

SUMMARY OF FINANCIAL RESULTS (REIT) For the 9th Fiscal Period Ended August 31, 2016

< Under Japanese GAAP >

October 13, 2016

Name of REIT Issuer: GLP J-REIT Stock Exchange Listing: TSE
Securities Code: 3281 URL <http://www.glpjreit.com/>
Representative: (Name) Yoji Tatsumi, (Title) Executive Director
Name of Asset Manager: GLP Japan Advisors Inc.
Representative: (Name) Yoji Tatsumi, (Title) President & CFO
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Scheduled date to file securities report: November 29, 2016

Scheduled date to commence distribution payments: November 16, 2016

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

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

(Amounts are rounded down to the nearest million yen)

1. Financial Results for the Fiscal Period Ended August 31, 2016 (From March 1, 2016 to August 31, 2016)

(1) Operating Results

[Percentages indicate period-on-period changes]

	Operating revenues		Operating income		Ordinary income		Net income	
Period ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 31, 2016	12,278	(0.4)	6,328	(2.8)	5,252	(2.0)	5,250	(2.0)
February 29, 2016	12,332	11.4	6,510	13.5	5,360	15.3	5,360	15.3

	Net income per unit	Return on unitholders' equity	Ordinary income to total assets	Ordinary income to operating revenues
Period ended	Yen	%	%	%
August 31, 2016	2,024	2.8	1.4	42.8
February 29, 2016	2,067	3.0	1.4	43.5

(2) Distributions

	Distributions (excluding OPD*)		Optimal payable distribution (OPD)		Distributions (including OPD)		Payout ratio	Distributions to net assets
	Per Unit	Total	Per Unit	Total	Per Unit	Total		
Period ended	Yen	Million yen	Yen	Million yen	Yen	Million yen	%	%
August 31, 2016	2,024	5,249	297	770	2,321	6,020	100.0	2.8
February 29, 2016	2,067	5,361	300	778	2,367	6,139	100.0	2.9

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

(Note 1) Payout ratio for the period ended February 29, 2016 was calculated as follows since new investment units were issued during the period:

Payout ratio = Total distributions (excluding OPD) / Net income × 100
Payout ratio is rounded down to the first decimal place.

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

(Note 3) All of the amounts of OPD for the periods ended August 31, 2016 and February 29, 2016 are the refund of investment categorized as a distribution from unitholders' capital for tax purposes.

(Note 4) Retained earnings decreased at a rate of 0.004 and 0.005 for the periods ended August 31, 2016 and February 29, 2016, respectively, due to OPD (a refund of investment categorized as a distribution from unitholders' capital for tax purposes).

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

(3) Financial Position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
Period ended	Million yen	Million yen	%	Yen
August 31, 2016	387,848	186,494	48.1	71,900
February 29, 2016	390,197	187,382	48.0	72,243

(4) Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of the period
Period ended	Million yen	Million yen	Million yen	Million yen
August 31, 2016	9,100	(740)	(8,439)	10,455
February 29, 2016	8,860	(40,972)	31,491	10,535

2. Earnings Forecast for the Fiscal Period Ending February 28, 2017 (From September 1, 2016 to February 28, 2017) and August 31, 2017 (From March 1, 2017 to August 31, 2017)

[Percentages indicate period-on-period changes]

	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (excluding OPD)	OPD per unit	Distributions per unit (including OPD)
Period ending	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen	Yen
February 28, 2017	14,015	14.1	7,388	16.7	6,201	18.1	6,200	18.1	2,173	306	2,479
August 31, 2017	14,077	0.4	7,288	(1.3)	6,098	(1.7)	6,097	(1.7)	2,137	306	2,443

(Reference) Estimated net income per unit: For the fiscal period ending February 28, 2017 2,174 yen
For the fiscal period ending August 31, 2017 2,137 yen

* Other

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

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

(2) Number of investment units issued and outstanding

- (a) Number of investment units issued and outstanding, including treasury units:

As of August 31, 2016	2,593,784 Units	As of February 29, 2016	2,593,784 Units
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- (b) Number of treasury units:

As of August 31, 2016	0 Units	As of February 29, 2016	0 Units
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(Note) Please refer notes to "Per Unit Information" on page 36 for the number of investment units used as the basis for calculating the net income per unit.

* The Status of Statutory Audit

At the time of disclosure of this report of financial results, the audit procedures for the accompanying financial statements under the Financial Instruments and Exchange Act are in process.

* Appropriate use of the forecasts of financial results and other special matters

The forward-looking statements in this material are based on the information currently available to us and certain assumptions we believe reasonable. Actual operating performance may differ substantially due to various factors. Furthermore, those statements do not guarantee the amounts of future distributions and distributions in excess of earnings. Please refer to “Assumptions Underlying Earnings Forecasts for the 10th Fiscal Period Ending February 28, 2017 (From September 1, 2016 to February 28, 2017) and for the 11th Fiscal Period Ending August 31, 2017 (From March 1, 2017 to August 31, 2017)” on page 12-14 for assumptions regarding the forward-looking statements.

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

1. Structure and Formation of Investment Corporation

Disclosure is omitted, as there are no significant changes from the structure and formation of GLP-J-REIT described in the most recent Securities Report filed on May 27, 2016.

2. Management Policy and Operating Conditions

(1) Management Policy

Disclosure is omitted, as there are no significant changes from the investment policy, investment targets and distribution policy described in the most recent Securities Report filed on May 27, 2016.

(2) Operating Conditions

[Overview of the Current Fiscal Period]

(i) Brief Background of GLP J-REIT

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

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 58 properties (total acquisition price of 384,644 million yen).

(ii) Investment Environment and Business Performance

During the current fiscal period, the Japanese economy as a whole is on a moderate recovery, as shown primarily in strong consumer spending backed by a steady improvement in employment and personal income. However, some weakness can be seen due to the impact of ongoing yen appreciation and low stock prices, as well as the impact on export and production resulting from the economic slowdown in China and other emerging countries.

In the real estate investment market, the favorable financing environment led to active acquisitions and public unit offering by J-REIT. Investments by private funds and foreign investors also continue to be active. Due to the recent increase in the number of players in the logistics property market, logistics properties became recognized as attractive real estate investments and became easy to resell. This increase was reflected in recent IPOs by several J-REITs specializing in logistics facilities.

In the leasing market for logistics facilities, while there was a continuous increase in the supply of large-scale facilities, newly-supplied spaces have steadily been taken up. In some facilities, all spaces have been taken up prior to the completion of construction. The leasing business is growing in concurrence with the expansion of the third-party logistics (3PL) business, the e-commerce market and others.

Under these conditions, GLP J-REIT did not acquire or sell properties in the current fiscal period, but

provided services which satisfy the needs of its existing tenants. Taking advantage of relatively lower rents, 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 eight consecutive fiscal periods since its listing on the Tokyo Stock Exchange.

As a result of these operations, GLP J-REIT owns 58 properties with a total acquisition price of 384,644 million yen and total leasable area of 1,911,557.33 m² as of the end of the current fiscal period. The occupancy rate across the entire portfolio remained stable at the high level of 99.2% as of the end of the current fiscal period. Furthermore, the appraisal value of the entire portfolio reached 446,333 million yen with an unrealized gain of 71,544 million yen and the unrealized gain ratio (Note) of 19.1%.

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

(iii) 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 repaid 2,300 million yen of bank borrowings on May 25, 2016, using cash on hand and proceeds received as the consumption tax refund for the fiscal period ended February 29, 2016. In addition, on June 30, 2016, GLP J-REIT renewed the commitment line agreement of 6,000 million yen, and ensured flexible and stable financing for future acquisitions, repayments of borrowings, redemptions of investment corporation bonds and refund of security deposits.

As a result of the above, outstanding interest-bearing liabilities as of the end of the current fiscal period totaled 188,830 million yen (outstanding loans 170,330 million yen, outstanding investment corporation bonds 18,500 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 6th Unsecured Investment Corporation Bonds.

(iv) Overview of Financial Results and Cash Distribution

As a result of these management efforts, GLP J-REIT reported total operating revenues of 12,278 million yen, operating income of 6,328 million yen, ordinary income of 5,252 million yen and net income of 5,250 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 5,249,818,816 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 (2,593,784 units) from unappropriated retained earnings. Accordingly, distribution per unit for the current fiscal period was 2,024 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 770,353,848 yen, an amount almost equivalent to 30% of depreciation (2,572 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 297 yen.

(Note) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings that do not exceed the amount obtained by deducting capital expenditure for the accounting period immediately before the period in which the distribution is made from an amount equal to depreciation expenses for the corresponding period. The amount obtained by deducting 569 million yen of capital expenditure for the current fiscal period from 2,572 million yen of depreciation expenses for the period is 2,003 million yen.

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

With respect to all 58 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 461 million yen.

[Outlook of Next Fiscal Period]

(i) 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 "qualitative and quantitative monetary easing policy with a negative interest rate" and continuous improvements in employment and personal income.

However, it will be necessary to give attention not only to uncertainties in overseas economies, including Brexit, the effects of monetary policy in the U.S., and the economic slowdowns in resource-rich countries and 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 number of market players in the Tokyo metropolitan area and Osaka area has been on the increase under the current favorable financing environment, so competition in bidding will continue to be fierce. In the leasing market, it is assumed that vacancy rates might present a temporary rise in certain markets due to a continuous increase in the new supply of modern logistics facilities. On the other hand, not only is the tenant companies' demand for leasing strong, but also new demand from mail-order firms and retailers has been increasing. Thus, the supply-demand condition is expected to remain sound in the mid-to-long term. In addition, it is foreseen that such solid demand will contribute to a certain degree of increase in rents for properties in favorable locations or with relatively lower rents.

With respect to the financing environment, financial institutions are likely to maintain their current positive lending policies. The increase in fund inflows to the J-REIT market is expected to continue due to its relatively higher rate of return under the BOJ's negative interest-rate policy.

(ii) 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 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 17 RoFL properties (Note 1) (floor area: approximately 880 thousand m²) (Note 2) that GLP Group owns as a specific and flexible pipeline. Furthermore, GLP J-REIT will seek future opportunities to acquire some of the 26 properties (floor area: approximately 2,350 thousand m²) (Note 2) held by a joint venture formed by GLP Group with a third party. In addition, GLP J-REIT will pursue further expansion of its portfolio by continuously collecting information about prospective properties to acquire from third parties and considering utilizing the Optimal Takeout Arrangement ("OTA") (Note 3) as the bridge scheme.

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) Logistics properties held and managed by Global Logistic Properties Limited, the Sponsor of GLP J-REIT, and its group companies (collectively, “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 Right-of-First-Look agreement with GLP Group 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 2) The floor area as of June 30, 2016. The figure does not include the floor area of properties newly acquired on September 1, 2016 as stated in below-mentioned (iii) Significant Subsequent Events, (b) Acquisition of assets.”

(Note 3) Please refer to (Note 8) on page 42 “5. Reference Information (2) Portfolio Overview” for the OTA Assets.

(iii) Significant Subsequent Events

(a) 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 to be 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 “(b) Acquisition of assets.” The funds raised through the third-party allocation were kept as cash on hand, of which 1,230,000,000 yen was appropriated to repay a portion of a long-term loan on October 7, 2016, before its original repayment date of February 28, 2017.

(b) 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 Logistic Special Purpose Company	21,100
GLP Yoshimi	September 1, 2016	Hiki, Saitama	Yoshimi Logistic Special Purpose Company	11,200
GLP Fukaehama	September 1, 2016	Kobe, Hyogo	Fukaehama Logistic Special Purpose Company	4,470
GLP Tomiya IV	September 1, 2016	Tomiya, Miyagi	Azeria Two Special Purpose Company	5,940
Total	—	—	—	58,210

(c) Additional borrowings

GLP J-REIT obtained bank loans to acquire specified asset and related costs as stated in “(b) 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

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., Mitsubishi UFJ Trust and Banking Corporation, Citibank Japan Ltd., and The 77 Bank, Ltd.	3,150	JBA yen 3month TIBOR + 0.19%	September 1, 2016	September 1, 2020	Lump-sum repayment on repayment date	Unsecured not guaranteed
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		
Sumitomo Mitsui Banking Corporation	4,500	JBA yen 1month TIBOR + 0.15%		October 31, 2017		
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,780	0.29%		September 1, 2023		

Lender	Loan amount (Million yen)	Interest rate	Loan execution date	Repayment date	Repayment method	Collateral
Sumitomo Mitsui Banking Corporation	4,100	JBA yen 3month TIBOR + 0.255%	September 1, 2016	September 1, 2024	Lump-sum repayment on repayment date	Unsecured not guaranteed
Total	38,310	—	—	—	—	—

(Note) Of the total loan proceeds of 38,310 million yen, 6,900 million yen was used to make an early repayment of long-term loans payable with the original repayment date of September 2, 2016. The early repayment of 6,900 million yen was made on September 1, 2016.

(iv) Earnings Forecast

GLP J-REIT has made the following earnings forecasts for the fiscal period ending February 28, 2017 (From September 1, 2016 to February 28, 2017) and the fiscal period ending August 31, 2017 (From March 1, 2017 to August 31, 2017). Please refer the forecast assumptions to “Assumptions Underlying Earnings Forecasts for the 10th Fiscal Period Ending February 28, 2017 (From September 1, 2016 to February 28, 2017) and the 11th Fiscal Period Ending August 31, 2017 (From March 1, 2017 to August 31, 2017)” below.

[Percentages indicate period-on-period changes]

	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (excluding OPD)	OPD per unit	Distributions per unit (including OPD)
Period ending	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen	Yen
February 28, 2017	14,015	14.1	7,388	16.7	6,201	18.1	6,200	18.1	2,173	306	2,479
August 31, 2017	14,077	0.4	7,288	(1.3)	6,098	(1.7)	6,097	(1.7)	2,137	306	2,443

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

Assumptions Underlying Earnings Forecasts for the 10th Fiscal Period Ending February 28, 2017 (From September 1, 2016 to February 28, 2017) and the 11th Fiscal Period Ending August 31, 2017 (From March 1, 2017 to August 31, 2017)

Item	Assumption
Accounting period	The 10th Fiscal Period: From September 1, 2016 to February 28, 2017 (181 days) The 11th Fiscal Period: From March 1, 2017 to August 31, 2017 (184 days)
Portfolio assets	<ul style="list-style-type: none"> It is assumed that the portfolio assets will consist of the trust beneficiary rights of 63 properties which include 58 properties held by GLP J-REIT as of the end of the 9th Fiscal Period and the following five properties newly acquired on September 1, 2016 (hereinafter the “Five September Properties”): GLP-MFLP Ichikawa Shiohama, GLP Atsugi II, GLP Yoshimi, GLP Fukaeahama and GLP Tomiya IV. The forecasts also assume that there will be no changes to the portfolio assets (acquisition of new assets, disposal of portfolio assets, etc.) after these acquisitions until the end of the 11th Fiscal Period. In practice, however, changes such as the acquisition of new assets other than those properties stated above or the disposal of portfolio assets may occur.
Number of investment units issued and outstanding	<ul style="list-style-type: none"> It is assumed to be 2,853,078 units, which is the number of investment units issued and outstanding as of the date of this document.
Interest-bearing liabilities	<ul style="list-style-type: none"> The outstanding interest-bearing liabilities of GLP J-REIT as of the date of this report are 219,010 million yen. On September 1, 2016, GLP J-REIT borrowed funds totaling 38,310 million yen for acquisition of the Five September Properties. Using some of the funds, GLP J-REIT repaid 6,900 million yen of the current portion of long-term loans payable with the repayment date of September 2, 2016 on September 1, 2016. The forecasts assume that a part of funds borrowed in September 2016 will be refinanced by borrowings or investment corporation bonds during the 10th Fiscal Period. On October 7, 2016, GLP J-REIT repaid 1,230 million yen of the current portion of long-term loans payable with the original repayment date of February 28, 2017, using funds raised from the issuance of new investment units through a third-party allocation associated with the domestic secondary offering by way of over-allotment. The forecasts assume that 8,500 million yen of the current portion of long-term loans payable with the repayment date of December 20, 2016 will be refinanced by borrowings on the repayment date.

Item	Assumption
	<ul style="list-style-type: none"> After the aforementioned early repayment, the remaining balance of the current portion of long-term loans payable with the original repayment date of February 28, 2017 comes to 8,070 million yen, of which, (1) 6,870 million yen will be refinanced by borrowings on February 28, 2017 and (2) 1,200 million yen will be repaid by using cash on hand on the same date. Consumption taxes corresponding to the 10th Fiscal Period are scheduled to be refunded during the 11th Fiscal Period. The forecasts assume that 3,300 million yen of long-term loans payable will be repaid at the end of the 11th Fiscal Period by using the tax refund and cash on hand. It is assumed that LTV as of February 28, 2017 (the 10th Fiscal Period) will be 48.7% and LTV as of August 31, 2017 (the 11th Fiscal Period) will be 48.3%. The following formula is used to compute LTV. $\text{LTV} = (\text{Balance of interest-bearing liabilities} / \text{Total assets}) \times 100$
Operating revenues	<ul style="list-style-type: none"> Concerning operating revenues, the forecasts assume that there is no delinquent rent payment by tenants.
Operating expenses	<ul style="list-style-type: none"> With respect to taxes on property and equipment (fixed asset tax, city planning tax and depreciable asset tax on real estate, etc. hereinafter “property-related taxes”) held by GLP J-REIT, of the tax amounts assessed and determined, the amounts corresponding to the relevant accounting period are recognized as rental expenses. However, if property and equipment is newly acquired and adjusted amounts of property-related taxes for the year under the same accounting period (the “amounts equivalent to property-related taxes”) arise between GLP J-REIT and the transferor, the relevant adjusted amounts are capitalized as part of the acquisition cost of the relevant property. Accordingly, with regard to property-related taxes for one property acquired in January 2016 (GLP Matsudo) and the Five September Properties, no amount will be recognized as rental expenses in the 10th Fiscal Periods, and 9 million yen and 151 million yen will be recognized as rental expenses in the 11th Fiscal Period, respectively. The total amount of property-related taxes included in the acquisition costs of GLP Matsudo is 17 million yen and that of the Five September Properties is 59 million yen. Taxes and dues are expected to be 1,066 million yen for the 10th Fiscal Period and 1,226 million yen for the 11th Fiscal Period. Repair and maintenance expenses are expected to be 78 million yen for the 10th Fiscal Period and 90 million yen for the 11th Fiscal Period. Property and facility management fees are expected to be 517 million yen for the 10th Fiscal Period and 515 million yen for the 11th Fiscal Period. Depreciation is expected to be 2,911 million yen for the 10th Fiscal Period and 2,913 million yen for the 11th Fiscal Period. Of rental expenses that are the main operating expenses, expenses other than depreciation are estimated based on the historical experiences and fluctuation factors. Please be aware that actual amount of repair and maintenance expenses of each accounting period may be significantly different from the estimated amount due to the following reasons: repair and maintenance (1) may emergently arise due to property damages occurred by unpredictable incidents; (2) generally varies in amount from period to period and (3) may not arise regularly. Depreciation is estimated using the straight-line method based on acquisition costs including incidental expenses assumed and additional capital expenditure in the future.
NOI (Net Operating Income)	<ul style="list-style-type: none"> NOI (the amount calculated by deducting rental expenses, excluding depreciation, from operating revenues) is expected to be 11,814 million yen for the 10th Fiscal Period and 11,770 million yen for the 11th Fiscal Period.
Non-operating expenses	<ul style="list-style-type: none"> The total amount of interest expenses on loans, interest expenses on investment corporation bonds, amortization of investment corporation bonds issuance expenses and other finance-related expenses are expected to be 1,110 million yen for the 10th Fiscal Period and 1,142 million yen for the 11th Fiscal Period. Investment corporation bonds issuance expenses are amortized monthly for the period from issuance to redemption. Investment unit issuance expenses are amortized monthly for three years from occurrence, and amortization expenses are expected to be 46 million yen for the 10th Fiscal Period and 46 million yen for the 11th Fiscal Period.

Item	Assumption
	<ul style="list-style-type: none"> It is assumed to incur 28 million yen of temporary costs in connection with an issuance of new investment units in the 10th Fiscal Period.
Distributions per unit (excluding OPD)	<ul style="list-style-type: none"> Distribution per unit is calculated in accordance with the distribution policy set forth in the Articles of Incorporation of GLP J-REIT. Distributions per unit (excluding OPD) may change due to various factors including changes in portfolio assets, changes in rental revenues in connection with changes in tenants, unexpected repair, changes in interest rates and additional issuance of investment units.
Optimal payable distribution (OPD) per unit	<ul style="list-style-type: none"> The forecasts assume that all of the amounts of OPD for the 10th Period and the 11th Period will be the refund of its investment categorized as a distribution from unitholders' capital for tax purposes. OPD per unit is calculated in accordance with the policy on cash distributions in excess of retained earnings provided in the Management Guidelines, the internal policy of the Asset Manager. It is calculated by assuming distribution of approximately 30% of respective depreciation arising in the 10th Fiscal Period and the 11th Fiscal Period. Depreciation may vary from the current expected amount due to change in portfolio assets, the amount of incidental expenses incurred and the amount of capital expenditure. Therefore, the total amount of OPD calculated on the basis of depreciation may also vary due to these and other various factors. In addition, in order to maintain the value of assets held by GLP J-REIT, in the event that GLP J-REIT is to pay out OPD, GLP J-REIT sets the maximum as the amount of depreciation less capital expenditure incurred in the accounting period in which the concerned depreciation was recognized. Therefore, when urgent capital expenditure arises from unforeseen factors causing building damage and other, the amount of OPD per unit may decrease. Moreover, when the appraisal LTV provided below exceeds 60%, GLP J-REIT will not pay out OPD. Appraisal LTV (%) = $A/B \times 100$ (%) A= Interest-bearing liabilities balance (including investment corporation bonds balance and short-term investment corporation bonds balance) at the end of the period + Deposit release amount at the end of the period B= Total amount of appraisal value or research price of portfolio assets at the end of the period + Cash and deposits balance at the end of the period – Scheduled total amount of distributions of earnings – Scheduled total amount of OPD The scheduled total amount of distributions of earnings and scheduled total amount of OPD are assumed to be the same as the actual figures of the most recent fiscal period.
Other	<ul style="list-style-type: none"> The forecasts assume that there will be no revision of laws and regulations, tax systems, accounting standards, listing regulations of the Tokyo Stock Exchange, Inc., rules of the Investment Trusts Association, Japan, ("JITA"), etc. that will impact the forecast figures above. The forecasts assume that there will be no unforeseen material change in general economic trends and real estate market conditions, etc.

3. Financial Statements

(1) Balance Sheets

	(Unit: Thousand yen)	
	Prior Period As of February 29, 2016	Current Period As of August 31, 2016
Assets		
Current assets		
Cash and deposits	4,986,538	5,191,423
Cash and deposits in trust	5,549,044	5,264,572
Operating accounts receivable	299,990	817,921
Prepaid expenses	390,251	352,598
Deferred tax assets	—	42
Consumption taxes receivable	598,811	—
Other current assets	134	455
Total current assets	11,824,771	11,627,013
Noncurrent assets		
Property and equipment		
Buildings in trust	151,491,368	151,999,444
Accumulated depreciation	(12,215,546)	(14,614,647)
Buildings in trust, net	139,275,821	137,384,796
Structures in trust	3,741,652	3,791,978
Accumulated depreciation	(748,332)	(901,442)
Structures in trust, net	2,993,320	2,890,536
Machinery and equipment in trust	53,679	53,855
Accumulated depreciation	(26,610)	(30,867)
Machinery and equipment in trust, net	27,069	22,988
Tools, furniture and fixtures in trust	143,533	148,658
Accumulated depreciation	(52,054)	(62,935)
Tools, furniture and fixtures in trust, net	91,478	85,722
Land in trust	234,404,917	234,404,917
Construction in progress	65,998	134,658
Total property and equipment, net	376,858,606	374,923,620
Investments and other assets		
Investment securities	1,600	1,600
Long-term prepaid expenses	1,271,286	1,113,238
Security deposits	10,000	10,000
Total investments and other assets	1,282,886	1,124,838
Total noncurrent assets	378,141,492	376,048,458
Deferred assets		
Investment unit issuance expenses	145,623	94,606
Investment corporation bond issuance costs	86,092	78,186
Total deferred assets	231,715	172,792
Total Assets	390,197,979	387,848,264

(Unit: Thousand yen)

	Prior Period As of February 29, 2016	Current Period As of August 31, 2016
Liabilities		
Current liabilities		
Operating accounts payable	140,047	248,412
Current portion of long-term loans payable	27,000,000	24,700,000
Accounts payable	1,419,435	1,465,438
Accrued expenses	25,410	26,424
Income taxes payable	605	1,421
Consumption taxes payable	—	708,840
Advances received	2,037,581	2,109,848
Current portion of tenant leasehold and security deposits	199,290	164,540
Current portion of tenant leasehold and security deposits in trust	100,000	100,000
Total current liabilities	30,922,371	29,524,925
Noncurrent liabilities		
Investment corporation bonds	18,500,000	18,500,000
Long-term loans payable	145,630,000	145,630,000
Tenant leasehold and security deposits	7,584,626	7,521,015
Tenant leasehold and security deposits in trust	178,019	178,019
Total noncurrent liabilities	171,892,645	171,829,034
Total Liabilities	202,815,016	201,353,960
Net Assets		
Unitholders' equity		
Unitholders' capital	185,176,702	185,176,702
Deduction from unitholders' capital	(3,156,252)	(3,934,387)
Unitholders' capital, net	182,020,450	181,242,315
Retained earnings		
Unappropriated retained earnings	5,362,512	5,251,989
Total retained earnings	5,362,512	5,251,989
Total unitholders' equity	187,382,962	186,494,304
Total Net Assets *2	187,382,962	186,494,304
Total Liabilities and Net Assets	390,197,979	387,848,264

(2) Statements of Income

	(Unit: Thousand yen)	
	Prior Period From September 1, 2015 To February 29, 2016	Current Period From March 1, 2016 To August 31, 2016
Operating revenues		
Rental revenues *1	11,810,418	11,844,509
Other rental revenues *1	441,909	433,536
Gain on sales of property and equipment *2	80,154	—
Total operating revenues	12,332,482	12,278,046
Operating expenses		
Rental expenses *1	4,474,628	4,605,581
Asset management fee	1,219,077	1,236,138
Asset custody fee	5,637	6,054
Administrative service fees	19,230	20,126
Directors' remuneration	3,960	3,960
Audit fee	13,500	13,000
Taxes and dues	14,455	115
Other operating expenses	71,480	64,384
Total operating expenses	5,821,970	5,949,360
Operating income	6,510,512	6,328,685
Non-operating income		
Interest income	880	46
Reversal of distributions payable	—	2,994
Interest on refund of consumption taxes and other	—	907
Total non-operating income	880	3,948
Non-operating expenses		
Interest expense	770,388	762,122
Interest expenses on investment corporation bonds	64,207	65,214
Amortization of investment corporation bond issuance costs	7,906	7,906
Borrowing related expenses	208,451	192,077
Amortization of investment unit issuance expenses	77,893	51,017
Offering costs associated with the issuance of investment units	20,845	1,089
Others, net	843	992
Total non-operating expenses	1,150,536	1,080,419
Ordinary income	5,360,856	5,252,214
Income before income taxes	5,360,856	5,252,214
Income taxes-current	605	1,428
Income taxes-deferred	30	(42)
Total income taxes	635	1,386
Net income	5,360,221	5,250,828
Accumulated earnings brought forward	2,291	1,160
Unappropriated retained earnings	5,362,512	5,251,989

(3) Statements of Changes in Net Assets

Prior period (From September 1, 2015 to February 29, 2016)

(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	162,790,718	(2,448,596)	160,342,122	4,649,872	4,649,872	164,991,994	164,991,994
Changes of items during the period							
Issuance of new investment units	22,385,984		22,385,984			22,385,984	22,385,984
Distributions in excess of retained earnings		(707,656)	(707,656)			(707,656)	(707,656)
Distributions of earnings				(4,647,581)	(4,647,581)	(4,647,581)	(4,647,581)
Net income				5,360,221	5,360,221	5,360,221	5,360,221
Total changes of items during the period	22,385,984	(707,656)	21,678,327	712,640	712,640	22,390,967	22,390,967
Balance at the end of the period *1	185,176,702	(3,156,252)	182,020,450	5,362,512	5,362,512	187,382,962	187,382,962

Current period (From March 1, 2016 to August 31, 2016)

(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

(4) Statements of Distributions

(Unit: Yen)		
	Prior Period From September 1, 2015 To February 29, 2016	Current Period From March 1, 2016 To August 31, 2016
I Unappropriated retained earnings	5,362,512,271	5,251,989,174
II Distributions in excess of retained earnings		
Deduction from unitholders' capital	778,135,200	770,353,848
III Distributions	6,139,486,728	6,020,172,664
[Distributions per unit]	[2,367]	[2,321]
Of which, distributions of earnings	5,361,351,528	5,249,818,816
[Of which, distributions of earnings per unit]	[2,067]	[2,024]
Of which, distributions in excess of retained earnings	778,135,200	770,353,848
[Of which, distributions in excess of retained earnings per unit]	[300]	[297]
IV Retained earnings carried forward	1,160,743	2,170,358
Calculation method of distribution amount	<p>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.</p> <p>Accordingly, GLP J-REIT declared a distribution amount of 5,361,351,528 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.</p>	<p>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.</p> <p>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.</p>

(Continued)

(Continued)

(Continued)

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

Thus, GLP J-REIT declared an OPD (a refund of investment categorized as a distribution from unitholders’ capital for tax purposes) amounting to 778,135,200 yen, which was determined as follows: (1) the amount not exceeding the upper limit of 2,043,896,175 yen calculated by deducting capital expenditure of 557,837,703 yen from depreciation expense of 2,601,733,878 yen, and (2) approximately 30% of the depreciation expense of 2,601,733,878 yen for the period.

(Continued)

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

Thus, GLP J-REIT declared an OPD (a refund of investment categorized as a distribution from unitholders’ capital for tax purposes) amounting to 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.

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

(5) Statements of Cash Flows

	(Unit: Thousand yen)	
	Prior Period From September 1, 2015 To February 29, 2016	Current Period From March 1, 2016 To August 31, 2016
Operating activities:		
Income before income taxes	5,360,856	5,252,214
Depreciation	2,601,733	2,572,667
Amortization of investment corporation bond issuance costs	7,906	7,906
Amortization of investment unit issuance expenses	77,893	51,017
Interest income	(880)	(46)
Reversal of distributions payable	—	(2,994)
Interest expense	834,595	827,337
Loss on disposal of property and equipment	474	—
Decrease (increase) in operating accounts receivable	(43,599)	(517,931)
Decrease (increase) in prepaid expenses	(52,452)	37,653
Decrease (increase) in consumption taxes receivable	(598,811)	598,811
Decrease (increase) in other current assets	—	(321)
Decrease (increase) in long-term prepaid expenses	(298,659)	158,048
Increase (decrease) in operating accounts payable	(87,943)	108,364
Increase (decrease) in accounts payable	125,980	53,937
Increase (decrease) in consumption taxes payable	(280,136)	708,840
Increase (decrease) in advances received	96,226	72,267
Decrease in property and equipment in trust due to sales	1,951,576	—
Sub total	9,694,761	9,927,771
Interest received	880	46
Interest paid	(834,196)	(826,323)
Income taxes paid	(1,208)	(612)
Net cash provided by (used in) operating activities	8,860,236	9,100,882
Investing activities:		
Purchase of property and equipment	(81)	(70,318)
Purchase of property and equipment in trust	(41,322,239)	(572,191)
Proceeds from tenant leasehold and security deposits	619,153	270,846
Repayments of tenant leasehold and security deposits	(269,580)	(369,208)
Net cash provided by (used in) investing activities	(40,972,747)	(740,871)
Financing activities:		
Repayments of short-term loans payable	(1,700,000)	—
Proceeds from long-term loans payable	42,490,000	—
Repayments of long-term loans payable	(26,240,000)	(2,300,000)
Proceeds from issuance of investment units	22,295,056	—
Payments of distributions of earnings	(4,646,775)	(5,361,727)
Payments of distributions in excess of retained earnings	(706,980)	(777,870)
Net cash provided by (used in) financing activities	31,491,300	(8,439,597)
Net increase (decrease) in cash and cash equivalents	(621,211)	(79,586)
Cash and cash equivalents at beginning of period	11,156,794	10,535,582
Cash and cash equivalents at end of period *1	10,535,582	10,455,996

(6) Notes Concerning Going Concern Assumption

None

(7) Notes Concerning Significant Accounting Policies

1. Basis and method of valuation of assets	<p>Securities</p> <p>Available-for-sale securities with no readily determinable market price are stated at cost. Cost of securities sold is determined by the moving-average method.</p>								
2. Depreciation of noncurrent assets	<p>Property and equipment including trust assets</p> <p>Property and equipment are stated at cost, which includes the original purchase price and related acquisition costs and expenses. Depreciation of property and equipment, including property and equipment in trust, is calculated by the straight-line method over the estimated useful lives as follows:</p> <table> <tr> <td>Buildings</td><td>2 to 55 years</td></tr> <tr> <td>Structures</td><td>2 to 57 years</td></tr> <tr> <td>Machinery and equipment</td><td>6 to 12 years</td></tr> <tr> <td>Tools, furniture and fixtures</td><td>2 to 15 years</td></tr> </table>	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
Buildings	2 to 55 years								
Structures	2 to 57 years								
Machinery and equipment	6 to 12 years								
Tools, furniture and fixtures	2 to 15 years								
3. Accounting treatment for deferred assets	<p>(1) Investment unit issuance expenses are amortized over three years using the straight-line method.</p> <p>(2) Investment corporation bond issuance costs are amortized over the respective terms of the bonds using the straight-line method.</p>								
4. Revenue and expense recognition	<p>Taxes on property and equipment</p> <p>With respect to taxes on property and equipment held by GLP J-REIT, of the tax amounts assessed and determined, the amounts corresponding to the relevant accounting period are accounted for as rental expenses.</p> <p>Of the amounts paid for the acquisition of real estate or beneficiary right of real estate in trust, the amounts equivalent to property-related taxes are capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses. Capitalized property-related taxes amounted to 77,001 thousand yen for the prior period.</p>								
5. Hedge accounting	<p>GLP J-REIT enters into derivative transactions in order to hedge against risks defined in its Articles of Incorporation in compliance with their general risk management policy. GLP J-REIT uses interest rate swaps for the purpose of hedging its risk exposure associated with interests on floating rate loans payable. Where deferral accounting is generally adopted for hedge transactions, GLP J-REIT applies the special accounting treatment to interest rate swaps which qualify for hedge accounting and meet the specific matching criteria. Under the special accounting treatment, interest rate swaps are not measured at fair value, but the differential paid or received under the swap agreements is recognized and included in interest expense.</p> <p>The hedge effectiveness test for interest rate swaps is omitted since all interest rate swaps of GLP J-REIT meet the specific matching criteria for the special accounting treatment as permitted under the Japanese GAAP.</p>								

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

(8) Notes to Financial Statements

(Notes to Balance Sheets)

1. Commitment line agreements

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

	(Unit: Thousand yen)	
	Prior Period	Current Period
	As of February 29, 2016	As of August 31, 2016
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

*2. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations:

	(Unit: Thousand yen)	
	Prior Period	Current Period
	As of February 29, 2016	As of August 31, 2016
	50,000	50,000

(Notes to Statements of Income)

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

	(Unit: Thousand yen)	
	Prior Period From September 1, 2015 To February 29, 2016	Current Period From March 1, 2016 To August 31, 2016
A. Property-related revenues		
Rental revenues:		
Rental revenues	11,444,192	11,467,842
Common area charges	366,225	376,667
Total	11,810,418	11,844,509
Other revenues related to property leasing		
Utility charges	294,394	297,520
Parking lots	32,646	31,980
Others	114,869	104,035
Total	441,909	433,536
Total property-related revenues	12,252,328	12,278,046
B. Property-related expenses		
Rental expenses:		
Taxes and dues	959,379	1,066,095
Property and facility management fees	434,379	431,350
Utilities	287,081	279,110
Repairs and maintenance	70,330	101,600
Casualty insurance	23,967	23,798
Depreciation	2,601,733	2,572,667
Loss on disposal of property and equipment	474	—
Others	97,281	130,957
Total property-related expenses	4,474,628	4,605,581
C. Operating income from property leasing (A – B)	7,777,699	7,672,465

*2. Gain on sales of property and equipment:

Prior Period (From September 1, 2015 to February 29, 2016)

	(Unit: Thousand yen)
GLP Tosu III and GLP Chikushino:	
Sales proceed	2,100,000
Book value of properties sold	1,951,576
Other sales expenses	68,269
Gain on sales of property and equipment	80,154

Sales price of each property is not disclosed since counter party's consent is not obtained.

Current Period (From March 1, 2016 to August 31, 2016)

None

(Notes to Statements of Changes in Net Assets)

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

	Prior Period From September 1, 2015 To February 29, 2016	Current Period From March 1, 2016 To August 31, 2016
Number of investment units authorized	16,000,000 units	16,000,000 units
Number of investment units issued and outstanding	2,593,784 units	2,593,784 units

(Notes to Statements of Cash Flows)

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

	(Unit: Thousand yen)	
	Prior Period From September 1, 2015 To February 29, 2016	Current Period From March 1, 2016 To August 31, 2016
Cash and deposits	4,986,538	5,191,423
Cash and deposits in trust	5,549,044	5,264,572
Cash and cash equivalents	10,535,582	10,455,996

(Leases)

Operating lease transactions (As Lessor)
Future minimum rental revenues

	(Unit: Thousand yen)	
	Prior Period As of February 29, 2016	Current Period As of August 31, 2016
Due within one year	21,329,917	21,410,371
Due after one year	71,599,048	63,324,664
Total	92,928,966	84,735,036

(Financial Instruments)

1. Status of financial instruments

(1) Policy for financial instruments

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

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

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

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

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

financial institutions with high credit ratings.

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

Prior Period (As of February 29, 2016)

Book value, fair value and differences between the values as of February 29, 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	4,986,538	4,986,538	—
(2) Cash and deposits in trust	5,549,044	5,549,044	—
Total assets	10,535,582	10,535,582	—
(1) Current portion of long-term loans payable	27,000,000	27,000,000	—
(2) Investment corporation bonds	18,500,000	18,983,350	483,350
(3) Long-term loans payable	145,630,000	149,239,818	3,609,818
Total liabilities	191,130,000	195,223,168	4,093,168
Derivative transactions	—	—	—

Current Period (As of August 31, 2016)

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 (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:

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

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

(Unit: Thousand yen)

Account name	Prior Period As of February 29, 2016	Current Period As of August 31, 2016
Tenant leasehold and security deposits	7,584,626	7,521,015
Tenant leasehold and security deposits in trust	178,019	178,019
Total	7,762,645	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 schedules for monetary claims are as follows:

Prior Period (As of February 29, 2016)

(Unit: Thousand yen)

	Due within one year
Cash and deposits	4,986,538
Cash and deposits in trust	5,549,044
Total	10,535,582

Current Period (As of August 31, 2016)

(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 schedules for investment corporation bonds and long-term loans payable

Prior Period (As of February 29, 2016)

(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	27,000,000	24,300,000	20,900,000	24,050,000	15,950,000	60,430,000
Total	27,000,000	24,300,000	26,900,000	24,050,000	20,450,000	68,430,000

Current Period (As of August 31, 2016)

(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

(Investment Securities)

Prior Period (As of February 29, 2016) and Current Period (As of August 31, 2016)

None

(Derivative Transactions)

1. Derivative transactions for which hedge accounting is not applied

Prior Period (As of February 29, 2016) and Current Period (As of August 31, 2016)

None

2. Derivative transactions for which hedge accounting is applied

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

Prior Period (As of February 29, 2016)

(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	(Note 1)	(Note 2)

(Note 1) Interest rate swaps under the special accounting treatment are accounted for as an integral component of long-term loans payable designated as hedged items. Thus, their fair value is included in that of long-term loans payable disclosed in aforementioned “(Financial Instruments), 2. Estimated fair value of financial instruments, (1) Current portion of long-term loans payable and (3) Long-term loans payable.”

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

Current Period (As of August 31, 2016)

(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	(Note 1)	(Note 2)

(Note 1) Interest rate swaps under the special accounting treatment are accounted for as an integral component of long-term loans payable designated as hedged items. Thus, their fair value is included in that of long-term loans payable disclosed in aforementioned “(Financial Instruments), 2. Estimated fair value of financial instruments, (1) Current portion of long-term loans payable and (3) Long-term loans payable.”

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

(Retirement Benefit Plans)

Prior Period (As of February 29, 2016) and Current Period (As of August 31, 2016)

None

(Equity in Income)

Prior Period (As of February 29, 2016) and Current Period (As of August 31, 2016)

No affiliate exists, thus, none to report.

(Asset Retirement Obligation)

Prior Period (As of February 29, 2016) and Current Period (As of August 31, 2016)

None

(Deferred Tax Accounting)

1. Significant components of deferred tax assets and liabilities

	(Unit: Thousand yen)	
	Prior Period As of February 29, 2016	Current Period As of August 31, 2016
Deferred tax assets		
Enterprise tax payable	—	42
Total	—	42
Net deferred tax assets	—	42

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

	(Unit: %)	
	Prior Period As of February 29, 2016	Current Period As of August 31, 2016
Statutory effective tax rate	32.31	32.31
(Adjustments)		
Distributions deductible for tax purposes	(32.31)	(32.30)
Other	0.01	0.02
Actual tax rate	0.01	0.03

(Related Party Transactions)

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

Prior Period (From September 1, 2015 to February 29, 2016)

None

Current Period (From March 1, 2016 to August 31, 2016)

None

2. Transactions and account balances with affiliates

Prior Period (From September 1, 2015 to February 29, 2016)

None

Current Period (From March 1, 2016 to August 31, 2016)

None

3. Transactions and account balances with companies under common control

Prior Period (From September 1, 2015 to February 29, 2016)

Classification	Name of the company	Location	Stated capital (Thousand yen)	Type of business	% of voting rights (owned)	Business relationship	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
Subsidiary of other related company	Global Logistic Properties Inc.	Minato-ku, Tokyo	100,000	Investment advisory/ agency	—	Entrustment of property management Patent license	Property management fee	224,693	Operating accounts payable	40,520
							Royalty fee (Note 2)	7,500	—	—
							Leasing commission	59,201	—	—
	GLP Japan Advisors Inc.	Minato-ku, Tokyo	100,000	Asset management	—	Concurrently serving directors Entrustment of asset management	Asset management fee (Notes 2, 3)	1,355,627	Accounts payable	1,145,482
	GLP Solar Special Purpose Company	Minato-ku, Tokyo	1,410,100	Equipment leasing	—	Rooftop leasing	Rental income from rooftop leasing (Note 2)	40,199	Advances received	7,235
	Shinkiba Logistic Special Purpose Company (Note 4)	Minato-ku, Tokyo	960,100	Real estate	—	—	Purchase of beneficiary right of real estate in trust	11,540,000	—	—
	Narashino Logistic Special Purpose Company (Note 5)	Minato-ku, Tokyo	1,228,850	Real estate	—	—	Purchase of beneficiary right of real estate in trust	5,320,000	—	—
							Receipt of deposits	2,907	—	—
							Acceptance of security deposits	43,625	—	—
	Narita Two Logistic Special Purpose Company (Note 6)	Minato-ku, Tokyo	123,100	Real estate	—	—	Purchase of beneficiary right of real estate in trust	3,700,000	—	—
							Receipt of deposits	2,913	—	—
							Acceptance of security deposits	67,058	—	—
	Sugito Logistic Special Purpose Company (Note 7)	Minato-ku, Tokyo	670,100	Real estate	—	—	Purchase of beneficiary right of real estate in trust	8,310,000	—	—
							Receipt of deposits	6,068	—	—
							Acceptance of security deposits	113,755	—	—
	Tosu One Logistic Special Purpose Company (Note 8)	Minato-ku, Tokyo	100,100	Real estate	—	—	Purchase of beneficiary right of real estate in trust	9,220,000	—	—
							Receipt of deposits	10,646	—	—
							Acceptance of security deposits	140,312	—	—
	GLP J-REIT Solar GK	Minato-ku, Tokyo	100	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	20,156	Operating accounts receivable	2,481

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

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

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

(Note 3) The Asset management fee above includes management fees of 126,050 thousand yen capitalized as part of acquisition costs of properties. It also includes 10,500 thousand yen of management fees for properties sold, which was included in the calculation of gain or loss on sales of property and equipment.

(Note 4) Shinkiba Logistic Special Purpose Company has been liquidated effective March 2, 2016.

(Note 5) Narashino Logistic Special Purpose Company has been liquidated effective March 2, 2016.

(Note 6) Narita Two Logistic Special Purpose Company has been liquidated effective March 2, 2016.

(Note 7) Sugito Logistic Special Purpose Company has been liquidated effective March 2, 2016.

(Note 8) Tosu One Logistic Special Purpose Company has been liquidated effective March 2, 2016.

Current Period (From March 1, 2016 to August 31, 2016)

Classification	Name of the company	Location	Stated capital (Thousand yen)	Type of business	% of voting rights (owned)	Business relationship	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
Subsidiary of other related company	Global Logistic Properties Inc.	Minato-ku, Tokyo	100,000	Investment advisory/ agency	—	Entrustment of property management Patent license	Property management fee	222,120	Operating accounts payable	40,517
							Royalty fee (Note 2)	7,500	—	—
							Leasing commission	92,751	—	—
	GLP Japan Advisors Inc.	Minato-ku, Tokyo	110,000	Asset management	—	Concurrently serving directors Entrustment of asset management	Asset management fee (Notes 2)	1,236,138	Accounts payable	1,143,834
	GLP Solar Special Purpose Company	Minato-ku, Tokyo	1,410,100	Equipment leasing	—	Rooftop leasing	Rental income from rooftop leasing (Note 2)	40,199	Advances received	7,235
	GLP J-REIT Solar GK	Minato-ku, Tokyo	100	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	20,366	Operating accounts receivable	3,675

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

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

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

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

Prior Period (From September 1, 2015 to February 29, 2016)

None

Current Period (From March 1, 2016 to August 31, 2016)

None

(Investment and Rental Properties)

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)

	Prior Period From September 1, 2015 To February 29, 2016	Current Period From March 1, 2016 To August 31, 2016
Book value		
Balance at the beginning of the period	340,033,378	376,792,607
Change during the period	36,759,229	(2,003,645)
Balance at the end of the period	376,792,607	374,788,962
Fair value at the end of the period	440,252,000	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 each period, the major increase for the prior period was primarily due to the acquisition of the following six properties in the total amount of 40,755,176 thousand yen: GLP Shinkiba, GLP Narashino, GLP Narita II, GLP Sugito, GLP Matsudo and GLP Tosu I), whereas the major decrease was due to the sales of GLP Tosu III and GLP Chikushino in the total amount of 1,951,576 thousand yen and depreciation of 2,601,733 thousand yen. Similarly, the major increase for the current period 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.”

(Segment and Related Information)

(Segment Information)

1. Overview of operating and reportable segments

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

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

Multi-tenant property:	GLP Tokyo, GLP Sugito II, GLP Koshigaya II, GLP Misato II, GLP Amagasaki, GLP Koriyama III, GLP Urayasu III, GLP Komaki, GLP Tokyo II, GLP Narashino and GLP Narita II.
BTS property:	GLP Higashi-Ogishima, GLP Akishima, GLP Tomisato, GLP Narashino II, GLP Funabashi, GLP Kazo, GLP Fukaya, GLP Iwatsuki, GLP Kasukabe, GLP Tatsumi, GLP Hirakata, GLP

Hirakata II, GLP Maishima II, GLP Tsumori, GLP Rokko, GLP Amagasaki II, GLP Nara, GLP Sakai, GLP Morioka, GLP Tomiya, GLP Koriyama I, GLP Tokai, GLP Hayashima, GLP Hayashima II, GLP Kiyama, GLP Sendai, GLP Hamura, GLP Funabashi III, GLP Sodegaura, GLP Rokko II, GLP Ebetsu, GLP Kuwana, GLP Hatsukaichi, GLP Tatsumi Iia, GLP Tatsumi Iib, GLP Okegawa, GLP Kadoma, GLP Seishin, GLP Fukusaki, GLP Ogimachi, GLP Hiroshima, GLP Fukuoka, GLP Kobe-Nishi, GLP Shinkiba, GLP Sugito, GLP Matsudo and GLP Tosu I.

On January 27, 2016, GLP J-REIT sold GLP Tosu III and GLP Chikushino, both classified as “BTS property”, to a third party.

2. Basis of measurement for the amounts of segment income, segment assets and other items for each reportable segment
The accounting policies of each reportable segment are consistent to those disclosed in “Notes Concerning Significant Accounting Policies.” Segment income is measured on the basis of operating income.

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

Prior Period (February 29, 2016)

(Unit: Thousand yen)

	Multi-tenant rental business	BTS rental business	Reconciling items	Amount on financial statements
Operating revenues (Note1)	5,257,353	6,994,974	80,154	12,332,482
Segment income	3,244,425	4,533,274	(1,267,187)	6,510,512
Segment assets	165,901,782	216,781,508	7,514,687	390,197,979
Other items				
Depreciation	980,817	1,620,916	—	2,601,733
Increase in property and equipment	9,168,934	32,144,079	(7,303)	41,305,710

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

(Note 2) Reconciling items to operating revenues of 80,154 thousand yen consist of gain on sales of property and equipment which does not belong to reportable segments. Reconciling items to segment income in the negative amount of 1,267,187 thousand yen consist of gain on sales of property and equipment of 80,154 thousand yen that does not belong to reportable segments and corporate expenses of 1,347,341 thousand yen that are not allocated to each reportable segment. Corporate expenses present mainly asset management fee, asset custody fee, administrative service fees, directors’ remuneration and other expenses.

Reconciling items to segment assets in the amount of 7,514,687 thousand yen include current assets of 5,935,687 thousand yen, property and equipment of 65,998 thousand yen, investments and other assets of 1,281,286 thousand yen and deferred assets of 231,715 thousand yen.

Reconciling items to increase in property and equipment under other items in the negative amount of 7,303 thousand yen consist of corporate assets which does not belong to reportable segments. Such corporate assets represent a decrease in construction in progress of 7,303 thousand yen.

Current Period (August 31, 2016)

(Unit: Thousand yen)

	Multi-tenant rental business	BTS rental business	Reconciling items	Amount on financial statements
Operating revenues (Note1)	5,266,476	7,011,570	—	12,278,046
Segment income	3,224,171	4,448,293	(1,343,779)	6,328,685
Segment assets	164,821,264	216,068,074	6,958,925	387,848,264
Other items				
Depreciation	962,516	1,610,150	—	2,572,667
Increase in property and equipment	175,514	393,507	68,659	637,681

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

(Note 2) Reconciling items to segment income in the negative amount of 1,343,779 thousand yen consist of corporate expenses that are not allocated to each reportable segment. Corporate expenses present mainly asset management fee, asset custody fee, administrative service fees, directors' remuneration and other expenses.

Reconciling items to segment assets in the amount of 6,958,925 thousand yen include current assets of 5,528,237 thousand yen, property and equipment of 134,658 thousand yen, investments and other assets of 1,123,238 thousand yen and deferred assets of 172,792 thousand yen.

Reconciling items to increase in property and equipment under other items in the amount of 68,659 thousand yen consist of corporate assets which does not belong to reportable segments. Such corporate assets represent an increase in construction in progress of 68,659 thousand yen.

(Related Information)

Prior Period (From September 1, 2015 to February 29, 2016)

1. Revenue information by product and service

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

2. Information by geographic area

(1) Operating revenues

Substantially all property and equipment are located in Japan.

(2) Property and equipment

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

3. Information on major tenants

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

Current Period (From March 1, 2016 to August 31, 2016)

1. Revenue information by product and service

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

2. Information by geographic area

(1) Operating revenues

Substantially all property and equipment are located in Japan.

(2) Property and equipment

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

3. Information on major tenants

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

(Per Unit Information)

	Prior Period From September 1, 2015 To February 29, 2016	Current Period From March 1, 2016 To August 31, 2016
Net assets per unit	72,243 yen	71,900 yen
Net income per unit	2,067 yen	2,024 yen

(Note 1) Net income per unit is calculated by dividing net income for the period by the weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated as no dilutive securities were outstanding.

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

	Prior Period From September 1, 2015 To February 29, 2016	Current Period From March 1, 2016 To August 31, 2016
Net income	5,360,221 thousand yen	5,250,828 thousand yen
Amount not attributable to ordinary unitholders	— thousand yen	— thousand yen
Net income attributable to ordinary unitholders	5,360,221 thousand yen	5,250,828 thousand yen
Average number of investment units outstanding	2,593,064 units	2,593,784 units

(Significant Subsequent Events)

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 to be 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 1,230,000,000 yen was appropriated to repay a portion of a long-term loan on October 7, 2016, before its original repayment 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 Logistic Special Purpose Company	21,100
GLP Yoshimi	September 1, 2016	Hiki, Saitama	Yoshimi Logistic Special Purpose Company	11,200
GLP Fukaehama	September 1, 2016	Kobe, Hyogo	Fukaehama Logistic 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		

Lender	Loan amount (Million yen)	Interest rate	Loan execution date	Repayment date	Repayment method	Collateral
Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Citibank 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%	September 1, 2016	March 1, 2024	Lump-sum repayment on repayment date	Unsecured not guaranteed
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		
Sumitomo Mitsui Banking Corporation	4,500	JBA yen 1month TIBOR + 0.15%		October 31, 2017		
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 make an early repayment of long-term loans payable with the original repayment date of September 2, 2016. The early repayment of 6,900 million yen was made on September 1, 2016.

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

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

Date	Type of issue	Number of investment units issued and outstanding (Unit)		Unitholders' capital, net (Note 1) (Million yen)		Note
		Increase (decrease)	Total	Increase (decrease)	Total	
September 16, 2011	Establishment through private placement	200	200	100	100	(Note 2)
December 14, 2011	Issuance of new units through allocation to a third party	20	220	10	110	(Note 3)
June 22, 2012	Issuance of new units through allocation to a third party	180	400	90	200	(Note 4)
October 31, 2012	Unit split	2,800	3,200	—	200	(Note 5)
December 20, 2012	Public offering	1,747,100	1,750,300	102,189	102,389	(Note 6)
January 21, 2013	Issuance of new units through allocation to a third party	87,400	1,837,700	5,112	107,501	(Note 7)
May 22, 2013	Distributions in excess of retained earnings (a refund of investment)	—	1,837,700	(154)	107,347	(Note 8)
September 26, 2013	Public offering	249,955	2,087,655	22,179	129,527	(Note 9)
October 16, 2013	Issuance of new units through allocation to a third party	10,045	2,097,700	891	130,418	(Note 10)
November 19, 2013	Distributions in excess of retained earnings (a refund of investment)	—	2,097,700	(475)	129,942	(Note 11)
May 19, 2014	Distributions in excess of retained earnings (a refund of investment)	—	2,097,700	(526)	129,415	(Note 12)
September 1, 2014	Public offering	281,709	2,379,409	30,973	160,389	(Note 13)
September 24, 2014	Issuance of new units through allocation to a third party	11,322	2,390,731	1,244	161,633	(Note 14)
November 19, 2014	Distributions in excess of retained earnings (a refund of investment)	—	2,390,731	(593)	161,040	(Note 15)
May 19, 2015	Distributions in excess of retained earnings (a refund of investment)	—	2,390,731	(698)	160,342	(Note 16)
September 1, 2015	Public offering	197,594	2,588,325	21,784	182,126	(Note 17)

Date	Type of issue	Number of investment units issued and outstanding (Unit)		Unitholders' capital, net (Note 1) (Million yen)		Note
		Increase (decrease)	Total	Increase (decrease)	Total	
September 25, 2015	Issuance of new units through allocation to a third party	5,459	2,593,784	601	182,728	(Note 18)
November 17, 2015	Distributions in excess of retained earnings (a refund of investment)	—	2,593,784	(707)	182,020	(Note 19)
May 17, 2016	Distributions in excess of retained earnings (a refund of investment)	—	2,593,784	(778)	181,242	(Note 20)

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

(Note 2) At establishment of GLP J-REIT, new units were issued at the issue price of 500,000 yen per unit.

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

(Note 4) 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 5) GLP J-REIT executed an 8-for-1 unit split.

(Note 6) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 58,491 yen or the offer price of 60,500 yen per unit.

(Note 7) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 58,491 yen.

(Note 8) 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 9) 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 10) 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 11) 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 12) 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 13) 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 14) 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 15) 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 16) 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 17) 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 18) 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 19) 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 20) 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.

4. Changes in Directors and Officers

(1) Changes in Directors of GLP J-REIT

The following summarizes the changes in Directors of GLP J-REIT.

	Executive Director
Appointed	Yoji Tatsumi (effective June 1, 2016)
Resigned	Masato Miki (effective May 31, 2016)

(2) Changes in Officers of GLP Japan Advisors Inc., the Asset Manager

The following summarizes the changes in Officers of GLP Japan Advisors Inc.

	President
Appointed	Yoji Tatsumi (effective May 24, 2016)
Resigned	Masato Miki (effective May 24, 2016)

5. Reference Information

(1) Investment Status

Type of asset	Area (Note 1)	Prior Period February 29, 2016		Current Period August 31, 2016	
		Total amount held (Million yen) (Note 2)	Ratio to total assets (%) (Note 3)	Total amount held (Million yen) (Note 2)	Ratio to total assets (%) (Note 3)
Property and equipment in trust (Note 4)	Tokyo metropolitan area	238,686	61.2	237,652	61.3
	Greater Osaka area	75,657	19.4	75,163	19.4
	Other	62,449	16.0	61,972	16.0
Sub Total		376,792	96.6	374,788	96.6
Deposits and other assets		13,405	3.4	13,059	3.4
Total assets (Note 5) (Note 6)		390,197 [376,792]	100.0 [96.6]	387,848 [374,788]	100.0 [96.6]

	Amount (Million yen)	As a ratio to total assets (%) (Note 3)	Amount (Million yen)	As a ratio to total assets (%) (Note 3)
Total liabilities (Note 5)	202,815	52.0	201,353	51.9
Total net assets (Note 5)	187,382	48.0	186,494	48.1

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

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

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

(Note 4) The amount of construction in progress is not included in the amount of property and equipment in trust.

(Note 5) The book value is stated for “total assets”, “total liabilities” and “total net assets”.

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

(2) Portfolio Overview

The following table summarizes the beneficiary rights of real estate in trust or the real estate properties in trust and the OTA Assets (Note 8) held by GLP J-REIT at the fiscal period end. Each figure in this table is the information as of August 31, 2016 unless otherwise stated.

Property number	Property name	Acquisition price (Million yen) (Note 1)	Book value (Million yen)	Appraisal value (Million yen) (Note 2)	Share (%) (Note 3)	Leasable area (m ²) (Note 4)	Leased area (m ²) (Note 5)	Occupancy ratio (%) (Note 6)	Number of tenants (Note 7)
Tokyo-1	GLP Tokyo	22,700	22,062	27,900	5.9	56,105.95	56,105.95	100.0	5
Tokyo-2	GLP Higashi-Ogishima	4,980	5,001	6,370	1.3	34,582.00	34,582.00	100.0	1
Tokyo-3	GLP Akishima	7,160	7,047	8,840	1.9	27,356.63	27,356.63	100.0	3
Tokyo-4	GLP Tomisato	4,990	4,744	5,590	1.3	27,042.59	27,042.59	100.0	1

Property number	Property name	Acquisition price (Million yen) (Note 1)	Book value (Million yen)	Appraisal value (Million yen) (Note 2)	Share (%) (Note 3)	Leasable area (m ²) (Note 4)	Leased area (m ²) (Note 5)	Occupancy ratio (%) (Note 6)	Number of tenants (Note 7)
Tokyo-5	GLP Narashino II	15,220	14,894	19,600	4.0	101,623.59	101,623.59	100.0	2
Tokyo-6	GLP Funabashi	1,720	1,907	1,840	0.4	10,465.03	—	—	—
Tokyo-7	GLP Kazo	11,500	10,826	13,800	3.0	76,532.71	76,532.71	100.0	1
Tokyo-8	GLP Fukaya	2,380	2,296	2,780	0.6	19,706.00	19,706.00	100.0	1
Tokyo-9	GLP Sugito II	19,000	18,111	23,300	4.9	101,272.40	100,162.57	98.9	4
Tokyo-10	GLP Iwatsuki	6,940	6,664	8,330	1.8	31,839.99	31,839.99	100.0	1
Tokyo-11	GLP Kasukabe	4,240	4,012	5,060	1.1	18,460.73	18,460.73	100.0	1
Tokyo-12	GLP Koshigaya II	9,780	9,475	11,500	2.5	43,537.47	43,537.47	100.0	2
Tokyo-13	GLP Misato II	14,600	14,220	18,200	3.8	59,208.59	59,208.59	100.0	2
Tokyo-14	GLP Tatsumi	4,960	4,881	6,190	1.3	12,925.58	12,925.58	100.0	1
Tokyo-15	GLP Hamura	7,660	7,544	8,860	2.0	40,277.93	40,277.93	100.0	1
Tokyo-16	GLP Funabashi III	3,050	3,075	3,950	0.8	18,281.84	18,281.84	100.0	1
Tokyo-17	GLP Sodegaura	6,150	5,943	7,730	1.6	45,582.06	45,582.06	100.0	1
Tokyo-18	GLP Urayasu III	18,200	17,873	20,200	4.7	64,198.11	64,198.11	100.0	2
Tokyo-19	GLP Tatsumi IIa	6,694	6,688	7,920	1.7	17,108.52	17,108.52	100.0	1
Tokyo-20	GLP Tatsumi IIb	1,056	1,061	1,140	0.3	3,359.00	3,359.00	100.0	1
Tokyo-21	GLP Tokyo II	36,100	35,604	38,900	9.4	79,073.21	79,073.21	100.0	6
Tokyo-22	GLP Okegawa	2,420	2,394	2,630	0.6	17,062.92	17,062.92	100.0	1
Tokyo-23	GLP Shinkiba	11,540	11,586	12,400	3.0	18,341.73	18,341.73	100.0	1
Tokyo-24	GLP Narashino	5,320	5,304	5,530	1.4	23,548.03	23,548.03	100.0	3
Tokyo-25	GLP Narita II	3,700	3,696	3,870	1.0	20,927.35	20,927.35	100.0	3
Tokyo-26	GLP Sugito	8,310	8,278	9,460	2.2	58,918.12	58,918.12	100.0	1
Tokyo-27	GLP Matsudo	2,356	2,453	2,750	0.6	14,904.60	14,904.60	100.0	1
Osaka-1	GLP Hirakata	4,750	4,656	6,140	1.2	29,829.56	29,829.56	100.0	1
Osaka-2	GLP Hirakata II	7,940	7,652	8,770	2.1	43,283.01	43,283.01	100.0	1
Osaka-3	GLP Maishima II	8,970	8,364	11,100	2.3	56,511.10	56,511.10	100.0	1
Osaka-4	GLP Tsumori	1,990	2,016	2,250	0.5	16,080.14	16,080.14	100.0	1
Osaka-5	GLP Rokko	5,160	5,061	5,710	1.3	39,339.00	39,339.00	100.0	1
Osaka-6	GLP Amagasaki	24,500	23,567	27,100	6.4	110,224.41	110,224.41	100.0	7
Osaka-7	GLP Amagasaki II	2,040	1,996	2,240	0.5	12,342.95	12,342.95	100.0	1
Osaka-8	GLP Nara	2,410	2,231	2,920	0.6	19,545.35	19,545.35	100.0	1
Osaka-9	GLP Sakai	2,000	1,900	2,210	0.5	10,372.10	10,372.10	100.0	1
Osaka-10	GLP Rokko II	3,430	3,290	4,210	0.9	20,407.30	20,407.30	100.0	1
Osaka-11	GLP Kadoma	2,430	2,448	3,060	0.6	12,211.73	12,211.73	100.0	1
Osaka-12	GLP Seishin	1,470	1,451	1,610	0.4	9,533.88	9,533.88	100.0	1
Osaka-13	GLP Fukusaki	3,640	3,493	4,080	0.9	24,167.83	24,167.83	100.0	1
Osaka-14	GLP Kobe-Nishi	7,150	7,032	7,450	1.9	35,417.31	35,417.31	100.0	1
Other-1	GLP Morioka	808	804	873	0.2	10,253.80	10,253.80	100.0	1
Other-2	GLP Tomiya	2,820	2,668	3,190	0.7	20,466.98	20,466.98	100.0	1

Property number	Property name	Acquisition price (Million yen) (Note 1)	Book value (Million yen)	Appraisal value (Million yen) (Note 2)	Share (%) (Note 3)	Leasable area (m ²) (Note 4)	Leased area (m ²) (Note 5)	Occupancy ratio (%) (Note 6)	Number of tenants (Note 7)
Other-3	GLP Koriyama I	4,100	3,848	4,480	1.1	24,335.96	24,335.96	100.0	1
Other-4	GLP Koriyama III	2,620	2,605	2,700	0.7	27,671.52	23,044.30	83.3	4
Other-5	GLP Tokai	6,210	5,988	7,500	1.6	32,343.31	32,343.31	100.0	1
Other-6	GLP Hayashima	1,190	1,211	1,340	0.3	13,574.58	13,574.58	100.0	1
Other-7	GLP Hayashima II	2,460	2,301	2,670	0.6	14,447.48	14,447.48	100.0	1
Other-8	GLP Kiyama	4,760	4,389	5,490	1.2	23,455.96	23,455.96	100.0	1
Other-10	GLP Sendai	5,620	5,363	6,240	1.5	37,256.23	37,256.23	100.0	1
Other-11	GLP Ebetsu	1,580	1,502	2,040	0.4	18,489.25	18,489.25	100.0	1
Other-12	GLP Kuwana	3,650	3,497	4,360	0.9	20,402.12	20,402.12	100.0	1
Other-13	GLP Hatsukaichi	1,980	1,908	2,400	0.5	10,981.89	10,981.89	100.0	1
Other-14	GLP Komaki	10,300	10,072	12,200	2.7	52,709.97	52,709.97	100.0	2
Other-15	GLP Ogimachi	1,460	1,518	1,580	0.4	13,155.28	13,155.28	100.0	1
Other-16	GLP Hiroshima	3,740	3,682	4,020	1.0	21,003.04	21,003.04	100.0	2
Other-17	GLP Fukuoka	1,520	1,504	1,660	0.4	14,641.22	14,641.22	100.0	1
Other-19	GLP Tosu I	9,220	9,105	10,100	2.4	74,860.38	74,860.38	100.0	1
Total portfolio		384,644	374,788	446,333	100.0	1,911,557.33	1,895,355.25	99.2	90

Property number	Property name	Acquisition price (Planned) (Million yen)	Book value (Million yen)	Appraisal value (Million yen) (Note 2)	Share (%) (Note 3)	Leasable area (m ²) (Note 4)	Leased area (m ²) (Note 5)	Occupancy ratio (%) (Note 6)	Number of tenants (Note 7)
OTA Assets (Note 8)									
N/A	GLP Noda-Yoshiharu	(Note 9)	—	5,040	—	26,631.40	26,631.40	100.0	1

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

(Note 2) “Appraisal value” represents the appraisal value or research price as set forth on the relevant study reports by real estate appraisers as of the balance sheet date in accordance with the policy prescribed in the Articles of Incorporation of GLP J-REIT and the rules of the Investment Trusts Association, Japan. Concerning the OTA assets, the appraisal value as of August 31, 2016, is stated.

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

(Note 4) “Leasable area” is the area of property or property in trust that is available for lease in accordance with relevant lease agreements or architectural drawings. The figures are rounded down to the second decimal place. The leasable area may be changed upon renewal of lease agreements.

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

(Note 6) “Occupancy ratio” is rounded to the first decimal place.

(Note 7) “Number of tenants” represents the total number of building tenants stated on the lease agreement of each property or property in trust.

(Note 8) 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. GLP J-REIT refers to the scheme as “Optimal Takeout Agreement (OTA)” and the assets subject to the OTA as “OTA Assets”.

(Note 9) The acquisition price of the OTA Asset 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.

(3) Capital Expenditure for Properties Owned

(a) 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 Tomiya	Tomiya, Miyagi	Fire compartmentalization of the first floor	From June 2016 to September 2016	122	—	—
GLP Koriyama III	Koriyama, Fukushima	Roof waterproofing renovation work, building No.1	From May 2016 to October 2016	65	—	—
GLP Sendai	Sendai, Miyagi	Renovation of West-side exterior walls	From October 2016 to December 2016	44	—	—
GLP Shinkiba	Koto-ku, Tokyo	Renovation of East-side exterior walls	From June 2016 to September 2016	33	—	—
GLP Rokko	Kobe, Hyogo	Replacement of a cooling tower and other heat source equipment - Phase I	From March 2017 to April 2017	22	—	—
GLP Narashino II	Narashino, Chiba	Renovation of exterior walls - Phase IV	From October 2016 to December 2016	20	—	—
GLP Narashino II	Narashino, Chiba	Renovation of exterior walls - Phase V	From March 2017 to April 2017	20	—	—

(b) 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 569 million yen. The total construction cost amounted to 670 million yen, including repair and maintenance of 101 million yen that was accounted for as expenses.

Property name	Location	Purpose	Period	Construction cost (Million yen)
GLP Misato II	Misato, Saitama	Installation of air conditioners on the first, second, third floors	From April 2016 to June 2016	86
GLP Funabashi III	Funabashi, Chiba	Renovation of North-side exterior walls	From April 2016 to July 2016	52
GLP Higashi-Ogishima	Kawasaki, Kanagawa	Replacement of air-cooled chillers	From April 2016 to June 2016	35
GLP Nara	Yamatokoriyama, Nara	Unevenness adjustment of main aisle, the first floor of warehouse	From January 2016 to March 2016	20
Other	—	—	—	375
Total				569

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

The 9th Fiscal Period (From March 1, 2016 to August 31, 2016)

(Unit in amount: Thousand yen)

Property number	Tokyo-1	Tokyo-2	Tokyo-3	Tokyo-4	Tokyo-5	Tokyo-6	Tokyo-7
Property name	GLP Tokyo	GLP Higashi-Ogishima	GLP Akishima	GLP Tomisato	GLP Narashino II	GLP Funabashi	GLP Kazo
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues	701,102	(Note)	(Note)	(Note)	(Note)	3,356	(Note)
(2) Property-related expenses	139,869					16,206	
Taxes and dues	56,815					9,831	
Property and facility management fees	38,763					2,154	
Utilities	40,310					3,033	
Repair and maintenance	659					883	
Casualty insurance	751					114	
Others	2,569					190	
(3) NOI((1)-(2))	561,232	157,598	202,203	138,654	413,950	(12,849)	326,553
(4) Depreciation	115,930	40,090	28,424	39,046	127,725	14,476	102,671
(5) Loss on disposal of property and equipment	—	—	—	—	—	—	—
(6) Operating income from property leasing ((3)-(4)-(5))	445,302	117,508	173,779	99,607	286,225	(27,325)	223,882
(7) Capital expenditure	7,748	47,347	13,351	—	28,934	5,939	4,735
(8) NCF((3)-(7))	553,483	110,251	188,851	138,654	385,016	(18,788)	321,818

Property number	Tokyo-8	Tokyo-9	Tokyo-10	Tokyo-11	Tokyo-12	Tokyo-13	Tokyo-14
Property name	GLP Fukaya	GLP Sugito II	GLP Iwatsuki	GLP Kasukabe	GLP Koshigaya II	GLP Misato II	GLP Tatsumi
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues	(Note)	660,300	(Note)	(Note)	(Note)	(Note)	(Note)
(2) Property-related expenses		133,771					
Taxes and dues		49,961					
Property and facility management fees		44,284					
Utilities		35,720					
Repair and maintenance		648					
Casualty insurance		1,172					
Others		1,985					
(3) NOI((1)-(2))	79,650	526,528	183,767	114,484	259,245	393,624	124,829
(4) Depreciation	28,188	131,142	45,272	36,322	53,173	78,263	15,785
(5) Loss on disposal of property and equipment	—	—	—	—	—	—	—
(6) Operating income from property leasing ((3)-(4)-(5))	51,462	395,386	138,495	78,162	206,072	315,361	109,043
(7) Capital expenditure	16,466	2,078	1,600	1,892	7,180	94,720	2,230
(8) NCF((3)-(7))	63,184	524,450	182,167	112,592	252,065	298,904	122,599

Property number	Tokyo-15	Tokyo-16	Tokyo-17	Tokyo-18	Tokyo-19	Tokyo-20	Tokyo-21
Property name	GLP Hamura	GLP Funabashi III	GLP Sodegaura	GLP Urayasu III	GLP Tatsumi IIa	GLP Tatsumi IIb	GLP Tokyo II
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues							1,021,098
(2) Property-related expenses							248,866
Taxes and dues							83,614
Property and facility management fees	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	60,232
Utilities							55,689
Repair and maintenance							11,842
Casualty insurance							1,085
Others							36,402
(3) NOI((1)-(2))	210,537	83,734	189,594	433,398	162,563	(11,785)	772,231
(4) Depreciation	39,053	20,746	41,087	97,738	19,855	5,215	177,548
(5) Loss on disposal of property and equipment	—	—	—	—	—	—	—
(6) Operating income from property leasing ((3)-(4)-(5))	171,484	62,987	148,506	335,660	142,708	(17,000)	594,683
(7) Capital expenditure	1,000	53,101	400	11,405	7,749	8,439	28,127
(8) NCF((3)-(7))	209,537	30,633	189,194	421,992	154,814	(20,224)	744,104

Property number	Tokyo-22	Tokyo-23	Tokyo-24	Tokyo-25	Tokyo-26	Tokyo-27	Osaka-1
Property name	GLP Okegawa	GLP Shinkiba	GLP Narashino	GLP Narita II	GLP Sugito	GLP Matsudo	GLP Hirakata
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues			162,354	138,501			
(2) Property-related expenses			23,905	27,548			
Taxes and dues			8,732	8,781			
Property and facility management fees	(Note)	(Note)	6,891	9,122	(Note)	(Note)	(Note)
Utilities			7,490	8,336			
Repair and maintenance			418	97			
Casualty insurance			220	247			
Others			151	964			
(3) NOI((1)-(2))	68,901	261,841	138,448	110,953	206,207	79,491	129,005
(4) Depreciation	23,197	34,522	21,943	35,826	44,963	11,840	23,133
(5) Loss on disposal of property and equipment	—	—	—	—	—	—	—
(6) Operating income from property leasing ((3)-(4)-(5))	45,704	227,319	116,505	75,126	161,243	67,651	105,872
(7) Capital expenditure	14,427	10,224	1,402	11,774	13,873	—	9,192
(8) NCF((3)-(7))	54,474	251,617	137,046	99,179	192,333	79,491	119,813

Property number	Osaka-2	Osaka-3	Osaka-4	Osaka-5	Osaka-6	Osaka-7	Osaka-8
Property name	GLP HIRAKATA II	GLP MAISHIMA II	GLP Tsumori	GLP Rokko	GLP Amagasaki	GLP Amagasaki II	GLP Nara
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues	(Note)	(Note)	(Note)	(Note)	823,627	(Note)	(Note)
(2) Property-related expenses					186,159		
Taxes and dues					71,249		
Property and facility management fees					46,823		
Utilities					59,304		
Repair and maintenance					2,644		
Casualty insurance					1,268		
Others					4,870		
(3) NOI((1)-(2))	222,155	236,785	65,100	168,333	637,467	62,730	83,246
(4) Depreciation	52,631	91,655	7,576	28,749	157,489	11,653	35,408
(5) Loss on disposal of property and equipment	—	—	—	—	—	—	—
(6) Operating income from property leasing ((3)-(4)-(5))	169,523	145,130	57,523	139,584	479,978	51,077	47,837
(7) Capital expenditure	4,986	485	5,399	7,719	4,769	1,937	28,547
(8) NCF((3)-(7))	217,169	236,300	59,701	160,614	632,698	60,792	54,699

Property number	Osaka-9	Osaka-10	Osaka-11	Osaka-12	Osaka-13	Osaka-14	Other-1
Property name	GLP Sakai	GLP Rokko II	GLP Kadoma	GLP Seishin	GLP Fukusaki	GLP Kobe-Nishi	GLP Morioka
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)
(2) Property-related expenses							
Taxes and dues							
Property and facility management fees							
Utilities							
Repair and maintenance							
Casualty insurance							
Others							
(3) NOI((1)-(2))	58,307	117,436	75,632	44,737	111,976	193,353	28,343
(4) Depreciation	17,100	27,442	11,259	11,134	42,759	58,704	13,563
(5) Loss on disposal of property and equipment	—	—	—	—	—	—	—
(6) Operating income from property leasing ((3)-(4)-(5))	41,207	89,993	64,372	33,603	69,216	134,648	14,779
(7) Capital expenditure	—	—	19,519	—	573	—	598
(8) NCF((3)-(7))	58,307	117,436	56,113	44,737	111,403	193,353	27,745

Property number	Other-2	Other-3	Other-4	Other-5	Other-6	Other-7	Other-8
Property name	GLP Tomiya	GLP Koriyama I	GLP Koriyama III	GLP Tokai	GLP Hayashima	GLP Hayashima II	GLP Kiyama
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues	(Note)	(Note)	107,167	(Note)	(Note)	(Note)	(Note)
(2) Property-related expenses			34,896				
Taxes and dues			11,871				
Property and facility management fees			6,352				
Utilities			5,424				
Repair and maintenance			1,175				
Casualty insurance			268				
Others			9,803				
(3) NOI((1)-(2))	56,560	125,945	72,271	178,646	43,096	72,541	141,150
(4) Depreciation	23,252	53,795	24,506	38,647	6,786	24,254	55,455
(5) Loss on disposal of property and equipment	—	—	—	—	—	—	—
(6) Operating income from property leasing ((3)-(4)-(5))	33,308	72,150	47,764	139,998	36,309	48,286	85,695
(7) Capital expenditure	444	4,310	1,394	6,490	11,750	—	264
(8) NCF((3)-(7))	56,116	121,635	70,877	172,156	31,346	72,541	140,886

Property number	Other-10	Other-11	Other-12	Other-13	Other-14	Other-15	Other-16
Property name	GLP Sendai	GLP Ebetsu	GLP Kuwana	GLP Hatsukaichi	GLP Komaki	GLP Ogimachi	GLP Hiroshima
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)
(2) Property-related expenses							
Taxes and dues							
Property and facility management fees							
Utilities							
Repair and maintenance							
Casualty insurance							
Others							
(3) NOI((1)-(2))	170,154	56,303	121,677	66,796	281,285	41,771	118,151
(4) Depreciation	46,108	18,916	29,502	14,752	68,956	19,417	27,378
(5) Loss on disposal of property and equipment	—	—	—	—	—	—	—
(6) Operating income from property leasing ((3)-(4)-(5))	124,046	37,386	92,175	52,043	212,328	22,354	90,773
(7) Capital expenditure	1,085	336	—	—	4,915	38,480	7,236
(8) NCF((3)-(7))	169,069	55,967	121,677	66,796	276,370	3,291	110,915

Property number	Other-17	Other-19
Property name	GLP Fukuoka	GLP Tosu I
Operating dates	184	184
(1) Property-related revenues	(Note)	(Note)
(2) Property-related expenses		
Taxes and dues		
Property and facility management fees		
Utilities		
Repair and maintenance		
Casualty insurance		
Others		
(3) NOI((1)-(2))	49,228	239,345
(4) Depreciation	14,338	86,288
(5) Loss on disposal of property and equipment	—	—
(6) Operating income from property leasing ((3)-(4)-(5))	34,890	153,057
(7) Capital expenditure	8,342	4,106
(8) NCF((3)-(7))	40,886	235,239

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