of Fukuoka, Ltd.		—	290					
	The 77 Bank, Ltd.		—	300					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 1, 2016	—	950	0.25%	September 1, 2020	Lump-sum	(Notes 10 and 11)	Unsecured not guaranteed
	Mizuho Bank, Ltd.		—	1,570					
	Mitsubishi UFJ Trust and Banking Corporation		—	300					
	Citibank Japan Ltd.		—	270					
	The 77 Bank, Ltd.		—	60					
	Sumitomo Mitsui Banking Corporation	September 1, 2016	—	790	0.44%	March 1, 2024	Lump-sum	(Notes 10 and 11)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	1,170					
	Mizuho Bank, Ltd.		—	1,280					
	Mitsubishi UFJ Trust and Banking Corporation		—	830					
	Citibank Japan Ltd.		—	780					
	The Bank of Fukuoka, Ltd.		—	500					
	Development Bank of Japan Inc.		—	230					
	The Norinchukin Bank		—	1,060					
	Resona Bank, Limited		—	490					
	Aozora Bank, Ltd.		—	180					
	Shinsei Bank, Limited		—	180					
	Sumitomo Mitsui Trust Bank, Limited		—	480					
	The 77 Bank, Ltd.		—	180					
	Sumitomo Mitsui Banking Corporation	September 1, 2016	—	2,170	0.57%	March 3, 2025	Lump-sum	(Notes 10 and 11)	Unsecured not guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	1,390					
	Mizuho Bank, Ltd.		—	1,110					
	Mitsubishi UFJ Trust and Banking Corporation		—	920					
	The Bank of Fukuoka, Ltd.		—	740					
	Development Bank of Japan Inc.		—	550					
	Resona Bank, Limited		—	650					
	Aozora Bank, Ltd.		—	370					
	Shinsei Bank, Limited		—	370					
	Sumitomo Mitsui Trust Bank, Limited		—	920					
	Mizuho Bank, Ltd.	December 20, 2016	—	1,150	0.22%	December 21, 2020	Lump-sum	(Note 10)	Unsecured not guaranteed
	The Bank of Fukuoka, Ltd.	December 20, 2016	—	500	0.53%	December 20, 2022	Lump-sum	(Note 10)	Unsecured not guaranteed
	Sumitomo Mitsui Trust Bank, Limited	December 20, 2016	—	1,150	0.56%	December 20, 2023	Lump-sum	(Note 10)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	December 20, 2016	—	5,700	0.79%	September 1, 2025	Lump-sum	(Note 10)	Unsecured not guaranteed
	Subtotal		170,330	184,440					
Total			170,330	189,940					

- (Note 1) “Long term loans payable” include the current portion of long term loans payable as of each period end.
- (Note 2) “Average rate” represents the weighted average interest rate during the fiscal period and is rounded to the second decimal place.
- (Note 3) When the repayment date falls on a day other than a business day, it shall be the next business day.
- (Note 4) GLP J-REIT uses interest rate swaps to hedge the interest rate risk exposure. The rate stated above is the effective rate of interest after interest rate swaps.
- (Note 5) GLP J-REIT borrowed 3,500 million yen on September 1, 2016 and made a repayment of 3,500 million yen on November 30, 2016 before its repayment date.
- (Note 6) Of outstanding loan balance of 4,600 million yen at beginning of the period, 1,230 million yen was repaid on October 7, 2016 before its contractual repayment date.
- (Note 7) Of outstanding loan balance of 3,700 million yen at beginning of the period, 3,700 million yen was repaid on September 1, 2016 before its contractual repayment date.
- (Note 8) Of outstanding loan balance of 3,200 million yen at beginning of the period, 3,200 million yen was repaid on September 1, 2016 before its contractual repayment date.
- (Note 9) GLP J-REIT borrowed 4,500 million yen on September 1, 2016 and made repayments of 4,500 million yen on November 30, 2016 before its contractual repayment date.
- (Note 10) The fund was used to make repayments of bank borrowing.
- (Note 11) The fund was used to acquire properties or beneficiary rights of real estate in trust.
- (Note 12) GLP J-REIT repaid these loans on September 1, 2016. Based on the loan agreements, interests were accrued excluding the last day of the borrowing period. Thus, no interest was incurred for the period ended February 28, 2017.

3. Status of Investment Corporation Bonds

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

Description	Issued date	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Interest rate (Note 1)	Maturity date	Maturity method	Use	Remarks
GLP J-REIT 1st Unsecured Bonds	February 27, 2014	6,000	6,000	0.47%	February 27, 2019	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 2nd Unsecured Bonds	July 30, 2014	2,000	2,000	0.98%	July 30, 2024	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 3rd Unsecured Bonds	December 26, 2014	4,500	4,500	0.51%	December 25, 2020	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 4th Unsecured Bonds	December 26, 2014	1,500	1,500	0.68%	December 26, 2022	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 5th Unsecured Bonds	December 26, 2014	3,000	3,000	1.17%	December 25, 2026	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 6th Unsecured Bonds	June 30, 2015	1,500	1,500	0.89%	June 30, 2025	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 7th Unsecured Bonds	November 28, 2016	—	6,900	0.01%	November 28, 2019	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 8th Unsecured Bonds	November 28, 2016	—	1,100	0.45%	November 27, 2026	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 9th Unsecured Bonds	February 27, 2017	—	1,000	0.47%	February 26, 2027	Lump-sum	(Note 2)	(Note 3)
Total		18,500	27,500					

- (Note 1) “Interest rate” is rounded to the second decimal place.
- (Note 2) The fund was used to make repayment of bank borrowing.
- (Note 3) The bond is subject to the special pari passu clause among specified investment corporation bonds.

4. Status of Short-Term Investment Corporation Bonds

None

5. Status of Subscription Rights to New Investment Units

None

[Acquisition and Disposition]

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

Type of asset	Name of property	Acquisition	
		Date	Price (Million yen) (Note 1)
Beneficiary right of real estate in trust	GLP-MFLP Ichikawa Shiohama	September 1, 2016	15,500
Beneficiary right of real estate in trust	GLP Atsugi II	September 1, 2016	21,100
Beneficiary right of real estate in trust	GLP Yoshimi	September 1, 2016	11,200
Beneficiary right of real estate in trust	GLP Fukaehama	September 1, 2016	4,470
Beneficiary right of real estate in trust	GLP Tomiya IV	September 1, 2016	5,940
Total			58,210

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

2. Acquisition and Disposition of Other Assets

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

3. Appraisal Values of Specific Assets

(1) Real Estate Properties

Acquisition or transfer	Name of property	Acquisition date	Acquisition price (Million yen) (Note 1)	Appraisal value (Million yen) (Note 2)	Name of appraiser	Date of appraisal
Acquisition	GLP-MFLP Ichikawa Shiohama	September 1, 2016	15,500	15,600	Japan Real Estate Institute	March 31, 2016
Acquisition	GLP Atsugi II	September 1, 2016	21,100	21,200	The Tanizawa Sōgō Appraisal Co., Ltd.	June 30, 2016
Acquisition	GLP Yoshimi	September 1, 2016	11,200	11,300	The Tanizawa Sōgō Appraisal Co., Ltd.	June 30, 2016
Acquisition	GLP Fukaehama	September 1, 2016	4,470	4,510	Japan Real Estate Institute.	June 30, 2016
Acquisition	GLP Tomiya IV	September 1, 2016	5,940	5,990	Morii Appraisal & Investment Consulting, Inc.	June 30, 2016

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

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

(2) Other

None

4. Transactions with Interested Parties

(1) Transactions

	Transaction price	
	Purchase	Sale
Total amount	58,210,000 thousand yen	— thousand yen
Transactions with interested parties and major shareholders		
Ichikawa-Shiohama Special Purpose Company (Note 2)	15,500,000 thousand yen (26.6%)	— thousand yen (—%)
Atsugi Two Logistics Special Purpose Company	21,100,000 thousand yen (36.2%)	— thousand yen (—%)
Yoshimi Logistics Special Purpose Company	11,200,000 thousand yen (19.2%)	— thousand yen (—%)
Fukaehama Logistics Special Purpose Company	4,470,000 thousand yen (7.7%)	— thousand yen (—%)
Azeria Two Special Purpose Company	5,940,000 thousand yen (10.2%)	— thousand yen (—%)
Total	58,210,000 thousand yen (100.0%)	— thousand yen (—%)

(2) Amounts of fees paid

	Total fees (A) (Thousand yen)	Name of interested parties and major shareholders and the amount of transactions		(B)/(A) (%)
		Paid to	Amount paid (B) (Thousand yen)	
Property management fee	261,090	Global Logistic Properties Inc.	261,090	100.0
Royalty fee	7,500	Global Logistic Properties Inc.	7,500	100.0
Leasing commission	100,141	Global Logistic Properties Inc.	100,141	100.0

(Note 1) The term “interested parties” refers to interested parties of Asset Management Company (Asset Manager) as stipulated by Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations and Article 26, Paragraph 1, Item 27 of the Regulations Concerning Investment Reports of Investment Trusts and Investment Corporations issued by The Investment Trust Association, Japan.

(Note 2) Ichikawa-Shiohama Special Purpose Company has been liquidated effective March 16, 2017.

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

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

[Accounting]

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

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

2. Change in Calculation of Depreciation

None

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

None

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

None

[Other information]

1. Notice

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

Date of approval	Item	Summary
October 31, 2016	Conclusion of Underwriting Agreement and other with regard to investment corporation bonds	<p>Based on a comprehensive resolution on the issuance of investment corporation bonds at a meeting of the Board of Directors held on October 31, 2016, GLP J-REIT entered into the following agreements with effective date of November 17, 2016.</p> <ul style="list-style-type: none"> (1) Underwriting Agreement, relating to the issuance of GLP J-REIT 7th Unsecured Bond, concluded among GLP Japan Advisors Inc., SMBC Nikko Securities Inc., Nomura Securities Co., Ltd. and Daiwa Securities Co., Ltd. (2) Fiscal Agent Agreement for GLP J-REIT 7th Unsecured Bond with special pari passu conditions among specified investment corporation bonds, concluded with The Bank of Tokyo-Mitsubishi UFJ, Ltd. (“BTMU”). Under the Agreement, BTMU is designated as the fiscal agent, issuing agent and payment agent. (3) Memorandum agreed with BTMU regarding the fiscal agent commission prescribed in the Fiscal Agent Agreement as stated above (2), for GLP J-REIT 7th Unsecured Bond with special pari passu conditions among specified investment corporation bonds.
October 31, 2016	Conclusion of Underwriting Agreement and other with regard to investment corporation bonds	<p>Based on a comprehensive resolution on the issuance of investment corporation bonds at a meeting of the Board of Directors held on October 31, 2016, GLP J-REIT entered into the following agreements with effective date of November 17, 2016.</p> <ul style="list-style-type: none"> (1) Underwriting Agreement, relating to the issuance of GLP J-REIT 8th Unsecured Bond, concluded among GLP Japan Advisors Inc., SMBC Nikko Securities Inc., Nomura Securities Co., Ltd. and Mizuho Securities Co., Ltd. (2) Fiscal Agent Agreement for GLP J-REIT 8th Unsecured Bond with special pari passu conditions among specified investment corporation bonds, concluded with The Bank of Tokyo-Mitsubishi UFJ, Ltd. (“BTMU”). Under the Agreement, BTMU is designated as the fiscal agent, issuing agent and payment agent. (3) Memorandum agreed with BTMU regarding the fiscal agent commission prescribed in the Fiscal Agent Agreement as stated above (2), for GLP J-REIT 8th Unsecured Bond with special pari passu conditions among specified investment corporation bonds.
October 31, 2016	Conclusion of Underwriting Agreement and other with regard to investment corporation bonds	<p>Based on a comprehensive resolution on the issuance of investment corporation bonds at a meeting of the Board of Directors held on October 31, 2016, GLP J-REIT entered into the following agreements with effective date of February 17, 2017.</p> <ul style="list-style-type: none"> (1) Underwriting Agreement, relating to the issuance of GLP J-REIT 9th Unsecured Bond, concluded between GLP Japan Advisors Inc. and SMBC Nikko Securities Inc. (2) Fiscal Agent Agreement for GLP J-REIT 9th Unsecured Bond with special pari passu conditions among specified investment corporation bonds, concluded with Mitsubishi UFJ Trust and Banking Corporation (“MUTB”). Under the Agreement, MUTB is designated as the fiscal agent, issuing agent and payment agent. (3) Memorandum agreed with MUTB regarding the fiscal agent commission prescribed in the Fiscal Agent Agreement as stated above (2), for GLP J-REIT 9th Unsecured Bond with special pari passu conditions among specified investment corporation bonds.

2. Other

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

[Disclosure regarding investments in real estate holding companies in foreign countries]

None

[Disclosure regarding properties held by above mentioned real estate holding companies in foreign countries]

None

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Balance Sheets

(Unit: Thousand yen)

	Prior Period (Reference) As of August 31, 2016	Current Period As of February 28, 2017
Assets		
Current assets		
Cash and deposits	5,191,423	3,510,803
Cash and deposits in trust	5,264,572	6,439,675
Operating accounts receivable	817,921	1,627,445
Prepaid expenses	352,598	436,402
Deferred tax assets	42	21
Consumption taxes receivable	—	2,011,826
Other current assets	455	1,432
Total current assets	11,627,013	14,027,606
Noncurrent assets		
Property and equipment		
Vehicles	—	1,016
Accumulated depreciation	—	(127)
Vehicles, net	—	889
Buildings in trust	151,999,444	180,045,000
Accumulated depreciation	(14,614,647)	(17,321,387)
Buildings in trust, net	137,384,796	162,723,613
Structures in trust	3,791,978	4,795,313
Accumulated depreciation	(901,442)	(1,075,943)
Structures in trust, net	2,890,536	3,719,370
Machinery and equipment in trust	53,855	56,102
Accumulated depreciation	(30,867)	(35,220)
Machinery and equipment in trust, net	22,988	20,882
Tools, furniture and fixtures in trust	148,658	225,618
Accumulated depreciation	(62,935)	(75,619)
Tools, furniture and fixtures in trust, net	85,722	149,998
Land in trust	234,404,917	264,450,979
Construction in progress	134,658	64,173
Total property and equipment, net	374,923,620	431,129,906
Investments and other assets		
Investment securities	1,600	1,600
Long-term prepaid expenses	1,113,238	1,430,162
Security deposits	10,000	10,000
Other	—	1,400
Total investments and other assets	1,124,838	1,443,162
Total noncurrent assets	376,048,458	432,573,068
Deferred assets		
Investment unit issuance expenses	94,606	134,020
Investment corporation bond issuance costs	78,186	114,791
Total deferred assets	172,792	248,812
Total Assets	387,848,264	446,849,487

(Unit: Thousand yen)

	Prior Period (Reference) As of August 31, 2016	Current Period As of February 28, 2017
Liabilities		
Current liabilities		
Operating accounts payable	248,412	172,336
Short-term loans payable	—	5,500,000
Current portion of long-term loans payable	24,700,000	24,300,000
Accounts payable	1,465,438	1,479,582
Accrued expenses	26,424	26,401
Income taxes payable	1,421	1,041
Consumption taxes payable	708,840	—
Advances received	2,109,848	2,382,144
Current portion of tenant leasehold and security deposits	164,540	89,919
Current portion of tenant leasehold and security deposits in trust	100,000	—
Total current liabilities	29,524,925	33,951,426
Noncurrent liabilities		
Investment corporation bonds	18,500,000	27,500,000
Long-term loans payable	145,630,000	160,140,000
Tenant leasehold and security deposits	7,521,015	8,386,763
Tenant leasehold and security deposits in trust	178,019	178,019
Total noncurrent liabilities	171,829,034	196,204,782
Total Liabilities	201,353,960	230,156,209
Net Assets		
Unitholders' equity		
Unitholders' capital	185,176,702	215,098,711
Deduction from unitholders' capital	(3,934,387)	(4,704,741)
Unitholders' capital, net	181,242,315	210,393,970
Retained earnings		
Unappropriated retained earnings	5,251,989	6,299,307
Total retained earnings	5,251,989	6,299,307
Total unitholders' equity	186,494,304	216,693,277
Total Net Assets *2	186,494,304	216,693,277
Total Liabilities and Net Assets	387,848,264	446,849,487

Statements of Income

(Unit: Thousand yen)

	Prior Period (Reference)	Current Period
	From March 1, 2016	From September 1, 2016
	To August 31, 2016	To February 28, 2017
Operating revenues		
Rental revenues *1	11,844,509	13,469,209
Other rental revenues *1	433,536	596,145
Total operating revenues	12,278,046	14,065,355
Operating expenses		
Rental expenses *1	4,605,581	5,067,666
Asset management fee	1,236,138	1,420,609
Asset custody fee	6,054	6,028
Administrative service fees	20,126	19,993
Directors' remuneration	3,960	3,960
Audit fee	13,000	13,500
Taxes and dues	115	138
Other operating expenses	64,384	61,784
Total operating expenses	5,949,360	6,593,680
Operating income	6,328,685	7,471,675
Non-operating income		
Interest income	46	48
Reversal of distributions payable	2,994	1,987
Interest on refund of consumption taxes	907	—
Total non-operating income	3,948	2,035
Non-operating expenses		
Interest expense	762,122	809,221
Interest expenses on investment corporation bonds	65,214	65,163
Amortization of investment corporation bond issuance costs	7,906	11,428
Borrowing related expenses	192,077	214,202
Amortization of investment unit issuance expenses	51,017	46,460
Offering costs associated with the issuance of investment units	1,089	27,811
Others, net	992	1,217
Total non-operating expenses	1,080,419	1,175,504
Ordinary income	5,252,214	6,298,206
Income before income taxes	5,252,214	6,298,206
Income taxes-current	1,428	1,048
Income taxes-deferred	(42)	20
Total income taxes	1,386	1,068
Net income	5,250,828	6,297,137
Accumulated earnings brought forward	1,160	2,170
Unappropriated retained earnings	5,251,989	6,299,307

Statements of Changes in Net Assets

Prior period (From March 1, 2016 to August 31, 2016) (Reference)

(Unit: Thousand yen)

	Unitholders' equity						Total Net Assets
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Retained earnings		Total unitholders' equity	
				Unappropriated retained earnings	Total retained earnings		
Balance at the beginning of the period	185,176,702	(3,156,252)	182,020,450	5,362,512	5,362,512	187,382,962	187,382,962
Changes of items during the period							
Distributions in excess of retained earnings		(778,135)	(778,135)			(778,135)	(778,135)
Distributions of earnings				(5,361,351)	(5,361,351)	(5,361,351)	(5,361,351)
Net income				5,250,828	5,250,828	5,250,828	5,250,828
Total changes of items during the period	—	(778,135)	(778,135)	(110,523)	(110,523)	(888,658)	(888,658)
Balance at the end of the period *1	185,176,702	(3,934,387)	181,242,315	5,251,989	5,251,989	186,494,304	186,494,304

Current period (From September 1, 2016 to February 28, 2017)

(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	185,176,702	(3,934,387)	181,242,315	5,251,989	5,251,989	186,494,304	186,494,304
Changes of items during the period							
Issuance of new investment units	29,922,009		29,922,009			29,922,009	29,922,009
Distributions in excess of retained earnings		(770,353)	(770,353)			(770,353)	(770,353)
Distributions of earnings				(5,249,818)	(5,249,818)	(5,249,818)	(5,249,818)
Net income				6,297,137	6,297,137	6,297,137	6,297,137
Total changes of items during the period	29,922,009	(770,353)	29,151,655	1,047,318	1,047,318	30,198,973	30,198,973
Balance at the end of the period *1	215,098,711	(4,704,741)	210,393,970	6,299,307	6,299,307	216,693,277	216,693,277

Notes to Financial Statements

(Notes Concerning Significant Accounting Policies)

By period Item	Prior Period (Reference) From March 1, 2016 To August 31, 2016	Current Period From September 1, 2016 To February 28, 2017
1. Basis and method of valuation of assets	Securities Available-for-sale securities with no readily determinable market price are stated at cost. Cost of securities sold is determined by the moving-average method.	Securities Available-for-sale securities with no readily determinable market price are stated at cost. Cost of securities sold is determined by the moving-average method.
2. Depreciation of noncurrent assets	Property and equipment are stated at cost, which includes the original purchase price and related acquisition costs and expenses. Depreciation of property and equipment, including property and equipment in trust, is calculated by the straight-line method over the estimated useful lives as follows: Buildings 2 to 55 years Structures 2 to 57 years Machinery and equipment 6 to 12 years Tools, furniture and fixtures 2 to 15 years	Property and equipment are stated at cost, which includes the original purchase price and related acquisition costs and expenses. Depreciation of property and equipment, including property and equipment in trust, is calculated by the straight-line method over the estimated useful lives as follows: Buildings 2 to 77 years Structures 2 to 59 years Machinery and equipment 6 to 12 years Vehicles 4 years Tools, furniture and fixtures 2 to 18 years
3. Accounting treatment for deferred assets	(1) Investment unit issuance expenses are amortized over three years using the straight-line method. (2) Investment corporation bond issuance costs are amortized over the remaining life of the bonds using the straight-line method.	(1) Investment unit issuance expenses are amortized over three years using the straight-line method. (2) Investment corporation bond issuance costs are amortized over the remaining life of the bonds using the straight-line method.
4. Revenue and expense recognition	Taxes on property and equipment With respect to taxes on property and equipment held by GLP J-REIT, of the tax amounts assessed and determined, the amounts corresponding to the relevant accounting period are accounted for as rental expenses. Of the amounts paid for the acquisition of real estate or beneficiary right of real estate in trust, the amounts equivalent to property-related taxes are capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses.	Taxes on property and equipment With respect to taxes on property and equipment held by GLP J-REIT, of the tax amounts assessed and determined, the amounts corresponding to the relevant accounting period are accounted for as rental expenses. Of the amounts paid for the acquisition of real estate or beneficiary right of real estate in trust, the amounts equivalent to property-related taxes are capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses. Capitalized property-related taxes amounted to 64,853 thousand yen for the period.

By period Item	Prior Period (Reference) From March 1, 2016 To August 31, 2016	Current Period From September 1, 2016 To February 28, 2017
5. Hedge accounting	<p>GLP J-REIT enters into derivative transactions in order to hedge against risks defined in its Articles of Incorporation in compliance with their general risk management policy. GLP J-REIT uses interest rate swaps for the purpose of hedging its risk exposure associated with interests on floating rate loans payable. Where deferral accounting is generally adopted for hedge transactions, GLP J-REIT applies the special accounting treatment to interest rate swaps which qualify for hedge accounting and meet the specific matching criteria. Under the special accounting treatment, interest rate swaps are not measured at fair value, but the differential paid or received under the swap agreements is recognized and included in interest expense.</p> <p>The hedge effectiveness test for interest rate swaps is omitted since all interest rate swaps of GLP J-REIT meet the specific matching criteria for the special accounting treatment as permitted under the Japanese GAAP.</p>	<p>GLP J-REIT enters into derivative transactions in order to hedge against risks defined in its Articles of Incorporation in compliance with their general risk management policy. GLP J-REIT uses interest rate swaps for the purpose of hedging its risk exposure associated with interests on floating rate loans payable. Where deferral accounting is generally adopted for hedge transactions, GLP J-REIT applies the special accounting treatment to interest rate swaps which qualify for hedge accounting and meet the specific matching criteria. Under the special accounting treatment, interest rate swaps are not measured at fair value, but the differential paid or received under the swap agreements is recognized and included in interest expense.</p> <p>The hedge effectiveness test for interest rate swaps is omitted since all interest rate swaps of GLP J-REIT meet the specific matching criteria for the special accounting treatment as permitted under the Japanese GAAP.</p>
6. Other significant matters which constitute the basis for preparation of financial statements	<p>(1) Accounting treatment of beneficiary right of real estate in trust As to beneficiary rights of real estate in trust, all accounts of assets and liabilities for assets in trust as well as the related income generated and expenses incurred are recorded in the relevant balance sheet and statement of income accounts. The following significant trust assets are shown separately on the balance sheets.</p> <p>(a) Cash and deposits in trust (b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust (c) Current portion of tenant leasehold and security deposits in trust (d) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment for consumption taxes Consumption taxes withheld and paid are not included in the accompanying statements of income.</p>	<p>(1) Accounting treatment of beneficiary right of real estate in trust As to beneficiary rights of real estate in trust, all accounts of assets and liabilities for assets in trust as well as the related income generated and expenses incurred are recorded in the relevant balance sheet and statement of income accounts. The following significant trust assets are shown separately on the balance sheets.</p> <p>(a) Cash and deposits in trust (b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust (c) Current portion of tenant leasehold and security deposits in trust (d) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment for consumption taxes Consumption taxes withheld and paid are not included in the accompanying statements of income.</p>

(Notes to Balance Sheets)

1. Commitment line agreements

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

(Unit: Thousand yen)

	Prior Period (Reference) As of August 31, 2016	Current Period As of February 28, 2017
Total amount of commitment line agreement	6,000,000	6,000,000
Balance executed as loans	—	—
Unused line of credit	6,000,000	6,000,000

Prior Period (Reference) As of August 31, 2016	Current Period As of February 28, 2017
*2. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations: 50,000 thousand yen.	*2. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations: 50,000 thousand yen.

(Notes to Statements of Income)

Prior Period (Reference) From March 1, 2016 To August 31, 2016	Current Period From September 1, 2016 To February 28, 2017																																																																
<p>*1. Breakdown of operating income from property leasing are as follows:</p> <p style="text-align: right;">(Unit: Thousand yen)</p> <p>A. Property-related revenues</p> <p>Rental revenues:</p> <table> <tr> <td>Rental revenues</td><td>11,467,842</td></tr> <tr> <td>Common area charges</td><td>376,667</td></tr> <tr> <td>Total</td><td>11,844,509</td></tr> </table> <p>Other revenues related to property leasing</p> <table> <tr> <td>Utility charges</td><td>297,520</td></tr> <tr> <td>Parking lots</td><td>31,980</td></tr> <tr> <td>Solar panel rents</td><td>20,366</td></tr> <tr> <td>Others</td><td>83,669</td></tr> <tr> <td>Total</td><td>433,536</td></tr> </table> <p>Total property-related revenues 12,278,046</p> <p>B. Property-related expenses</p> <p>Rental expenses:</p> <table> <tr> <td>Taxes and dues</td><td>1,066,095</td></tr> <tr> <td>Property and facility management fees</td><td>431,350</td></tr> <tr> <td>Utilities</td><td>279,110</td></tr> <tr> <td>Repairs and maintenance</td><td>101,600</td></tr> <tr> <td>Casualty insurance</td><td>23,798</td></tr> <tr> <td>Depreciation</td><td>2,572,667</td></tr> <tr> <td>Others</td><td>130,957</td></tr> <tr> <td>Total property-related expenses</td><td>4,605,581</td></tr> </table> <p>C. Operating income from property leasing <u>7,672,465</u></p> <p>(A – B)</p>	Rental revenues	11,467,842	Common area charges	376,667	Total	11,844,509	Utility charges	297,520	Parking lots	31,980	Solar panel rents	20,366	Others	83,669	Total	433,536	Taxes and dues	1,066,095	Property and facility management fees	431,350	Utilities	279,110	Repairs and maintenance	101,600	Casualty insurance	23,798	Depreciation	2,572,667	Others	130,957	Total property-related expenses	4,605,581	<p>*1. Breakdown of operating income from property leasing are as follows:</p> <p style="text-align: right;">(Unit: Thousand yen)</p> <p>A. Property-related revenues</p> <p>Rental revenues:</p> <table> <tr> <td>Rental revenues</td><td>13,023,503</td></tr> <tr> <td>Common area charges</td><td>445,705</td></tr> <tr> <td>Total</td><td>13,469,209</td></tr> </table> <p>Other revenues related to property leasing</p> <table> <tr> <td>Utility charges</td><td>333,423</td></tr> <tr> <td>Parking lots</td><td>46,699</td></tr> <tr> <td>Solar panel rents</td><td>74,727</td></tr> <tr> <td>Others</td><td>141,294</td></tr> <tr> <td>Total</td><td>596,145</td></tr> </table> <p>Total property-related revenues 14,065,355</p> <p>B. Property-related expenses</p> <p>Rental expenses:</p> <table> <tr> <td>Taxes and dues</td><td>1,064,605</td></tr> <tr> <td>Property and facility management fees</td><td>515,837</td></tr> <tr> <td>Utilities</td><td>319,665</td></tr> <tr> <td>Repairs and maintenance</td><td>91,908</td></tr> <tr> <td>Casualty insurance</td><td>26,525</td></tr> <tr> <td>Depreciation</td><td>2,898,405</td></tr> <tr> <td>Others</td><td>150,718</td></tr> <tr> <td>Total property-related expenses</td><td>5,067,666</td></tr> </table> <p>C. Operating income from property leasing <u>8,997,688</u></p> <p>(A – B)</p>	Rental revenues	13,023,503	Common area charges	445,705	Total	13,469,209	Utility charges	333,423	Parking lots	46,699	Solar panel rents	74,727	Others	141,294	Total	596,145	Taxes and dues	1,064,605	Property and facility management fees	515,837	Utilities	319,665	Repairs and maintenance	91,908	Casualty insurance	26,525	Depreciation	2,898,405	Others	150,718	Total property-related expenses	5,067,666
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Property and facility management fees	515,837																																																																
Utilities	319,665																																																																
Repairs and maintenance	91,908																																																																
Casualty insurance	26,525																																																																
Depreciation	2,898,405																																																																
Others	150,718																																																																
Total property-related expenses	5,067,666																																																																

(Notes to Statements of Changes in Net Assets)

Prior Period (Reference) From March 1, 2016 To August 31, 2016	Current Period From September 1, 2016 To February 28, 2017								
<p>*1. Number of investment units authorized and number of investment units issued and outstanding</p> <table> <tr> <td>Number of investment units authorized</td><td>16,000,000 units</td></tr> <tr> <td>Number of investment units issued and outstanding</td><td>2,593,784 units</td></tr> </table>	Number of investment units authorized	16,000,000 units	Number of investment units issued and outstanding	2,593,784 units	<p>*1. Number of investment units authorized and number of investment units issued and outstanding</p> <table> <tr> <td>Number of investment units authorized</td><td>16,000,000 units</td></tr> <tr> <td>Number of investment units issued and outstanding</td><td>2,853,078 units</td></tr> </table>	Number of investment units authorized	16,000,000 units	Number of investment units issued and outstanding	2,853,078 units
Number of investment units authorized	16,000,000 units								
Number of investment units issued and outstanding	2,593,784 units								
Number of investment units authorized	16,000,000 units								
Number of investment units issued and outstanding	2,853,078 units								

(Deferred Tax Accounting)

Prior Period (Reference) As of August 31, 2016	Current Period As of February 28, 2017
1. Significant components of deferred tax assets and liabilities (Unit: Thousand yen) (Deferred tax assets) Enterprise tax payable <u>42</u> Total <u>42</u> Net deferred tax assets <u>42</u>	1. Significant components of deferred tax assets and liabilities (Unit: Thousand yen) (Deferred tax assets) Enterprise tax payable <u>21</u> Total <u>21</u> Net deferred tax assets <u>21</u>
2. Reconciliation between Japanese statutory tax rate and the actual income tax rate with respect to pre-tax income reflected in the accompanying statement of income for each period is as follows. (Unit: %) Statutory effective tax rate 32.31 (Adjustments) Distributions deductible for tax purposes (32.30) Other <u>0.02</u> Actual tax rate <u>0.03</u>	2. Reconciliation between Japanese statutory tax rate and the actual income tax rate with respect to pre-tax income reflected in the accompanying statement of income for each period is as follows. (Unit: %) Statutory effective tax rate 31.74 (Adjustments) Distributions deductible for tax purposes (31.73) Other <u>0.01</u> Actual tax rate <u>0.02</u>

(Property and Equipment under Capital Lease)

Prior Period (Reference) From March 1, 2016 To August 31, 2016	Current Period From September 1, 2016 To February 28, 2017
—	—

(Financial Instruments)

Prior Period (From March 1, 2016 to August 31, 2016) (Reference)

1. Status of financial instruments

(1) Policy for financial instruments

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

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

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

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

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

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

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

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

(3) Supplemental explanation regarding fair values of financial instruments

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

2. Estimated fair value of financial instruments

Book value, fair value and differences between the values as of August 31, 2016 are as follows. Financial instruments for which the fair value is difficult to estimate are excluded from the following table (See Note 2 below).

(Unit: Thousand yen)

	Book value	Fair value	Difference
(1) Cash and deposits	5,191,423	5,191,423	—
(2) Cash and deposits in trust	5,264,572	5,264,572	—
Total assets	10,455,996	10,455,996	—
(1) Current portion of long-term loans payable	24,700,000	24,700,000	—
(2) Investment corporation bonds	18,500,000	18,985,000	485,000
(3) Long-term loans payable	145,630,000	148,784,085	3,154,085
Total liabilities	188,830,000	192,469,085	3,639,085
Derivative transactions	—	—	—

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

Assets:

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

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

Liabilities:

(1) Current portion of long-term loans payable and (3) 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.

(2) Investment corporation bonds

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

Derivative transactions:

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

None

(2) Derivative transactions for which hedge accounting is applied

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

(Unit: Thousand yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating/ Pay fix	Long-term loans payable	134,430,000	134,430,000	*1	*2

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

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

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

(Unit: Thousand yen)

Account name	Amount on the balance sheet
Tenant leasehold and security deposits	7,521,015
Tenant leasehold and security deposits in trust	178,019
Total	7,699,034

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

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

(Unit: Thousand yen)

	Due within one year
Cash and deposits	5,191,423
Cash and deposits in trust	5,264,572
Total	10,455,996

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

(Unit: Thousand yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds	—	—	6,000,000	—	4,500,000	8,000,000
Long-term loans payable	24,700,000	24,300,000	20,900,000	24,050,000	19,750,000	56,630,000
Total	24,700,000	24,300,000	26,900,000	24,050,000	24,250,000	64,630,000

Current Period (From September 1, 2016 to February 28, 2017)

1. Status of financial instruments

(1) Policy for financial instruments

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

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

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

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

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

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

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

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

(3) Supplemental explanation regarding fair values of financial instruments

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

2. Estimated fair value of financial instruments

Book value, fair value and differences between the values as of February 28, 2017 are as follows. 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	3,510,803	3,510,803	—
(2) Cash and deposits in trust	6,439,675	6,439,675	—
Total assets	9,950,478	9,950,478	—
(1) Short-term loans payable	5,500,000	5,500,000	—
(2) Current portion of long-term loans payable	24,300,000	24,385,363	85,363
(3) Investment corporation bonds	27,500,000	27,865,110	365,110
(4) Long-term loans payable	160,140,000	162,415,604	2,275,604
Total liabilities	217,440,000	220,166,078	2,726,078
Derivative transactions	—	—	—

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

Assets:

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

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

Liabilities:

(1) Short-term loans payable

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

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

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

(3) Investment corporation bonds

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

Derivative transactions:

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

None

(2) Derivative transactions for which hedge accounting is applied

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

(Unit: Thousand yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating/ Pay fix	Long-term loans payable	134,430,000	110,130,000	*1	*2

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

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

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

(Unit: Thousand yen)	
Account name	Amount on the balance sheet
Tenant leasehold and security deposits	8,386,763
Tenant leasehold and security deposits in trust	178,019
Total	8,564,782

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

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

(Unit: Thousand yen)	
	Due within one year
Cash and deposits	3,510,803
Cash and deposits in trust	6,439,675
Total	9,950,478

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

(Unit: Thousand yen)						
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds	—	6,000,000	6,900,000	4,500,000	—	10,100,000
Long-term loans payable	24,300,000	20,900,000	25,990,000	20,250,000	21,290,000	71,710,000
Total	24,300,000	26,900,000	32,890,000	24,750,000	21,290,000	81,810,000

(Investment and Rental Properties)

Prior Period (From March 1, 2016 to August 31, 2016) (Reference)

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

(Unit: Thousand yen)

Book value			Fair value at the end of the period
At the beginning of the period	Increase (decrease)	At the end of the period	
376,792,607	(2,003,645)	374,788,962	446,333,000

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

(Note 2) Of the change in book value during the period, the major increase was primarily due to capital expenditure, whereas the major decrease was due to depreciation of 2,572,667 thousand yen.

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

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

Current Period (From September 1, 2016 to February 28, 2017)

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

(Unit: Thousand yen)

Book value			Fair value at the end of the period
At the beginning of the period	Increase (decrease)	At the end of the period	
374,788,962	56,276,770	431,065,733	515,983,000

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

(Note 2) Of the change in book value during the period, the major increase was primarily due to the acquisition of the following five properties in the total amount of 58,539,305 thousand yen: GLP-MFLP Ichikawa Shiohama, GLP Atsugi II, GLP Yoshimi, GLP Fukaehama and GLP Tomiya IV, whereas the major decrease was due to depreciation of 2,898,405 thousand yen.

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

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

(Restriction on Asset Management)

Prior Period (From March 1, 2016 to August 31, 2016) (Reference)

None

Current Period (From September 1, 2016 to February 28, 2017)

None

(Related Party Transactions)

Prior Period (From March 1, 2016 to August 31, 2016) (Reference)

Classification	Name of the company	Type of business	% of voting rights (owned)	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
Interested party	Global Logistic Properties Inc.	Investment advisory/ agency	—	Property management fee	222,120	Operating accounts payable	40,517
				Royalty fee (Note 2)	7,500	—	—
				Leasing commission	92,751	—	—
Interested party	GLP Solar Special Purpose Company	Equipment leasing	—	Rental income from rooftop leasing (Note 2)	40,199	Advances received	7,235
Interested party	Light Year Special Purpose Company	Real estate	—	Rental income from rooftop leasing (Note 2)	3,822	Advances received	688
Interested party	GLP J-REIT Solar GK	Equipment leasing	—	Rental income from solar panel leasing	20,366	Operating accounts receivable	3,675
Asset custody company	Mitsubishi UFJ Trust and Banking Corporation	Trust and Banking	—	Repayment of long-term loans payable	311,653	Current portion of long-term loans payable	1,033,306
						Long-term loans payable	9,560,000
				Interest expense	43,164	Accrued expenses	307
				Trust fee	8,833	Operating accounts payable	3,120
				Administrative service fee	20,126	Accounts payable	8,653

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

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

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

(This part is intentionally left blank)

Current Period (From September 1, 2016 to February 28, 2017)

Classification	Name of the company	Type of business	% of voting rights (owned)	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
Interested party	Global Logistic Properties Inc.	Investment advisory/ agency	—	Property management fee	261,090	Operating accounts payable	48,314
				Royalty fee (Note 2)	7,500	—	—
				Leasing commission	100,141	—	—
Interested party	GLP Solar Special Purpose Company	Equipment leasing	—	Rental income from rooftop leasing (Note 2)	42,387	Advances received	7,629
Interested party	Light Year Special Purpose Company	Real estate	—	Rental income from rooftop leasing (Note 2)	3,822	Advances received	688
Interested party	Ichikawa-Shiohama Special Purpose Company (Note 3)	Real estate	—	Purchase of beneficiary right of real estate in trust	15,500,000	—	—
				Acceptance of security deposits	120,442	—	—
Interested party	Atsugi Two Logistics Special Purpose Company	Real estate	—	Purchase of beneficiary right of real estate in trust	21,100,000	—	—
				Acceptance of security deposits	272,006	—	—
Interested party	Yoshimi Logistics Special Purpose Company	Real estate	—	Purchase of beneficiary right of real estate in trust	11,200,000	—	—
				Receipt of deposits	624	—	—
				Acceptance of security deposits	145,466	—	—
Interested party	Fukaehama Logistics Special Purpose Company	Real estate	—	Purchase of beneficiary right of real estate in trust	4,470,000	—	—
				Acceptance of security deposits	124,083	—	—
Interested party	Azeria Two Special Purpose Company	Real estate	—	Purchase of beneficiary right of real estate in trust	5,940,000	—	—
				Receipt of deposits	4,382	—	—
				Acceptance of security deposits	35,162	—	—
Interested party	GLP J-REIT Solar GK	Equipment leasing	—	Rental income from solar panel leasing	57,437	Operating accounts receivable	13,793
Interested party	Ichikawa Shiohama Godo Kaisha	Equipment leasing	—	Rental income from solar panel leasing	17,290	Operating accounts receivable	6,285
Asset custody company	Mitsubishi UFJ Trust and Banking Corporation	Trust and Banking	—	Borrowing as short-term loans payable	315,000	Short-term loans payable	315,000
				Borrowing as long-term loans payable	2,050,000	Current portion of long-term loans payable	1,800,000
				Repayment of long-term loans payable	1,033,306	Long-term loans payable	9,810,000
				Interest expense	45,744	Accrued expenses	248
				Borrowing related fee	23,366	—	—
				Trust fee	9,253	Operating accounts payable	3,347
				Administrative service fee	19,993	Accounts payable	8,665
				Financial agency fee relating to investment corporation bonds	4,150	—	—

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

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

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

(Note 3) Ichikawa-Shiohama Special Purpose Company has been liquidated effective March 16, 2017.

(Per Unit Information)

Prior Period (Reference) From March 1, 2016 To August 31, 2016		Current Period From September 1, 2016 To February 28, 2017	
Net assets per unit	71,900 yen	Net assets per unit	75,950 yen
Net income per unit	2,024 yen	Net income per unit	2,208 yen
Net income per unit is calculated by dividing net income for the period by the weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated as no dilutive securities were outstanding.		Net income per unit is calculated by dividing net income for the period by the weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated as no dilutive securities were outstanding.	

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

	Prior Period (Reference) From March 1, 2016 To August 31, 2016	Current Period From September 1, 2016 To February 28, 2017
Net income	5,250,828 thousand yen	6,297,137 thousand yen
Amount not attributable to ordinary unitholders	— thousand yen	— thousand yen
Net income attributable to ordinary unitholders	5,250,828 thousand yen	6,297,137 thousand yen
Average number of investment units outstanding	2,593,784 units	2,851,384 units

(This part is intentionally left blank)

(Significant Subsequent Events)

Prior Period (From March 1, 2016 to August 31, 2016) (Reference)

1. Issuance of new investment units

At the Board of Directors' Meetings held on August 16, 2016 and August 24, 2016, GLP J-REIT resolved to issue the following new investment units. The proceeds from new investment units through a public offering were fully collected on September 1, 2016 while the proceeds from new investment units through a third-party allocation were fully collected on September 27, 2016.

[Issuance of new investment units through a public offering]

Number of new investment units issued:	247,507 units (117,861 units for domestic market, 129,646 units for international market)
Issue price (offer price):	119,357 yen per unit
Total amount issued (total offering amount):	29,541,692,999 yen
Amount to be paid in (issue amount):	115,398 yen per unit
Total amount to be paid in (total issue amount):	28,561,812,786 yen
Payment date:	September 1, 2016
Initial date of distribution calculation:	September 1, 2016

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

Number of new investment units issued:	11,787 units
Amount to be paid in (issue amount):	115,398 yen per unit
Total amount to be paid in (total issue amount):	1,360,196,226 yen
Payment date:	September 27, 2016
Initial date of distribution calculation:	September 1, 2016
Underwriter:	Nomura Securities Co., Ltd.

[Purpose of funding]

The funds raised through the public offering were appropriated for the acquisition of beneficiary rights of real estate in trust stated below in "2. Acquisition of assets." The funds raised through the third-party allocation were kept as cash on hand, of which 1,230 million yen was appropriated to repay a portion of a long-term loan on October 7, 2016, before its maturity date of February 28, 2017.

2. Acquisition of assets

GLP J-REIT acquired the beneficiary rights of real estate in trust of five properties described below (with the total acquisition price of 58,210 million yen). The acquisition price (the purchase price under the Sales and Purchase Agreement of Beneficiary Rights of Real Estate in Trust) does not include other acquisition related costs such as direct expenses for acquisition, property-related taxes and consumption taxes.

Property name	Acquisition date	Location	Seller	Acquisition price (Million yen)
GLP-MFLP Ichikawa Shiohama	September 1, 2016	Ichikawa, Chiba	Ichikawa-Shiohama Special Purpose Company	15,500
GLP Atsugi II	September 1, 2016	Aiko, Kanagawa	Atsugi Two Logistics Special Purpose Company	21,100
GLP Yoshimi	September 1, 2016	Hiki, Saitama	Yoshimi Logistics Special Purpose Company	11,200
GLP Fukaehama	September 1, 2016	Kobe, Hyogo	Fukaehama Logistics Special Purpose Company	4,470
GLP Tomiya IV	September 1, 2016	Tomiya, Miyagi	Azeria Two Special Purpose Company	5,940
Total	—	—	—	58,210

3. Additional borrowings

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

Lender	Loan amount (Million yen)	Interest rate	Loan execution date	Repayment date	Repayment method	Collateral
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Citibank Japan Ltd., The Bank of Fukuoka, Ltd., and The 77 Bank, Ltd.	1,940	JBA yen 3month TIBOR + 0.175%	September 1, 2016	September 2, 2019	Lump-sum repayment on repayment date	Unsecured not guaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Citibank Japan Ltd., and The 77 Bank, Ltd.	3,150	JBA yen 3month TIBOR + 0.19%		September 1, 2020		
Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Citibank Japan Ltd., The Bank of Fukuoka, Ltd., Development Bank of Japan Inc., The Norinchukin Bank, Resona Bank, Limited, Aozora Bank, Ltd., Shinsei Bank, Limited, Sumitomo Mitsui Trust Bank, Limited and The 77 Bank, Ltd.	8,150	0.44048%		March 1, 2024		
Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Bank of Fukuoka, Ltd., Development Bank of Japan Inc., Resona Bank, Limited, Aozora Bank, Ltd., Shinsei Bank, Limited and Sumitomo Mitsui Trust Bank, Limited	9,190	0.57053%		March 3, 2025		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,500	JBA yen 1month TIBOR + 0.1%		June 30, 2017		

Lender	Loan amount (Million yen)	Interest rate	Loan execution date	Repayment date	Repayment method	Collateral
Sumitomo Mitsui Banking Corporation	4,500	JBA yen 1month TIBOR + 0.15%	September 1, 2016	October 31, 2017	Lump-sum repayment on repayment date	Unsecured not guaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,780	0.29%		September 1, 2023		
Sumitomo Mitsui Banking Corporation	4,100	JBA yen 3month TIBOR + 0.255%		September 1, 2024		
Total	38,310	—	—	—	—	—

(Note) Of the total loan proceeds of 38,310 million yen, 6,900 million yen was used to repay long-term loans payable on September 1, 2016, before its maturity date of September 2, 2016.

Current Period (From September 1, 2016 to February 28, 2017)

None

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Statements of Distributions

(Unit: Yen)

	Prior Period (Reference) From March 1, 2016 To August 31, 2016	Current Period From September 1, 2016 To February 28, 2017
I Unappropriated retained earnings	5,251,989,174	6,299,307,679
II Distributions in excess of retained earnings		
Deduction from unitholders' capital	770,353,848	867,335,712
III Distributions	6,020,172,664	7,164,078,858
[Distributions per unit]	[2,321]	[2,511]
Of which, distributions of earnings	5,249,818,816	6,296,743,146
[Of which, distributions of earnings per unit]	[2,024]	[2,207]
Of which, distributions in excess of retained earnings	770,353,848	867,335,712
[Of which, distributions in excess of retained earnings per unit]	[297]	[304]
IV Retained earnings carried forward	2,170,358	2,564,533

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 5,249,818,816 yen, which was the amount equivalent to the maximum integral multiples of the number of investment units issued and outstanding as of the end of the period.

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

(Continued)

(Continued)

(Continued)

Thus, GLP J-REIT declared an OPD (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) amounting to 770,353,848 yen, which was determined as follows: (1) the amount not exceeding the upper limit of 2,003,645,312 yen calculated by deducting capital expenditure of 569,022,003 yen from depreciation expense of 2,572,667,315 yen, and (2) approximately 30% of the depreciation expense of 2,572,667,315 yen for the period.

(Continued)

Thus, GLP J-REIT declared an OPD (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) amounting to 867,335,712 yen, which was determined as follows: (1) the amount not exceeding the upper limit of 2,262,534,759 yen calculated by deducting capital expenditure of 635,870,533 yen from depreciation expense of 2,898,405,292 yen, and (2) approximately 30% of the depreciation expense of 2,898,405,292 yen for the period.

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

Statements of Cash Flows (Reference information)

	(Unit: Thousand yen)	
	Prior Period (Reference)	Current Period
	From March 1, 2016 To August 31, 2016	From September 1, 2016 To February 28, 2017
Operating activities:		
Income before income taxes	5,252,214	6,298,206
Depreciation	2,572,667	2,898,405
Amortization of investment corporation bond issuance costs	7,906	11,428
Amortization of investment unit issuance expenses	51,017	46,460
Interest income	(46)	(48)
Reversal of distributions payable	(2,994)	(1,987)
Interest expense	827,337	874,384
Decrease (increase) in operating accounts receivable	(517,931)	(809,523)
Decrease (increase) in prepaid expenses	37,653	(83,804)
Decrease (increase) in consumption taxes receivable	598,811	(2,011,826)
Decrease (increase) in other current assets	(321)	(976)
Decrease (increase) in long-term prepaid expenses	158,048	(316,923)
Increase (decrease) in operating accounts payable	108,364	(76,075)
Increase (decrease) in accounts payable	53,937	126,734
Increase (decrease) in consumption taxes payable	708,840	(708,840)
Increase (decrease) in advances received	72,267	272,296
Sub total	9,927,771	6,517,908
Interest received	46	48
Interest paid	(826,323)	(874,407)
Income taxes paid	(612)	(1,428)
Net cash provided by (used in) operating activities	9,100,882	5,642,121
Investing activities:		
Purchase of property and equipment	(70,318)	(1,183)
Purchase of property and equipment in trust	(572,191)	(59,215,939)
Proceeds from tenant leasehold and security deposits	270,846	973,449
Repayments of tenant leasehold and security deposits	(369,208)	(182,322)
Repayments of tenant leasehold and security deposits in trust	—	(100,000)
Other	—	(1,400)
Net cash provided by (used in) investing activities	(740,871)	(58,527,395)
Financing activities:		
Proceeds from short-term loans payable	—	9,000,000
Repayments of short-term loans payable	—	(3,500,000)
Proceeds from long-term loans payable	—	43,310,000
Repayments of long-term loans payable	(2,300,000)	(29,200,000)
Proceeds from issuance of investment corporation bonds	—	9,000,000
Payments of investment corporation bond issuance costs	—	(46,253)
Proceeds from issuance of investment units	—	29,836,133
Payments of distributions of earnings	(5,361,727)	(5,249,896)
Payments of distributions in excess of retained earnings	(777,870)	(770,227)
Net cash provided by (used in) financing activities	(8,439,597)	52,379,756
Net increase (decrease) in cash and cash equivalents	(79,586)	(505,517)
Cash and cash equivalents at beginning of period	10,535,582	10,455,996
Cash and cash equivalents at end of period *1	10,455,996	9,950,478

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

(Notes Concerning Significant Accounting Policies)

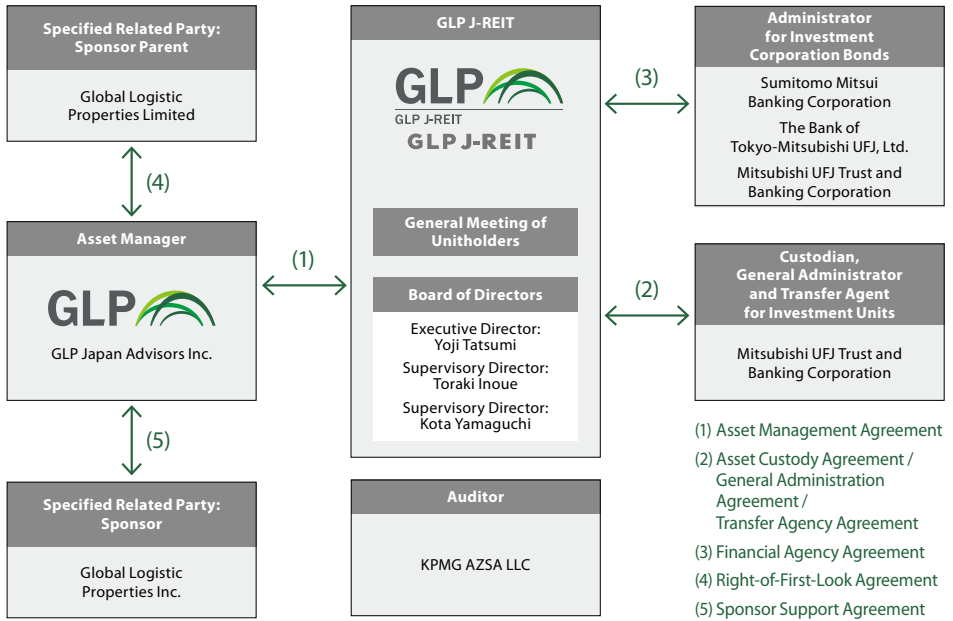
	Prior Period (Reference) From March 1, 2016 To August 31, 2016	Current Period From September 1, 2016 To February 28, 2017
Cash and cash equivalents as stated in the Statements of Cash Flows	Cash and cash equivalents consist of cash on hand and cash in trust, readily-available bank deposits, readily-available bank deposits in trust and short-term investments that are liquid and realizable with a maturity of three months or less when purchased and that are subject to an insignificant risk of changes in value.	Cash and cash equivalents consist of cash on hand and cash in trust, readily-available bank deposits, readily-available bank deposits in trust and short-term investments that are liquid and realizable with a maturity of three months or less when purchased and that are subject to an insignificant risk of changes in value.

(Notes to Statements of Cash Flows)

Prior Period (Reference) From March 1, 2016 To August 31, 2016	Current Period From September 1, 2016 To February 28, 2017
*1. Reconciliation of cash and cash equivalents in the Statement of Cash Flows to accounts and amounts in the accompanying balance sheet (As of August 31, 2016) <div style="text-align: right;">(Unit: Thousand yen)</div> Cash and deposits 5,191,423 Cash and deposits in trust 5,264,572 Cash and cash equivalents <u>10,455,996</u>	*1. Reconciliation of cash and cash equivalents in the Statement of Cash Flows to accounts and amounts in the accompanying balance sheet (As of February 28, 2017) <div style="text-align: right;">(Unit: Thousand yen)</div> Cash and deposits 3,510,803 Cash and deposits in trust 6,439,675 Cash and cash equivalents <u>9,950,478</u>

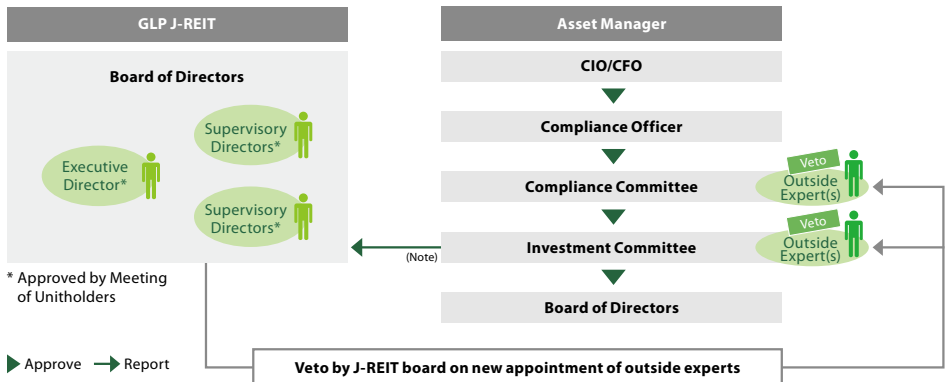
Overview GLP J-REIT

Structure of GLP J-REIT



(Note) Global Logistic Properties Holdings Limited, GLP Singapore Pte. Ltd. and GLP J-REIT Master Lease Godo Kaisha, is each regarded as "Specified Related Party" as defined in the Financial Instruments and Exchange Act (the "Act") since: (i) Global Logistic Properties Holdings Limited and GLP Singapore Pte. Ltd. are the indirect holding companies of GLP Japan Advisors, Inc. and (ii) GLP J-REIT Master Lease Godo Kaisha is conducting or has conducted transactions specified under Article 29-3 Paragraph 3, Item 4 (Real Estate Lending Transactions) of Order for Enforcement of the Act and thus is considered as an "interested party" of GLP Japan Advisors Inc.

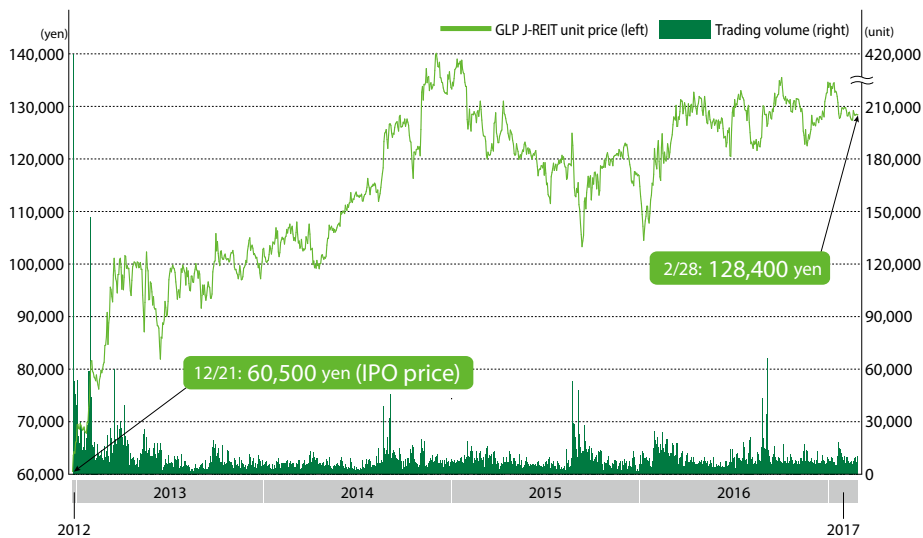
Governance Structure for Related Party Transactions



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

Investor's Information

Historical Investment Unit Price (closing price)



Unitholder Composition (as of the end of Feb 2017)

