

Asset Management Report

Feb 2019 Fiscal Period



<Notice>

We invite you to view the webcast by President Yoji Tatsumi of GLP Japan Advisors Inc. (the asset manager) on the results for the February 2019 fiscal period.

Presentation of results for the fiscal period ended February 2019, hosted by GLP J-REIT

Date and time	7 p.m. to 8 p.m., May 29 (Wed), 2019 (Tokyo time)	QR code 
Presenter	Yoji Tatsumi, President, GLP Japan Advisors Inc.	
How to participate	Please access from the QR code on the right or the "Seminar" page of the top menu of the website of SBI Securities Co., Ltd. (https://www.sbisec.co.jp/).	

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



14th Fiscal Period

(from September 1, 2018 to February 28, 2019)

GLP J-REIT

1-5-2, Higashi-Shimbashi, Minato-ku, Tokyo 105-7134, Japan <https://www.glpjreit.com/english/>
Securities code: 3281

To Our Unitholders

On behalf of GLP J-REIT, I am pleased to present the financial results of the 14th fiscal period ended February 2019.

In terms of external growth, GLP J-REIT acquired eight new logistics facilities (worth 84.8 billion yen in total ^(Note 2)) from the GLP Group ^(Note 1), the sponsor, in September 2018, the beginning of the period, through its sixth public offering since its listing. New revenues from these newly acquired properties significantly contributed to the increase in distribution for the 14th period.

Meanwhile, in terms of operation, GLP J-REIT provided services carefully tailored to meet the GLP Group's tenant needs, endeavoring to actively revise rents upward against a backdrop of high demand for modern logistics facilities. As a result, GLP J-REIT maintained or increased rent for all rent contracts that were renewed during the 14th fiscal period for the 13th consecutive period since its listing, while maintaining an occupancy rate as of February 28 of as high as 99% or more.

Furthermore, GLP J-REIT has been steadily improving the occupancy rate of the properties newly acquired in 2018 with some vacancies left.

As a result, the 14th period ended with operating revenues of 18,691 million yen and net income of 9,052 million yen. Reflecting the above performance, the total dividend is 2,657 yen per unit, comprising a dividend of 2,361 yen per unit and an optimal payable distribution per unit of 296 yen. This figure is an increase of 23 yen (0.9%) from the distribution for the previous period.

In addition, GLP J-REIT sold GLP Fukuoka in March 2019 (the 15th fiscal period ending August 2019). The proceeds from the sale of this property are expected to be 784 million yen.

GLP J-REIT's portfolio after the sale of this property became 75 properties valued at 607.9 billion yen ^(Note 2), maintaining one of the highest asset levels for a logistics REIT ^(Note 3). The dividend per unit for the 15th period is expected to be 2,764 yen (an increase of 107 yen from the 14th period), reflecting the proceeds from the sale of the said property.

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

I thank you for your ongoing support.



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



Yoji Tatsumi
Executive Director, GLP J-REIT

^(Note 1) GLP Pte. Ltd. (hereinafter, "GLP"), the parent company of GLP J-REIT's sponsor, and its Group companies will be hereinafter collectively termed "the GLP Group."

^(Note 2) Based on acquisition price.

^(Note 3) For the purposes of this report, "logistics REIT" refers to an investment corporation listed in Japan for which logistics facilities comprise 95% or more of its holdings in terms of acquisition price. The same applies hereafter.



GLP Atsugi II

Dividend per unit (Feb 2019 actual)

2,657 yen

(including an optimal payable distribution of 296 yen)

Dividend per unit (Aug 2019 forecast)

2,764 yen

(including an optimal payable distribution of 296 yen)

Total assets (as of Mar 31, 2019)

607.9 bn yen

(Note) Based on acquisition price

Occupancy (as of Feb 28, 2019)

99.2%

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Overview of GLP

Investment in Modern Logistics Facilities

1 Top-tier asset size (Note 1) **607.9** bn yen
among logistics J-REITs

2 Continuous support from the sponsor, which is the operator with the Largest logistics AUM in Japan

3 Largest and ever-growing pipeline (Note 2) **3.35** mm sqm
among logistics J-REITs (40 properties)

4 Robust internal growth
Occupancy rate at end of most recent period (Note 3) **99.2%**
Most recent rent increase **5.0%**

5 Financial Soundness
JCR credit rating **AA** (Stable)
Net asset LTV **44.8%**
(Assumption for August 31, 2019)

(Note 1) "Asset size" is based on the acquisition price as of March 31, 2019.

(Note 2) "Pipeline" is the gross floor area (gross floor area on the inspection certificate) as of March 31, 2019.

(Note 3) The "occupancy rate at end of most recent period" is the proportion of total leased area as of February 28, 2019 to total leasable area of each asset, rounded to the first decimal place.

Investment Target

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

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

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



Investment Areas

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

Investment percentage by location (based on acquisition price)

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

Continuing Strong Internal Growth

6 GLP Settsu

Acquired in Sep 2018



Location	Settsu, Osaka	Rent increase	
Completion date	March 1981		
Leased area for rent increase	38,997 m ²	+5.2%	

5 GLP Osaka

Acquired in Sep 2018



Location	Osaka, Osaka	Rent increase	Increase in occupancy rate
Completion date	August 2004		
Leased area for rent increase	14,444 m ²	+2.4%	93% → 99%

3 GLP Hamura

Acquired in Oct 2013



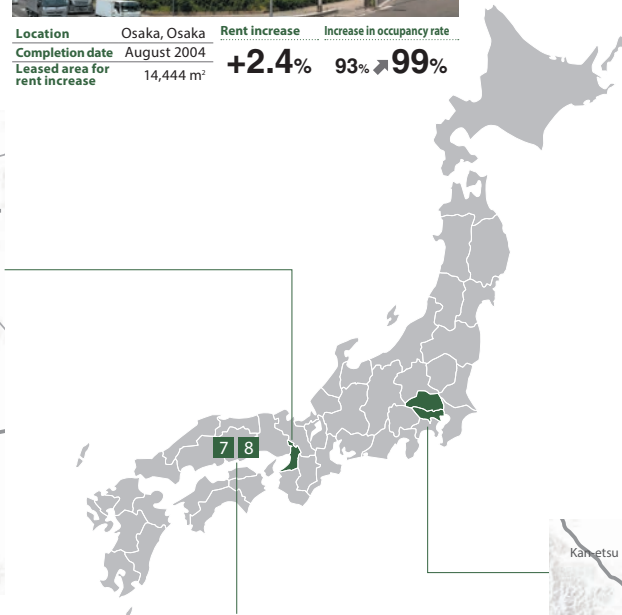
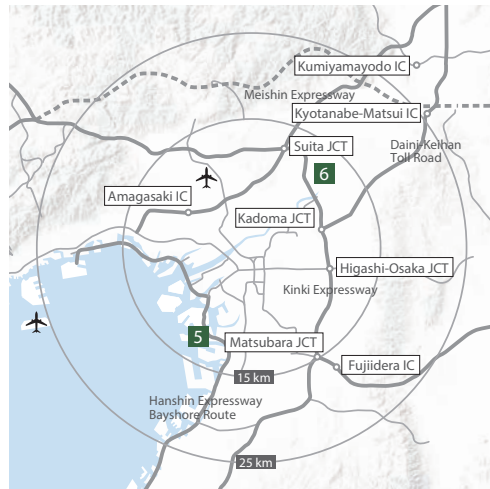
Location	Hamura, Tokyo	Rent increase	
Completion date	January 2009		
Leased area for rent increase	40,277 m ²	+3.7%	

4 GLP Okegawa

Acquired in Sep 2014



Location	Okegawa, Saitama	Rent increase	
Completion date	July 1993		
Leased area for rent increase	17,062 m ²	+6.5%	



1 GLP Shinsuna

Acquired in Sep 2018



Location	Koto, Tokyo	Increase in occupancy rate	
Completion date	March 1987		
		93% → 100%	

2 GLP Tokyo II

Acquired in Sep 2014



Location	Koto, Tokyo	Rent increase	
Completion date	April 2006		
Leased area for rent increase	12,286 m ²	+7.4%	

7 GLP Soja I

Acquired in Mar 2018



Location	Soja, Okayama	Increase in occupancy rate	
Completion date	February 2013		
		96% → 100%	

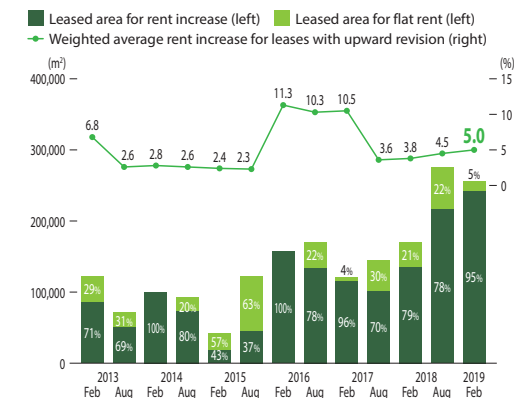
8 GLP Soja II

Acquired in Mar 2018



Location	Soja, Okayama	Increase in occupancy rate	
Completion date	October 2015		
		94% → 99%	

(Note) "Occupancy rate" is rounded down and shown as 99% when it may result in 100% after rounding.

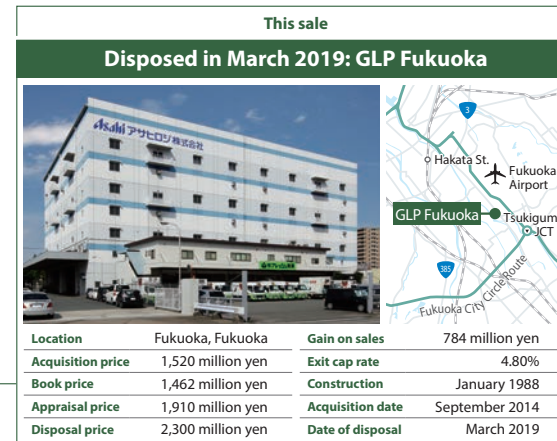


(Note 1) Excludes automatic rent increases and tenant replacement after vacancy periods.
(Note 2) "Occupancy rate" is calculated by dividing total leased area for each property by the total leasable area, rounded to the first decimal place. However, when it may result in 100.0% after rounding, the figure is rounded down to the first decimal place and shown as 99.9%.

Asset Disposal with Capital Gain

Overview of Property Disposed

GLP J-REIT sold GLP Fukuoka on March 29, 2019. It disposed four properties in January 2016 and July 2017 for a total of 7,170 million yen (disposal price basis), making this disposal its third asset disposal (fifth asset). GLP J-REIT has continuously achieved capital gains.



Highlight of the Sale

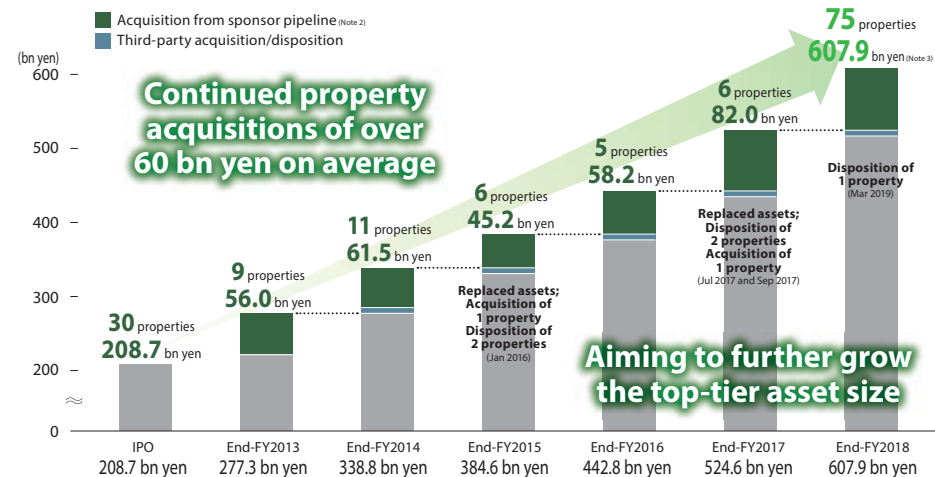
Realized 784 million yen of gain (+20% higher than appraisal value) by selling the asset just after the rent growth

Reason for the sale

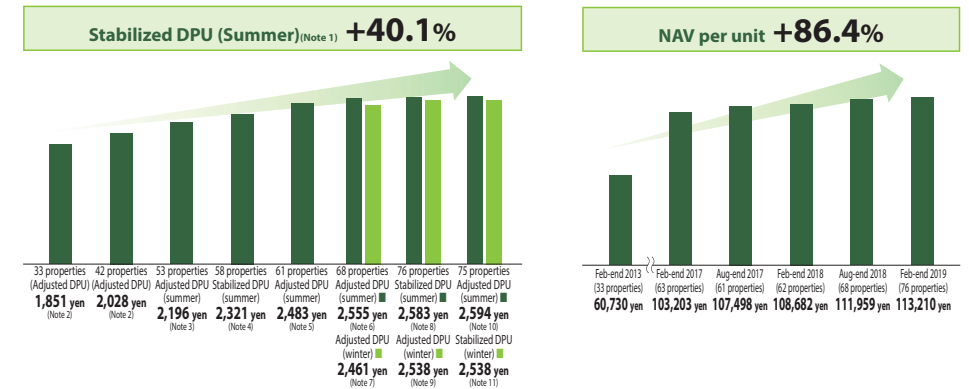
- Given the present strong real estate market condition, the sale is implemented at a disposal price that is **over 20% higher than the appraisal value**.
- Appropriate timing: **the contracted rent has been recently raised by 9%**.
- Proceeds from the sale can be used for measures that will contribute to **stable growth of the unitholders' value, including repayment of debt before maturity and acquisition of assets in future**.

Sustained Enhancement of Unitholders' Value

Steady Expansion of the Portfolio



Track Record Since Listing



(Note 1) A "FY" is from April 1 to March 31 of the following year.

(Note 2) Acquisition from sponsor pipeline means properties acquired from sponsor's RoFL or acquired directly/indirectly from GLP funds.

(Note 3) 13 solar panels (4.9 bn yen) acquired on March 1, 2018 following the 5th public offering are included in the acquisition price and asset size.

(Note 1) Includes OPD.
(Note 2) Adjusted DPU described in "Amendment of Forecast for the Fiscal Period Ending February 28, 2014 and Announcement of Forecast for the Fiscal Period Ending August 31, 2014" dated September 3, 2013.
(Note 3) Adjusted DPU described in "Announcement of Amendment of Forecast Concerning Operating Status and Distribution for the Fiscal Period Ending February 29, 2016 and Forecast for the Fiscal Period Ending August 31, 2016" dated August 10, 2015.
(Note 4) Actual DPU for the Aug 2016 fiscal period described in "Summary of Financial Results (REIT) for the 9th Fiscal Period Ended August 31, 2016" dated October 13, 2016.
(Note 5) Actual DPU for the Aug 2017 fiscal period described in "Summary of Financial Results (REIT) for the 11th Fiscal Period Ended August 31, 2017" dated October 13, 2017 excluding the Asset Disposal Effect.
(Note 6) Adjusted DPU described in "Announcement of Amendment of Forecast Concerning Operating Status and Distribution for the Fiscal Period Ending August 31, 2018 and Forecast for the Fiscal Period Ending February 28, 2019" dated February 5, 2018.
(Note 7) Adjusted DPU before amendment described in "Announcement of Amendment of Forecast Concerning Operating Status and Distribution for the Fiscal Period Ending February 28, 2019 and Forecast for the Fiscal Period Ending August 31, 2019" dated August 13, 2018.
(Note 8) Forecast DPU for the Aug 2019 fiscal period described in "Summary of Financial Results (REIT) for the 13th Fiscal Period Ended August 31, 2018" dated October 15, 2018.
(Note 9) Made the same adjustment as in the adjusted DPU announced on Aug 13, 2018, from the forecast DPU for the Feb 2019 fiscal period described in "Summary of Financial Results (REIT) for the 13th Fiscal Period Ended August 31, 2018" dated October 15, 2018.
(Note 10) Forecast DPU for the Aug 2019 fiscal period described in "Summary of Financial Results (REIT) for the 14th Fiscal Period Ended February 28, 2019" dated April 15, 2019 excluding the Asset Disposal Effect.
(Note 11) Forecast DPU for the Feb 2020 fiscal period described in "Summary of Financial Results (REIT) for the 14th Fiscal Period Ended February 28, 2019" dated April 15, 2019.

Financial Highlights

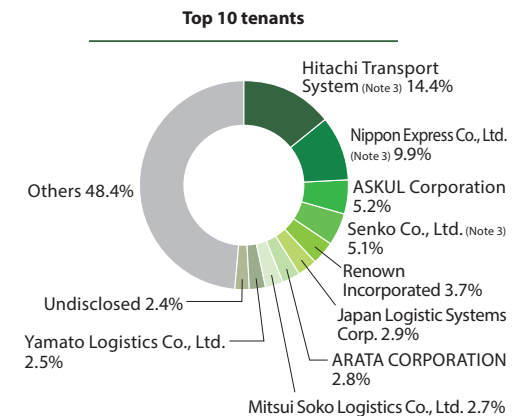
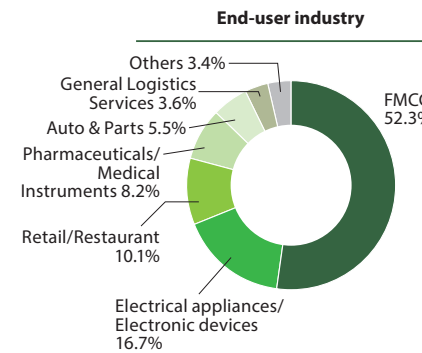
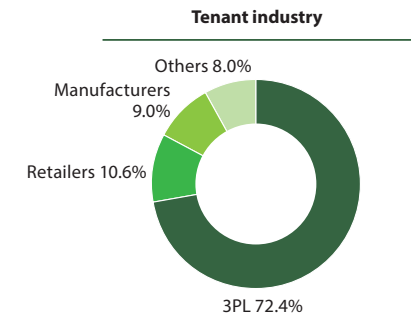
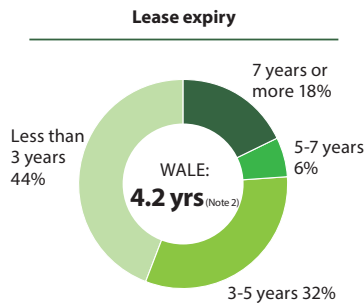
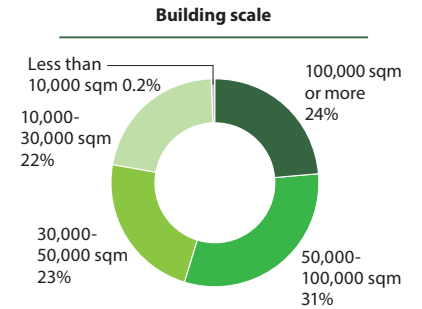
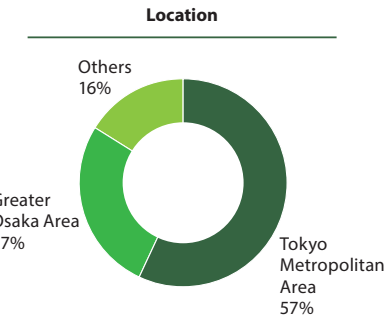
Financials

	Feb 2019 (from September 1, 2018 to February 28, 2019)	Aug 2019 (forecast) (from March 1, 2019 to August 31, 2019)
Operating revenue (mm yen)	18,691	19,875
Operating income (mm yen)	10,185	10,737
Ordinary income (mm yen)	8,946	9,462
Net income (mm yen)	9,052	9,462
No. of properties at fiscal end	76	75

Dividend per Unit

	Feb 2019 (from September 1, 2018 to February 28, 2019)	Aug 2019 (forecast) (from March 1, 2019 to August 31, 2019)
Dividend per unit (total) (yen)	2,657	2,764
Dividend per unit (excl. OPD) (yen)	2,361	2,468
Optimal payable distribution per unit (yen)	296	296

Portfolio Data (Note 1)



(Note 1) The above data is as of March 29, 2019 (based on 75 properties). Data for location and building scale is based on acquisition price. Other data is based on leased area excluding vacant area.

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

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


Sustainability Practices

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

Properties that Have Received Sustainability or Environmental Certificates

►GRESB Real Estate Assessment (September 21, 2018)

GLP J-REIT has been awarded a "Green Star" rating in the 2018 Global Real Estate Sustainability Benchmark Real Estate Assessment ("GRESB Assessment") in 4 consecutive years and a "4 Star" rating in GRESB rating for 3 consecutive years, respectively.




Green Star

Awarded to companies receiving high evaluation on both "management and policy" and "implementation and measurement" for sustainability performance.

►CASBEE (February 28, 2019)

GLP J-REIT obtained CASBEE for Real Estate Certifications (Rank S: 2 properties/Rank A: 2 properties) in February 2019.









	Obtained on Feb 28, 2019	Total Number of Properties
Rank S	GLP Osaka, GLP Koriyama III	18 properties
Rank A	GLP Shinsuna, GLP Sendai	6 properties

CASBEE




Comprehensive Assessment System for Built Environmental Efficiency (CASBEE) evaluates buildings comprehensively on a 5-point scale based on environmental performance such as energy/resource saving and recycling, and other criteria such as aesthetic appeal, etc.

Examples of properties with Rating ★★★★★ (Rank S)











►Examples of properties with BELS Assessment

Evaluation ★★★★★











Evaluation ★★★★★

BELS

Building Energy-efficiency Labeling System (BELS) is a public assessment system established in April 2014 by the Ministry of Land, Infrastructure, Transport and Tourism, to evaluate the energy saving performance of non-residential buildings.

Initiatives Taken by GLP J-REIT at Its Facilities

<p>Environmental-friendly buildings</p>  <p>Solar panels</p>  <p>LED lighting</p>	<p>Promote reduction of environmental impact</p>  <p>Energy-saving guidebook</p>  <p>Trash separation</p>	<p>Safety measures</p>  <p>Seismic isolation structure</p>  <p>24-hour security</p>	<p>Amenities for tenants</p>  <p>Cafeterias</p>  <p>Universal design washrooms</p>	<p>Service to the surrounding environment/community</p>  <p>Planting trees</p>  <p>Photocatalyst pavement</p>
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Teamed up with Local Governments to Use GLP's Facilities at Times of Natural Disasters

GLP has entered into agreements with a number of local governments to use GLP's logistics facilities as restoration support centers and evacuation sites at times of disaster or emergency.

GLP Atsugi II
(Property owned by GLP J-REIT)



A restoration support center at times of disaster

- GLP entered into an agreement with Aikawa Town in Aiko District of Kanagawa Prefecture on April 27, 2017 to use the parking lot of GLP Atsugi II as a vehicle standby site for disaster relief operations and emergency firefighting assistance, as well as a site for temporary tents for storing goods and materials at times of an earthquake or other disaster.
- GLP Atsugi II is a multi-tenant modern logistics facility with a gross floor area of 89,242 sqm, completed in June 2016. GLP has agreed with Aikawa town to use GLP Atsugi II as a restoration support center as it has various business continuity features such as seismic isolation, backup power supply, and groundwater supply facilities, as well as a large parking lot that can hold up to 356 cars.

GLP Suita
(Sponsor pipeline)



A restoration support center at times of disaster

- GLP entered into an agreement concerning GLP Suita with its tenant ASKUL Corporation and the city of Suita, Osaka on January 18, 2018 to use the facility for support and cooperation at times of disaster.
- At times of disaster, the city of Suita will use GLP Suita as a transportation hub for accumulating, handling, and shipping relief supplies that are brought in from outside of the city.
- GLP Suita's location in an urban area, its optimal structure for bringing in and shipping supplies as it offers trucks direct access to each floor, and its robust architecture were appreciated.
- GLP Suita is a modern logistics facility with a gross floor area of 165,235 sqm and a double rampway. It was completed in August 2017. It has various features for business continuity such as seismic isolation, backup power supply, and partial use of power generated by solar panels at times of disaster.

GLP Yokohama
(Sponsor pipeline)



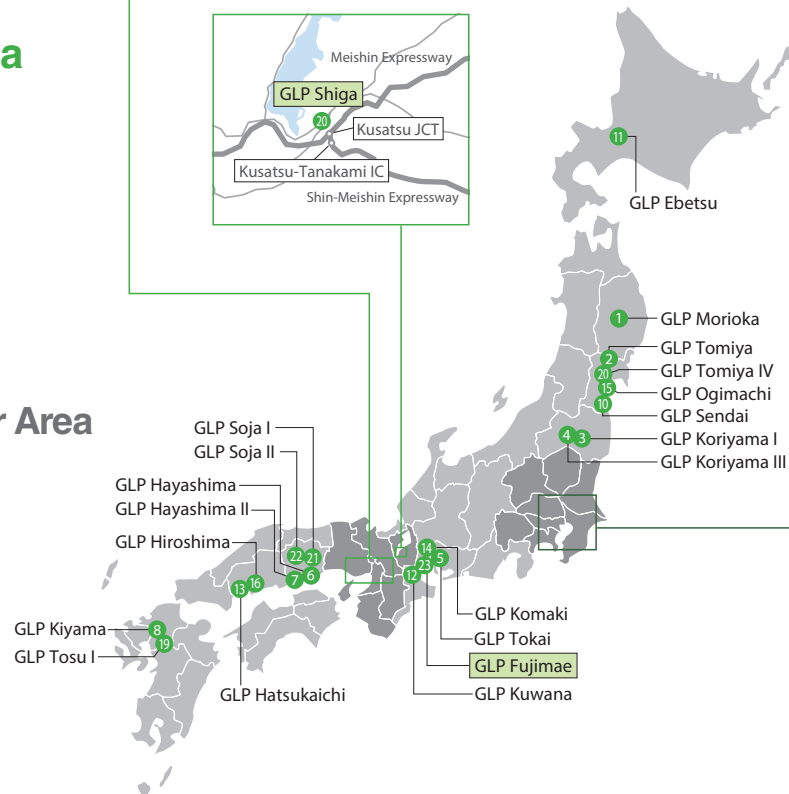
An evacuation site when a tsunami occurs

- GLP entered into the "Agreement on the Provision of Facilities during a Tsunami" concerning GLP Yokohama with Tsurumi-ku, Yokohama on October 1, 2014.
- GLP Yokohama's seismic isolation performance, location, and relationship with the local community have been highly rated as an evacuation facility.
- Since the conclusion of the agreement, the Tsurumi ward office, GLP, Tsurumi Fire Department, and Tsurumi Police Department have held joint tsunami evacuation drills every year with the participation of local residents.
- The installation of a gate for entering the premises of GLP Yokohama from the neighboring residential area and escape routes within the premises enable safe and efficient evacuation of local residents when a tsunami warning is issued.

GLP Group's CSR Activities

The GLP Group is actively engaged in CSR activities by offering support in discovering and nurturing children's possibilities and talents.

<p>Japan</p> <p>Work experience programs</p>  <p>Provides working experience such as in warehouse-related work to primary/middle school children in cooperation with Patagonia (Japan branch) and Nippon Logistech Corporation</p>	<p>Sports events</p> <p>children for foster homes</p>  <p>Hosted bubble soccer events for children in foster homes</p>	<p>Delivering picture books to children in developing countries</p>  <p>Delivered Japanese picture books with translation stickers to children in developing countries</p>	<p>Overseas (China)</p> <p>Founded GLP Hope Schools and provided educational opportunities to around 10,000 students</p>  <p>Since its inception in 2006, GLP has funded 14 schools benefiting approx. 10,000 students</p>
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●: Properties owned by GLP J-REIT (67 properties)/ Properties acquired in 14th period (8 properties)

Overview of Portfolio in Tokyo Metropolitan Area



1 GLP Tokyo Ota, Tokyo



21 GLP Tokyo II Koto, Tokyo



2 GLP Higashi-Ogishima Kawasaki, Kanagawa



3 GLP Akishima Akishima, Tokyo



4 GLP Tomisato Tomisato, Chiba



10 GLP Iwatsuki Saitama, Saitama



12 GLP Koshigaya II Koshigaya, Saitama



15 GLP Hamura Hamura, Tokyo



24 GLP Narashino Narashino, Chiba



5 GLP Narashino II Narashino, Chiba



6 GLP Funabashi Funabashi, Chiba



33 GLP Funabashi II Funabashi, Chiba



7 GLP Kazo Kazo, Saitama



8 GLP Fukaya Fukaya, Saitama



11 GLP Kasukabe Kasukabe, Saitama



16 GLP Funabashi III Funabashi, Chiba



17 GLP Sodegaura Sodegaura, Chiba



23 GLP Shinkiba Koto, Tokyo

Overview of Portfolio in Tokyo Metropolitan Area



34 GLP Misato Misato, Saitama



13 GLP Misato II Misato, Saitama



14 GLP Tatsumi Koto, Tokyo



26 GLP Sugito Kita-Katsushika, Saitama



9 GLP Sugito II Kita-katsushika, Saitama



19 GLP Tatsumi IIa Koto, Tokyo



28 GLP-MFLP Ichikawa Shiohama Ichikawa, Chiba



29 GLP Atsugi II Aiko, Kanagawa



22 GLP Okegawa Okegawa, Saitama



32 GLP Urayasu Urayasu, Chiba



18 GLP Urayasu III Urayasu, Chiba



30 GLP Yoshimi Hiki, Saitama



35 GLP Shinsuna Koto, Tokyo

Acquired in 14th period



27 GLP Matsudo Matsudo, Chiba



31 GLP Noda-Yoshiharu Noda, Chiba



36 GLP Shonan Fujisawa, Kanagawa

Acquired in 14th period

Overview of Portfolio in Greater Osaka Area



1 GLP Hirakata Hirakata, Osaka



2 GLP Hirakata II Hirakata, Osaka



4 GLP Tsumori Osaka, Osaka



16 GLP Maishima I Osaka, Osaka



5 GLP Rokko Kobe, Hyogo



10 GLP Rokko II Kobe, Hyogo



3 GLP Maishima II Osaka, Osaka



8 GLP Nara Yamato koriyama, Nara



9 GLP Sakai Sakai, Osaka



7 GLP Amagasaki II Amagasaki, Hyogo



6 GLP Amagasaki Amagasaki, Hyogo



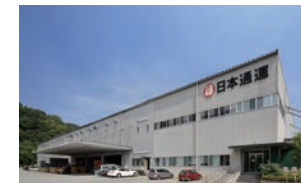
11 GLP Kadoma Kadoma, Osaka



12 GLP Seishin Kobe, Hyogo



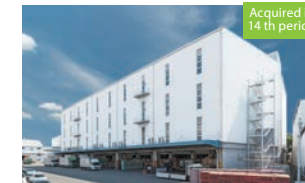
14 GLP Kobe-Nishi Kobe, Hyogo



13 GLP Fukusaki Kanzaki, Hyogo



18 GLP Settsu Settsu, Osaka



Acquired in 14th period



19 GLP Nishinomiya Nishinomiya, Hyogo



20 GLP Shiga Kusatsu, Shiga

Acquired in 14th period



17 GLP Osaka Osaka, Osaka

Acquired in 14th period



21 GLP Neyagawa Neyagawa, Osaka

Acquired in 14th period

Overview of Portfolio in Other Area



1 GLP Morioka Shiwa, Iwate



5 GLP Tokai Tokai, Aichi



3 GLP Koriyama I Koriyama, Fukushima



2 GLP Tomiya Tomiya, Miyagi



20 GLP Tomiya IV Tomiya, Miyagi



4 GLP Koriyama III Koriyama, Fukushima



6 GLP Hayashima Tsukubo, Okayama



7 GLP Hayashima II Tsukubo, Okayama



8 GLP Kiyama Miyaki, Saga



11 GLP Ebetsu Ebetsu, Hokkaido



10 GLP Sendai Sendai, Miyagi



14 GLP Komaki Komaki, Aichi



15 GLP Ogimachi Sendai, Miyagi



19 GLP Tosu I Tosu, Saga



12 GLP Kuwana Kuwana, Mie



13 GLP Hatsukaichi Hatsukaichi, Hiroshima



16 GLP Hiroshima Hiroshima, Hiroshima



23 GLP Fujimae Nagoya, Aichi

Acquired in
14th period



21 GLP Soja I Soja, Okayama

22 GLP Soja II Soja, Okayama

ASSET MANAGEMENT REPORT

[Overview of Asset Management]

1. Trends in Key Indicators

		10th Period	11th Period	12th Period	13th Period	14th Period
		Sept. 1, 2016 to Feb. 28, 2017	Mar. 1, 2017 to Aug. 31, 2017	Sept. 1, 2017 to Feb. 28, 2018	Mar. 1, 2018 to Aug. 31, 2018	Sept. 1, 2018 to Feb. 28, 2019
Operating revenues	Million yen	14,065	14,505	14,181	16,896	18,691
Of which, Property-related revenues	Million yen	14,065	14,181	14,181	16,896	18,691
Operating expenses	Million yen	6,593	6,811	6,718	7,796	8,506
Of which, Property-related expenses	Million yen	5,067	5,187	5,125	5,936	6,389
Operating income	Million yen	7,471	7,694	7,463	9,100	10,185
Ordinary income	Million yen	6,298	6,391	6,388	7,944	8,946
Net income	Million yen	6,297	6,390	6,387	7,944	9,052
Total assets	Million yen	446,849	442,537	441,944	528,614	610,861
[Period-on-period changes]	%	[15.2]	[(1.0)]	[(0.1)]	[19.6]	[15.6]
Total net assets	Million yen	216,693	215,920	215,055	273,931	318,687
[Period-on-period changes]	%	[16.2]	[(0.4)]	[(0.4)]	[27.4]	[16.3]
Unitholders' capital, net (Note 3)	Million yen	210,393	209,526	208,665	265,985	309,633
Number of investment units issued and outstanding	Unit	2,853,078	2,853,078	2,853,078	3,402,681	3,833,420
Net assets per unit	Yen	75,950	75,679	75,376	80,504	83,134
Distributions	Million yen	7,164	7,252	7,246	8,962	10,185
Of which, Distributions of earnings	Million yen	6,296	6,390	6,388	7,945	9,050
Of which, Distributions in excess of retained earnings	Million yen	867	861	858	1,017	1,134
Distributions per unit	Yen	2,511	2,542	2,540	2,634	2,657
Of which, Distributions of earnings per unit	Yen	2,207	2,240	2,239	2,335	2,361
Of which, Distributions in excess of retained earnings per unit	Yen	304	302	301	299	296
Ordinary income to total assets (Note 4)	%	1.5	1.4	1.4	1.6	1.6
[Annualized ordinary income to total assets]	%	[3.0]	[2.9]	[2.9]	[3.2]	[3.2]
Return on unitholders' equity (Note 4)	%	3.1	3.0	3.0	3.2	3.1
[Annualized return on unitholders' equity]	%	[6.3]	[5.9]	[6.0]	[6.4]	[6.2]
Unitholders' equity to total assets (Note 4)	%	48.5	48.8	48.7	51.8	52.2
[Period-on-period changes]	%	[0.4]	[0.3]	[(0.1)]	[3.2]	[0.3]
Payout ratio (Note 4)	%	99.9	100.0	100.0	100.0	99.9
【Other Information】						
Number of operating days		181	184	181	184	181
Number of investment properties		63	61	62	68	76
Occupancy ratio	%	99.8	99.9	99.9	99.4	99.2
Depreciation expenses	Million yen	2,898	2,875	2,864	3,400	3,788
Capital expenditures	Million yen	635	446	675	658	962
Rental NOI (Net Operating Income) (Note 4)	Million yen	11,896	11,869	11,920	14,360	16,090
FFO (Funds From Operation) (Note 4)	Million yen	9,195	8,941	9,252	11,345	12,840
FFO per unit (Note 4)	Yen	3,223	3,134	3,243	3,334	3,349
Total distributions / FFO ratio (Note 4)	%	77.9	81.1	78.3	79.0	79.3
Debt service coverage ratio (Note 4)		8.2	8.2	8.8	10.6	11.1
The ratio of interest bearing liabilities to total assets	%	48.7	48.0	48.4	45.1	44.9

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

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

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

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

Ordinary income to total assets	$\text{Ordinary income} / [(\text{Total assets at beginning of period} + \text{Total assets at end of period}) / 2] \times 100$
Return on unitholders' equity	$\text{Net income} / [(\text{Net assets at beginning of period} + \text{Net assets at end of period}) / 2] \times 100$
Unitholders' equity to total assets	$\text{Net assets at end of period} / \text{Total assets at end of period} \times 100$
Payout ratio	Distributions per unit (excluding OPD**) / Net income per unit x 100 (Any fraction is rounded down to the first decimal place.) For the 10th, 13th and 14th Periods, the following formula is used due to the issuance of new units during the period. $\text{Total distributions (excluding OPD**)} / \text{Net income} \times 100$
Rental NOI (Net Operating Income)	Property-related revenues – Property-related expenses + Depreciation expenses + Loss on disposal of property and equipment
FFO (Funds From Operation)	Net income + Depreciation expenses + Loss on disposal of property and equipment – Gain on sale of properties
FFO per unit	$\text{FFO} / \text{Number of investment units issued and outstanding}$
Total distributions / FFO ratio	$\text{Total distributions (including OPD**)} / \text{FFO} \times 100$
Debt service coverage ratio	$(\text{Net income} + \text{Interest expenses} + \text{Interest expenses on investment corporation bonds}) / (\text{Interest expenses} + \text{Interest expenses on investment corporation bonds})$

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

2. Performance Review for the 14th Period

(1) Brief Background of GLP J-REIT

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

Having GLP Group (Note) as sponsor and investing in highly functional modern logistics facilities while taking advantage of the wealth of experience and management resources, GLP J-REIT aims to earn stable income and achieve steady growth in assets under management over the medium and long term. Since starting its operation as a listed J-REIT with 30 properties (total acquisition price of 208,731 million yen) in January 2013, GLP J-REIT has been steadily expanding its assets through the continuous acquisition of properties. As of the end of the current fiscal period, GLP J-REIT owns 76 properties (total acquisition price of 609,494 million yen).

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

(2) Investment Environment and Business Performance

During the current fiscal period, the Japanese economy continued to recover moderately as a whole, whereas exports were slightly weak, creating early signs which may indicate the slowdown of current recovery. At the Monetary Policy Meeting held on March 14 and 15, 2019, the Policy Board of the Bank of Japan determined that the current economy was “expanding moderately” but also mentioned that the Japanese economy has been affected by the slowdown in overseas economies. Thus, it becomes necessary to pay close attention to future trends in overseas economies.

In the real estate investment market, acquisitions by private placement funds as well as J-REITs have been increasing, and transactions remain active on the back of a continued favorable financing environment. In the logistics real estate market, active demand led to an increase in facilities development projects and liquidity has been further improved due to an increase in transactions. As a result, capitalization rates continue their downward trend.

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

Under these conditions, with the aim of further expansion of its asset size and improvement of stability and quality of its asset portfolio, GLP J-REIT decided to issue new investment units through the 6th public offering at the Board of Directors’ Meeting held on August 13, 2018. Further, GLP J-REIT also decided to purchase eight logistics facilities, mainly developed by GLP Group (total acquisition price of 84,850 million yen) using funds from the public offering and new borrowings. The

acquisition of properties was completed on September 3, 2018.

Regarding rental operations, while providing services to satisfy the needs of existing tenants, GLP J-REIT has actively made efforts to increase rents in an environment of steady demand for modern logistics facilities. Thus, all lease agreements, including (i) lease agreements newly entered into on the day following the last day of the previous lease period or (ii) lease agreements modified for rent during lease periods (excluding automatic rent increases based on the provision of rent revisions), have been concluded with equal or higher rents for the 13 consecutive fiscal periods since GLP J-REIT's listing on the Tokyo Stock Exchange.

As a result of these operations, GLP J-REIT owns 76 properties with a total acquisition price of 609,494 million yen and total leasable area of 2,785,263.44 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 total appraisal value of the entire portfolio reached 714,180 million yen with an unrealized gain of 125,479 million yen and the unrealized gain ratio (Note) of 21.3 %.

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

(3) Overview of Financing

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

In the current fiscal period, GLP J-REIT newly borrowed 41,320 million yen to cover part of the acquisition price and related costs of eight properties which were acquired on September 3, 2018, as stated "(2) Investment Environment and Business Performance" above. In addition, issuing the first Green Bonds (GLP J-REIT 12th Unsecured Bonds, total amount issued: 5,100 million yen) on December 20, 2018, GLP J-REIT pursued the diversification and lengthening of debt maturities, as well as diversifying the sources of fundraising.

As a result of the above, outstanding interest-bearing liabilities as of the end of the current fiscal period totaled 274,100 million yen (outstanding loans 244,500 million yen, outstanding investment corporation bonds 29,600 million yen) and the ratio of interest-bearing liabilities to total assets (LTV) was 44.9 %.

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 2nd to the 12th Investment Corporation Bonds.

(4) Overview of Financial Results and Cash Distribution

As a result of these management efforts, GLP J-REIT reported total operating revenues of 18,691 million yen, operating

income of 10,185 million yen, ordinary income of 8,946 million yen and net income of 9,052 million yen for the current fiscal period.

As for cash distribution for the current fiscal period, in accordance with the distribution policy set forth in its Articles of Incorporation, GLP J-REIT decided to distribute 9,050,704,620 yen. This cash distribution is eligible for the special tax treatment on investment corporations (Section 67.15 of the Special Taxation Measures Act) and represents the multiple of the number of investment units issued and outstanding (3,833,420 units) from unappropriated retained earnings. Accordingly, distribution per unit for the current fiscal period was 2,361 yen.

In addition, GLP J-REIT intends to distribute funds in excess of the amount of retained earnings (OPD) for each fiscal period on a continuous basis, in accordance with the distribution policy set forth in the Articles of Incorporation (Note). Based on this, GLP J-REIT decided to distribute 1,134,692,320 yen, an amount almost equivalent to 30% of depreciation (3,788 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 296 yen.

(Note) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings that do not exceed the amount obtained by deducting capital expenditure for the operating period immediately before the period in which the distribution is made from an amount equal to depreciation expenses for the corresponding period. The amount obtained by deducting 962 million yen of capital expenditure for the current fiscal period from 3,788 million yen of depreciation expenses for the period is 2,826 million yen.

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

With respect to all 76 properties held as of the end of the current fiscal period, the six-month period average of the total amount of the emergency repair and maintenance expenses and the medium- to long-term repair and maintenance expenses, which are set forth in the Engineering Reports, is 653 million yen.

3. Changes in Number of Investment Units Issued and Outstanding

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

Date	Type of issue	Number of investment units issued and outstanding (Unit)		Unitholders' capital, net (Note 1) (Million yen)		Note
		Increase (decrease)	Total	Increase (decrease)	Total	
May 19, 2014	Distributions in excess of retained earnings (a refund of investment)	—	2,097,700	(526)	129,415	(Note 2)
September 1, 2014	Public offering	281,709	2,379,409	30,973	160,389	(Note 3)
September 24, 2014	Issuance of new units through allocation to a third party	11,322	2,390,731	1,244	161,633	(Note 4)
November 19, 2014	Distributions in excess of retained earnings (a refund of investment)	—	2,390,731	(593)	161,040	(Note 5)
May 19, 2015	Distributions in excess of retained earnings (a refund of investment)	—	2,390,731	(698)	160,342	(Note 6)

Date	Type of issue	Number of investment units issued and outstanding (Unit)		Unitholders' capital, net (Note 1) (Million yen)		Note
		Increase (decrease)	Total	Increase (decrease)	Total	
September 1, 2015	Public offering	197,594	2,588,325	21,784	182,126	(Note 7)
September 25, 2015	Issuance of new units through allocation to a third party	5,459	2,593,784	601	182,728	(Note 8)
November 17, 2015	Distributions in excess of retained earnings (a refund of investment)	—	2,593,784	(707)	182,020	(Note 9)
May 17, 2016	Distributions in excess of retained earnings (a refund of investment)	—	2,593,784	(778)	181,242	(Note 10)
September 1, 2016	Public offering	247,507	2,841,291	28,561	209,804	(Note 11)
September 27, 2016	Issuance of new units through allocation to a third party	11,787	2,853,078	1,360	211,164	(Note 12)
November 16, 2016	Distributions in excess of retained earnings (a refund of investment)	—	2,853,078	(770)	210,393	(Note 13)
May 16, 2017	Distributions in excess of retained earnings (a refund of investment)	—	2,853,078	(867)	209,526	(Note 14)
November 14, 2017	Distributions in excess of retained earnings (a refund of investment)	—	2,853,078	(861)	208,665	(Note 15)
March 1, 2018	Public offering	529,922	3,383,000	56,095	264,760	(Note 16)
March 20, 2018	Issuance of new units through allocation to a third party	19,681	3,402,681	2,083	266,843	(Note 17)
May 15, 2018	Distributions in excess of retained earnings (a refund of investment)	—	3,402,681	(858)	265,985	(Note 18)
September 3, 2018	Public offering	411,013	3,813,694	42,620	308,605	(Note 19)
September 26, 2018	Issuance of new units through allocation to a third party	19,726	3,833,420	2,045	310,651	(Note 20)
November 14, 2018	Distributions in excess of retained earnings (a refund of investment)	—	3,833,420	(1,017)	309,633	(Note 21)

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

(Note 2) 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 3) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 109,947 yen or the offer price of 113,827 yen per unit.

(Note 4) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 109,947 yen.

(Note 5) 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 6) 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 7) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 110,247 yen or the offer price of 114,174 yen per unit.
- (Note 8) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 110,247 yen.
- (Note 9) 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 10) At the Board of Directors' Meeting held on April 13, 2016, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 300 yen per unit for the 8th Fiscal Period (the period ended February 29, 2016). The payment of distributions was commenced on May 17, 2016.
- (Note 11) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 115,398 yen or the offer price of 119,357 yen per unit.
- (Note 12) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 115,398 yen.
- (Note 13) At the Board of Directors' Meeting held on October 13, 2016, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 297 yen per unit for the 9th Fiscal Period (the period ended August 31, 2016). The payment of distributions was commenced on November 16, 2016.
- (Note 14) At the Board of Directors' Meeting held on April 13, 2017, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 304 yen per unit for the 10th Fiscal Period (the period ended February 28, 2017). The payment of distributions was commenced on May 16, 2017.
- (Note 15) At the Board of Directors' Meeting held on October 13, 2017, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 302 yen per unit for the 11th Fiscal Period (the period ended August 31, 2017). The payment of distributions was commenced on November 14, 2017.
- (Note 16) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 105,856 yen or the offer price of 109,372 yen per unit.
- (Note 17) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 105,856 yen.
- (Note 18) At the Board of Directors' Meeting held on April 13, 2018, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 301 yen per unit for the 12th Fiscal Period (the period ended February 28, 2018). The payment of distributions was commenced on May 15, 2018.
- (Note 19) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 103,697 yen or the offer price of 107,130 yen per unit.
- (Note 20) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 103,697 yen.
- (Note 21) At the Board of Directors' Meeting held on October 15, 2018, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 299 yen per unit for the 13th Fiscal Period (the period ended August 31, 2018). The payment of distributions was commenced on November 14, 2018.

[Changes in Unit Price at TSE]

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

(Unit: Yen)

Fiscal Period	10th Period	11th Period	12th Period	13th Period	14th Period
For the period ended	February 28, 2017	August 31, 2017	February 28, 2018	August 31, 2018	February 28, 2019
Highest	135,500	129,700	128,400	122,600	120,500
Lowest	122,500	114,700	111,500	110,800	107,100

4. Distributions

Actual amount of distributions is as follows:

(Unit: Thousand yen, unless otherwise stated)

	10th Period	11th Period	12th Period	13th Period	14th Period
	Sept. 1, 2016 to Feb. 28, 2017	Mar. 1, 2017 to Aug. 31, 2017	Sept. 1, 2017 to Feb. 28, 2018	Mar. 1, 2018 to Aug. 31, 2018	Sept. 1, 2018 to Feb. 28, 2019
Unappropriated retained earnings	6,299,307	6,393,445	6,390,448	7,946,714	9,053,764
Retained earnings carried forward	2,564	2,551	2,406	1,454	3,059
Total distributions	7,164,078	7,252,524	7,246,818	8,962,661	10,185,396
[Distributions per unit]	[2,511 yen]	[2,542 yen]	[2,540 yen]	[2,634 yen]	[2,657 yen]
Of which, distributions of earnings	6,296,743	6,390,894	6,388,041	7,945,260	9,050,704
[Distributions of earnings per unit]	[2,207 yen]	[2,240 yen]	[2,239 yen]	[2,335 yen]	[2,361 yen]
Of which, total refund of investments	867,335	861,629	858,776	1,017,401	1,134,692
[Total refund of investments per unit]	[304 yen]	[302 yen]	[301 yen]	[299 yen]	[296 yen]
Of total refund of investments, total distributions from reserve for temporary difference adjustments	—	—	—	—	—
[Of total refund of investments per unit, distributions from reserve for temporary difference adjustments per unit]	[— yen]	[— yen]	[— yen]	[— yen]	[— yen]
Of total refund of investments, total distributions from the unitholders' capital for tax purposes	867,335	861,629	858,776	1,017,401	1,134,692
[Of total refund of investments per unit, total distributions from the unitholders' capital for tax purposes per unit]	[304 yen]	[302 yen]	[301 yen]	[299 yen]	[296 yen]

(Note) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings that do not exceed the amount obtained by deducting capital expenditure for the operating period immediately before the period in which the distribution is made from an amount equal to depreciation expenses for the corresponding period. The amount obtained by deducting 962 million yen of capital expenditure for the current fiscal period from 3,788 million yen of depreciation expenses for the period is 2,826 million yen.

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

With respect to all 76 properties held as of the end of the current fiscal period, the six-month period average of the total amount of the emergency repair and maintenance expenses and the medium- to long-term repair and maintenance expenses, which are set forth in the Engineering Reports, is 653 million yen.

5. Future Management Policy and Matters to be Addressed

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

- (1) In terms of its internal growth strategy, while enjoying the stable cash flows that characterize its portfolio of assets, GLP J-REIT will aim to keep high occupancy rate of facilities regardless the fluctuation of vacancy rate in the market as a whole, and negotiate for higher rents for lease agreements subject to renewal upon the expirations of lease periods with consideration of market rents. At the same time, GLP J-REIT will seek to enhance the value of existing assets through appropriate maintenance of such assets and capital expenditures.
- (2) With regard to its external growth strategy, GLP J-REIT will take advantage of 12 properties under Rights-of-First-Look agreement (floor area: approximately 0.69 million m²) (Note 1) (Note 2), which is held by GLP J-REIT as a specific and flexible pipeline, and seek future opportunities to acquire some of the 28 properties (floor area: approximately 2.67 million m²) (the figures include properties under construction or planned for construction) (Note 2) held by a joint venture formed by GLP Group with a third party. Furthermore, GLP J-REIT will pursue further expansion of its portfolio by continuously collecting information about prospective third-party properties and using the bridge approach through the Optimal Takeout Arrangement (“OTA”) (Note 3).
- (3) As to financial strategy, GLP J-REIT will examine such financing activities as extending debt maturities through refinancing, issuing investment corporate bonds and raising funds through public offerings of units, while closely monitoring the trends in the financing environment. By doing so, GLP J-REIT will work to achieve an optimal balance of financing methods and financing costs.

(Note 1) The floor area shown is for the 12 properties, including five sponsor-owned properties under the Rights-of-First-Look agreement, five properties acquired by Bridge SPCs for which the private equity placement was arranged by Mizuho Securities Co., Ltd. on January 31, 2019, and two properties acquired by another bridge scheme (undisclosed).

(Note 2) The figures as of March 31, 2019 are stated. (The figures exclude those of properties already sold as of today.) For properties under construction or planned for construction as of March 31, 2019, the floor area is calculated based on planned floor area of construction at that time.

(Note 3) Optimal Takeout Arrangement (“OTA”) refers to the arrangement under which GLP J-REIT acquires an asset at the timing designated by GLP J-REIT within the scheduled acquisition period, and with the acquisition price which may be reduced to some degree depending on the timing of acquisition.

6. Significant Subsequent Events

(1) Sale of assets

GLP J-REIT sold the asset as described below.

GLP Fukuoka

• Type of specified asset	Beneficiary right of real estate in trust
• Contract date	March 29, 2019
• Closing date	March 29, 2019
• Sales price	2,300 million yen (Note 1)
• Buyer	Not disclosed (Note 2)

(Note 1) “Sales price” excludes asset transfer costs, property taxes, city planning taxes, consumption taxes and local consumption taxes.

(Note 2) The Buyer is one entity, but its profile including the company form is not disclosed since the Buyer’s consent has not been obtained. As of today, there is no capital, personnel or transactional relationship to be disclosed between the Buyer and GLP J-REIT or its Asset Manager. In addition, the Buyer is not a related party of GLP J-REIT or its Asset Manager.

From this transaction, GLP J-REIT will recognize approximately 784 million yen of gain on sales of property and equipment for the fiscal period ending August 31, 2019 (from March 1, 2019 to August 31, 2019).

[Profile of GLP J-REIT]

1. Status of Unitholders' Capital

	10th Period As of February 28, 2017	11th Period As of August 31, 2017	12th Period As of February 28, 2018	13th Period As of August 31, 2018	14th Period As of February 28, 2019
Number of investment units authorized (Units)	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Number of investment units issued and outstanding (Units)	2,853,078	2,853,078	2,853,078	3,402,681	3,833,420
Unitholders' capital, net (Million yen) (Note)	210,393	209,526	208,665	265,985	309,633
Number of unitholders	14,521	14,588	14,310	17,820	18,961

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

2. Matters Concerning Investment Units

The following is a list of major unitholders as of February 28, 2019.

Name	Location	Number of units held (Units)	Ratio to total number of units issued and outstanding (%) (Note)
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11, Harumi, Chuo-ku, Tokyo	595,916	15.54
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3, Hamamatsucho, Minato-ku, Tokyo	573,598	14.96
GLP CAPITAL JAPAN 2 PRIVATE LIMITED (Note 2) Standing proxy: Mizuho Securities Co., Ltd. Retail Operations Department	Otemachi First Square, 1-5-1, Otemachi, Chiyoda-ku, Tokyo	352,240	9.18
J.P. MORGAN BANK LUXEMBOURG S.A. 384500 Standing proxy: Mizuho Securities Co., Ltd. Settlement & Clearing Services Department	Building A, Shinagawa Intercity, 2-15-1, Konan, Minato-ku, Tokyo	263,908	6.88
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2-2-2, Otemachi, Chiyoda-ku, Tokyo	141,461	3.69
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	Office Tower Z, Harumi Island Triton Square, 1-8-12, Harumi, Chuo-ku, Tokyo	130,198	3.39
NOMURA BANK (LUXEMBOURG) S.A. Standing proxy: Sumitomo Mitsui Banking Corporation	1-3-2, Marunouchi, Chiyoda-ku, Tokyo	65,596	1.71
JP Morgan Securities Japan Co., Ltd.	Tokyo Building, 2-7-3, Marunouchi, Chiyoda-ku, Tokyo	63,439	1.65
SSBTC CLIENT OMNIBUS ACCOUNT Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody Department	3-11-1, Nihonbashi, Chuo-ku, Tokyo	55,301	1.44

Name	Location	Number of units held (Units)	Ratio to total number of units issued and outstanding (%) (Note)
STATE STREET BANK WEST CLIENT – TREATY 505234 Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department	Building A, Shinagawa Intercity, 2-15-1, Konan, Minato-ku, Tokyo	50,445	1.31
Total		2,292,102	59.79

(Note 1) “Ratio to total number of units issued and outstanding” is rounded down to the second decimal place.

(Note 2) GLP CAPITAL JAPAN 2 PRIVATE LIMITED is a group company of GLP, the Sponsor of GLP J-REIT, and holds 34,000 units in addition to the above. Thus, GLP CAPITAL JAPAN 2 PRIVATE LIMITED holds 386,240 units in total (ratio to total number of units issued and outstanding as of February 28, 2019: 10.07%).

3. Matters Concerning Directors and Auditors

(1) Names of Directors and Independent Auditor for the current period

Title	Name	Other concurrent title	Total amount of fees paid during the Period (Thousand yen)
Executive Director (Notes 1 and 2)	Yoji Tatsumi	President and CFO, GLP Japan Advisors Inc.	—
Supervisory Director (Note 2)	Toraki Inoue	Representative CPA, Toraki Inoue CPA Firm President, Accounting Advisory Co., Ltd.	1,980
	Kota Yamaguchi	Partner, Kimura Takushima & Yamaguchi Law Firm Outside Director, Heiwa Corporation	1,980
Independent Auditor (Note 3)	KPMG AZSA LLC	—	27,000

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

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

(Note 3) The amount of fees paid to Independent Auditor includes the fees for the preparation of a comfort letter (Total 13,500 thousand yen).

(2) Policy on dismissal and non-reappointment of Independent Auditor

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

4. Asset Management Company, Custodian and General Administrators

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

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

[Status on Investment Properties]

1. Investment Status

Type of asset	Use of asset	Area (Note 1)	13th Period As of August 31, 2018		14th Period As of February 28, 2019	
			Total amount held (Million yen) (Note 2)	Ratio to total assets (%) (Note 3)	Total amount held (Million yen) (Note 2)	Ratio to total assets (%) (Note 3)
Property and equipment in trust (Note 4)	Logistics facility	Tokyo Metropolitan area	314,163	59.4	337,191	55.2
		Greater Osaka area	98,397	18.6	156,542	25.6
		Other	93,666	17.7	94,966	15.5
Subtotal			506,227	95.8	588,700	96.4
Deposits and other assets			22,387	4.2	22,161	3.6
Total assets (Note 5)			528,614 [506,227]	100.0 [95.8]	610,861 [588,700]	100.0 [96.4]

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

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

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

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

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

2. Major Properties Owned

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

Name of properties	Book value (Million yen)	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy ratio (%) (Note 3)	Ratio to total rental revenues (%) (Note 3)	Primary use
GLP Osaka	35,985	128,504.34	118,937.05	92.6	4.6	Logistics facility
GLP Tokyo II	35,121	79,073.21	79,073.21	100.0	5.9	Logistics facility
GLP Amagasaki	23,363	110,224.41	110,224.41	100.0	4.6	Logistics facility
GLP Tokyo	21,589	56,757.92	56,757.92	100.0	4.0	Logistics facility
GLP Atsugi II	20,623	74,176.27	74,176.27	100.0	(Note 4)	Logistics facility
GLP Maishima I	19,252	72,948.78	72,948.78	100.0	(Note 4)	Logistics facility
GLP Shinsuna	18,361	44,308.34	36,995.46	83.5	2.1	Logistics facility
GLP Urayasu III	18,056	64,198.11	64,198.11	100.0	(Note 4)	Logistics facility
GLP Sugito II	17,551	101,272.40	100,345.84	99.1	3.7	Logistics facility
GLP Misato	16,936	46,892.00	46,892.00	100.0	(Note 4)	Logistics facility
Total	226,842	778,355.78	760,549.05	97.7	35.9	

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

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

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

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

3. Summary of Portfolio Properties

The following table summarizes the investment properties held by GLP J-REIT as of the current period end.

Name of property	Location (Note 1)	Type of ownership	Leasable area (m ²) (Note 2)	Appraisal value (Million yen) (Note 3)	Book value (Million yen)
GLP Tokyo	2-1-2, Tokai, Ota-ku, Tokyo	Beneficiary right of real estate in trust	56,757.92	29,700	21,589
GLP Higashi-Ogishima	23-9, Higashi-Ogishima, Kawasaki-ku, Kawasaki, Kanagawa		34,582.00	6,850	4,906
GLP Akishima	4-13-41, Mihori-cho, Akishima, Tokyo 4-13-42, Mihori-cho, Akishima, Tokyo		27,356.63	9,730	7,370
GLP Tomisato	3-1, Misawa, Tomisato, Chiba		27,042.59	6,080	4,560
GLP Narashino II	3-6-3, Akanehama, Narashino, Chiba		101,623.59	20,100	14,487
GLP Funabashi	1-1389-2, Kaijincho-Minami, Funabashi, Chiba		10,465.03	2,090	1,908
GLP Kazo	1-5-1, Minami-shinozaki, Kazo, Saitama		76,532.71	14,300	10,505
GLP Fukaya	1900-2, Mizugahara, Orinokuchi, Fukaya, Saitama		19,706.00	2,890	2,202
GLP Sugito II	398-2, Fukawa, Sugito-machi, Kita-Katsushika, Saitama		101,272.40	24,600	17,551
GLP Iwatsuki	2-9-10, Kokaba, Iwatsuki-ku, Saitama, Saitama		31,839.99	9,520	6,469
GLP Kasukabe	1155, Anzai, Suikaku, Kasukabe, Saitama		18,460.73	5,280	3,863
GLP Koshigaya II	2-2-1, Ryutsu-Danchi, Koshigaya, Saitama		43,533.28	13,500	9,233
GLP Misato II	3-2-1, Lala-city, Shinmisato, Misato, Saitama		59,208.59	21,100	14,151
GLP Tatsumi	3-11-10, Tatsumi, Koto-ku, Tokyo		12,925.58	6,430	4,822
GLP Hamura	4-9-8, Shinmeidai, Hamura, Tokyo		40,277.93	9,960	7,359
GLP Funabashi III	2-15-1, Nishiura, Funabashi, Chiba		18,281.84	4,230	2,993
GLP Sodegaura	385-18, Shiinomori, Sodegaura, Chiba		45,582.06	8,090	5,743
GLP Urayasu III	15-27, Chidori, Urayasu, Chiba		64,198.11	22,800	18,056
GLP Tatsumi IIa	3-8-10, Tatsumi, Koto-ku, Tokyo		17,108.52	8,500	6,615
GLP Tokyo II	3-4-11 Shinsuna, Koto-ku, Tokyo		79,073.21	43,400	35,121
GLP Okegawa	2-6 Akabori, Okegawa, Saitama		17,062.92	3,080	2,394
GLP Shinkiba	1-10-9, Shinkiba, Koto-ku, Tokyo		18,341.73	12,800	11,490
GLP Narashino	2-6-6, Shibazono, Narashino, Chiba		23,548.03	5,570	5,303
GLP Sugito	398-13, Fukawa, Sugito-machi, Kita-Katsushika, Saitama		58,918.12	10,300	8,295
GLP Matsudo	520-1, Kamihongo, Matsudo, Chiba		14,904.60	2,890	2,413
GLP-MFLP Ichikawa Shiohama (Note 4)	1-6-3, Shiohama, Ichikawa, Chiba		50,813.07	17,300	15,277
GLP Atsugi II	4022-2, Sakuradai, Nakatsu, Aikawa-machi, Aiko, Kanagawa		74,176.27	24,000	20,623
GLP Yoshimi	603-1, Nishi-Yoshimi, Yoshimi-machi, Hiki, Saitama		62,362.89	11,800	10,902
GLP Noda-Yoshiharu	722-2, Aza Tameshita, Yoshiharu, Noda, Chiba		26,631.40	5,360	4,502
GLP Urayasu	76-4, Minato, Urayasu, Chiba		25,839.60	7,910	7,467
GLP Funabashi II	6-1, Shiomi-cho, Funabashi, Chiba		34,699.09	8,300	7,780
GLP Misato	3-1-3, Izumi, Misato, Saitama		46,892.00	18,200	16,936
GLP Shinsuna	2-5-20, Shinsuna, Koto-ku, Tokyo		44,308.34	18,900	18,361
GLP Shonan	16, Kiriara-cho, Fujisawa, Kanagawa		23,832.60	6,190	5,926
GLP Hirakata	3-2-27, Minami-Nakaburi, Hirakata, Osaka 3-2-7, Minami-Nakaburi, Hirakata, Osaka		29,829.56	6,390	4,569
GLP Hirakata II	3-3-1, Minami-Nakaburi, Hirakata, Osaka		43,283.01	9,440	7,463
GLP Maishima II	2-1-92, Hokuokoryokuchi, Konohana-ku, Osaka, Osaka		56,511.10	12,200	8,229
GLP Tsumori	2-1-30, Minami-Tsumori, Nishinari-ku, Osaka, Osaka		16,080.14	2,750	2,039
GLP Rokko	3-10, Koyochi-Higashi, Higashinada-ku, Kobe, Hyogo		39,339.00	6,020	5,027

Name of property	Location (Note 1)	Type of ownership	Leasable area (m ²) (Note 2)	Appraisal value (Million yen) (Note 3)	Book value (Million yen)
GLP Amagasaki	231-2, Nishi-Mukojima-cho, Amagasaki, Hyogo	Beneficiary right of real estate in trust	110,224.41	29,500	23,363
GLP Amagasaki II	16, Nishi-Takasu-cho, Amagasaki, Hyogo		12,342.95	2,340	1,943
GLP Nara	6-4, Imago-cho, Yamatokoriyama, Nara		19,545.35	3,000	2,083
GLP Sakai	1-63, Chikkoyawatamachi, Sakai-ku, Sakai, Osaka		10,372.10	2,260	1,820
GLP Rokko II	4-15-1, Koyocho-Higashi, Higashinada-ku, Kobe, Hyogo		20,407.30	4,350	3,153
GLP Kadoma	4-2-1, Shinomiya, Kadoma, Osaka		12,211.73	3,250	2,412
GLP Seishin	2-5-1, Yasakadai, Suma-ku, Kobe, Hyogo		9,533.88	1,640	1,423
GLP Fukusaki	1714-14, Saiji, Fukusaki-cho, Kanzaki, Hyogo		24,167.83	4,480	3,589
GLP Kobe-Nishi	7-1-1, Mitsugaoka, Nishi-ku, Kobe, Hyogo		35,417.31	7,620	6,739
GLP Fukaehama	34-1, Fukaehama-cho, Higashinada-ku, Kobe, Hyogo		19,386.00	4,910	4,672
GLP Maishima I	2-1-66, Hokukoryokuchi, Konohana-ku, Osaka, Osaka		72,948.78	19,400	19,252
GLP Osaka	2-4-43, Nanko Minami, Suminoe, Osaka, Osaka		128,504.34	36,200	35,985
GLP Settsu	2-1-62, Torikainaka, Settsu, Osaka		38,997.24	7,650	7,336
GLP Nishinomiya	1-52, Hanshin Ryutsu Center, Yamaguchi-cho, Nishinomiya, Hyogo		19,766.00	2,820	2,763
GLP Shiga	2-6-56, Noji Higashi, Kusatsu, Shiga 2-6-50, Noji Higashi, Kusatsu, Shiga 2-6-55, Noji Higashi, Kusatsu, Shiga 2-2349-24, Azakamegaya, Noji Higashi, Kusatsu, Shiga		29,848.70	4,740	4,565
GLP Neyagawa	10-10, Shoji Minami-machi, Neyagawa, Osaka		26,938.02	8,360	8,105
GLP Morioka	59, Urata, Sakuramachi, Shiwa-cho, Shiwa, Iwate		10,253.80	870	750
GLP Tomiya	9-1-2, Narita, Tomiya, Miyagi		20,466.98	3,670	2,938
GLP Koriyama I	3-2-2, Oroshi, Kikuta-machi, Koriyama, Fukushima		24,335.96	4,590	3,679
GLP Koriyama III	5-12, Mukaihara, Horinouchi, Kikuta-machi, Koriyama, Fukushima		27,671.51	2,770	2,623
GLP Tokai	2-47, Asayama, Tokai, Aichi		32,343.31	7,930	5,838
GLP Hayashima	823, Yao, Hayashima-cho, Tsukubo, Okayama		13,574.58	1,360	1,193
GLP Hayashima II	4507-40, Hayashima, Hayashima-cho, Tsukubo, Okayama		14,447.48	2,880	2,186
GLP Kiyama	2950-1, Urata, Sonobe, Kiyama-cho, Miyaki, Saga		23,455.96	6,020	4,627
GLP Sendai	2-5-2, Sendaikou Kita, Miyagino-ku, Sendai, Miyagi		37,256.23	6,940	5,301
GLP Ebetsu	69-3, Kakuyama, Ebetsu, Hokkaido		18,489.25	2,220	1,430
GLP Kuwana	3646-1, Kanegaya, Mizono, Tado-cho, Kuwana, Mie		20,402.12	4,300	3,350
GLP Hatsukaichi	14-2, Mokuzaiko-Kita, Hatsukaichi, Hiroshima		10,981.89	2,360	1,837
GLP Komaki	1-31, Shinkoki, Komaki, Aichi		52,709.97	13,700	10,206
GLP Ogimachi	1-8-5, Ogimachi, Miyagino-ku, Sendai, Miyagi		13,155.28	1,650	1,428
GLP Hiroshima	2-7-11, Kusatsukou, Nishi-ku, Hiroshima, Hiroshima 2-7-4, Kusatsukou, Nishi-ku, Hiroshima, Hiroshima		21,003.04	4,200	3,597
GLP Fukuoka	1-10-1, Itaduke, Hakata-ku, Fukuoka, Fukuoka		14,641.22	1,910	1,464
GLP Tosu I	1715, Hirata, Hatazaki-machi, Tosu, Saga		74,860.38	11,100	9,367
GLP Tomiya IV	9-7-3, Narita, Tomiya, Miyagi 9-7-7, Narita, Tomiya, Miyagi		32,562.60	6,500	5,808
GLP Soja I	4-10, Nagara, Soja, Okayama		63,015.53	13,100	12,705
GLP Soja II	4-1, Nagara, Soja, Okayama		63,213.22	13,000	12,616
GLP Fujimae	2-201-8, Fujimae, Minato, Nagoya, Aichi		12,609.00	2,040	2,014
Total			2,785,263.44	714,180	588,700

- (Note 1) “Location” represents the indication of residential address. If no indication of residential address exists, the location of the building (one of those if there are multiple buildings) shown on the registry is stated.
- (Note 2) “Leasable area” is the area of property or property in trust that is available for lease in accordance with relevant lease agreements or architectural drawings. The figures are rounded down to the second decimal place. The leasable area may be changed upon renewal of lease agreements.
- (Note 3) “Appraisal value” represents the appraisal value or research price as set forth on the relevant study reports by real estate appraisers as of the balance sheet date in accordance with the policy prescribed in the Articles of Incorporation of GLP J-REIT and the rules of the Investment Trusts Association, Japan.
- (Note 4) GLP-MFLP Ichikawa Shiohama is a property under joint co-ownership which GLP J-REIT holds 50% beneficiary right of real estate in trust. “Leasable area” stated above is computed by multiplying 50% of the joint co-ownership ratio.

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

Name of property	13th Period From March 1, 2018 To August 31, 2018				14th Period From September 1, 2018 To February 28, 2019			
	At Period End		Rental revenues (Million yen)	Ratio to total rental revenues (%) (Note 2)	At Period End		Rental revenues (Million yen)	Ratio to total rental revenue (%) (Note 2)
	Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)			Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)		
GLP Tokyo	4	100.0	738	4.4	3	100.0	738	4.0
GLP Higashi-Ogishima	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Akishima	3	100.0	(Note 3)	(Note 3)	3	100.0	(Note 3)	(Note 3)
GLP Tomisato	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Narashino II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Funabashi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kazo	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Fukaya	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sugito II	5	99.1	687	4.1	5	99.1	685	3.7
GLP Iwatsuki	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kasukabe	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Koshigaya II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Misato II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Tatsumi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hamura	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Funabashi III	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sodegaura	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Urayasu III	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Tatsumi Iia	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tokyo II	6	100.0	1,107	6.6	6	100.0	1,100	5.9
GLP Okegawa	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Shinkiba	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Narashino	3	100.0	171	1.0	3	100.0	171	0.9
GLP Sugito	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Matsudo	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP-MFLP Ichikawa Shiohama	5	100.0	484	2.9	5	100.0	470	2.5
GLP Atsugi II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Yoshimi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Noda-Yoshiharu	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Urayasu	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Funabashi II	1	99.0	(Note 3)	(Note 3)	1	99.0	(Note 3)	(Note 3)
GLP Misato	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Shinsuna	—	—	—	—	4	83.5	400	2.1
GLP Shonan	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Hirakata	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hirakata II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Maishima II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tsumori	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Rokko	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Amagasaki	7	100.0	882	5.2	7	100.0	851	4.6

Name of property	13th Period From March 1, 2018 To August 31, 2018				14th Period From September 1, 2018 To February 28, 2019			
	At Period End		Rental revenues (Million yen)	Ratio to total rental revenues (%) (Note 2)	At Period End		Rental revenues (Million yen)	Ratio to total rental revenue (%) (Note 2)
	Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)			Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)		
GLP Amagasaki II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Nara	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sakai	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Rokko II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kadoma	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Seishin	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Fukusaki	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kobe-Nishi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Fukaehama	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Maishima I	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Osaka	—	—	—	—	12	92.6	861	4.6
GLP Settsu	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Nishinomiya	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Shiga	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Neyagawa	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Morioka	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tomiya	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Koriyama I	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Koriyama III	4	100.0	126	0.7	4	100.0	126	0.7
GLP Tokai	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hayashima	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hayashima II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kiyama	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sendai	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Ebetsu	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kuwana	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hatsukaichi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Komaki	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Ogimachi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hiroshima	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Fukuoka	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tosu I	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tomiya IV	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Soja I	4	80.8	419	2.5	5	95.5	402	2.2
GLP Soja II	8	98.4	370	2.2	7	99.6	382	2.0
GLP Fujimae	—	—	—	—	1	100.0	(Note 3)	(Note 3)
Total	114	99.4	16,896	100.0	135	99.2	18,691	100.0

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

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

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

4. Specified Transaction

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

	Type	Contract amount (Million yen) (Note 1)		Fair value (Million yen) (Note 2)
			Due after one year	
OTC	Interest rate swaps: Receive floating/ Pay fix	182,340	161,540	(2,142)
Total		182,340	161,540	(2,142)

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

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

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

5. Investments and Other Assets

(1) Investment securities – Equity securities

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

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

(2) Details of other specified assets

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

[Capital Expenditure for Properties Owned]

1. Future Plan for Capital Expenditure

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

Property name	Location	Purpose	Planned period	Estimated construction cost (Million yen)		
				Total amount	Amount paid during the period	Total amount paid
GLP Tokai	Tokai, Aichi	Renovation of South-side exterior walls	From May 2019 to June 2019	33	—	—
GLP Kasukabe	Kasukabe, Saitama	Roadbed improvement work in the facility yard (South-side)	From August 2019 to August 2019	32	—	—
GLP Tokyo	Ota, Tokyo	FRP waterproofing work on roofs	From July 2019 to August 2019	28	—	—
GLP Urayasu	Urayasu, Chiba	Renovation of North-side track berth	From September 2019 to October 2019	27	—	—
GLP Sugito II	Kita-Katsushika, Saitama	FRP waterproofing work on roofs	From January 2020 to February 2020	24	—	—
GLP Settsu	Settsu, Osaka	Renewal of No. C Omni Lifter, Building No.4	From August 2019 to January 2020	22	—	—
GLP Urayasu	Urayasu, Chiba	Renovation of North-side exterior walls and eave soffits	From October 2019 to November 2019	21	—	—
GLP Koriyama I	Koriyama, Fukushima	Replacement of foam fire extinguishing facility (deluge valves)	From October 2019 to February 2020	20	—	—
GLP Akishima	Akishima, Tokyo	Renovation of West-side exterior walls, Building B	From January 2020 to February 2020	20	—	—
GLP Morioka	Shiwa, Iwate	Renewal of vertical conveyors	From April 2019 To August 2019	9	—	—

2. Capital Expenditure Incurred for the Period

The following table summarizes the major constructions to holding properties that resulted in capital expenditure for the current period. Capital expenditure for the current period was 962 million yen. The total construction cost amounted to 1,044 million yen, including repair and maintenance of 82 million yen that was accounted for as expenses.

Property name	Location	Purpose	Period	Construction cost (Million yen)
GLP Narashino II	Narashino, Chiba	Renewal of water chiller/heater	From June 2018 to November 2018	72
GLP Urayasu III	Urayasu, Chiba	Renewal of high-efficiency lightning equipment	From October 2018 to December 2018	59
GLP Okegawa	Okegawa, Saitama	Replacement of lighting equipment	From November 2018 to December 2018	37
GLP Shonan	Fujisawa, Kanagawa	Renovation of exterior walls (North- and South-side)	From October 2018 to December 2018	36

Property name	Location	Purpose	Period	Construction cost (Million yen)
GLP Rokko	Kobe, Hyogo	Renovation of exterior walls, South-side of ASB building, West-side of warehouse building and other	From November 2018 to January 2019	29
GLP Urayasu	Urayasu, Chiba	Renewal of high-efficiency lightning equipment	From September 2018 to November 2018	27
GLP Misato II	Misato, Saitama	Renewal of high-efficiency lightning equipment	From July 2018 to September 2018	26
GLP Sugito II	Kita-Katsushika, Saitama	FRP waterproofing work on roofs	From October 2018 to December 2018	22
Other	—	—	—	650
Total				962

3. Funds Reserved for Long-Term Repair Plans

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

(Unit: Million yen)

Operating period	10th Period Sept. 1, 2016 to Feb. 28, 2017	11th Period Mar. 1, 2017 to Aug. 31, 2017	12th Period Sept. 1, 2017 to Feb. 28, 2018	13th Period Mar. 1, 2018 to Aug. 31, 2018	14th Period Sep. 1, 2018 to Feb. 28, 2019
Balance brought forward from the previous period	—	—	—	—	—
Amount reserved during the period	—	—	—	—	—
Amount used during the period	—	—	—	—	—
Balance to be carried forward to the next period	—	—	—	—	—

(Note 1) GLP J-REIT intends not to account for reserves if the estimated amount of capital expenditure of the following period does not exceed the amount equivalent to 70% of the estimated depreciation expenses for the same period. GLP J-REIT estimates the amount of capital expenditure for the 15th period (for the period ending August 31, 2019) to be 873 million yen, which does not exceed 2,651 million yen, the amount equivalent to 70% of 3,788 million yen, which is the estimated depreciation expenses for the same period.

(Note 2) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings that do not exceed the amount obtained by deducting capital expenditure for the operating period immediately before the period in which the distribution is made from an amount equal to depreciation expenses for the corresponding period. The amount obtained by deducting 962 million yen of capital expenditure for the current fiscal period from 3,788 million yen of depreciation expenses for the period is 2,826 million yen.

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

With respect to all 76 properties held as of the end of the current fiscal period, the six-month period average of the total amount of the emergency repair and maintenance expenses and the medium- to long-term repair and maintenance expenses, which are set forth in the Engineering Reports, is 653 million yen. Please refer to the "Summary of Engineering Due Diligence Report" below for the emergency repair and maintenance expenses and the mid-to-long term repair and maintenance expenses for each asset.

(Reference) Summary of Engineering Due Diligence Report

Property number	Name of property	Engineering due diligence company	Date of report	Emergency repair and maintenance expenses (Thousand yen) (Note 1)	Mid-to-Long term repair and maintenance expenses (Thousand yen) (Note2)
Tokyo-1	GLP Tokyo	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 31, 2017	—	446,000
Tokyo-2	GLP Higashi-Ogishima			—	337,520
Tokyo-3	GLP Akishima (Note 3)			—	206,370
Tokyo-4	GLP Tomisato			—	90,060
Tokyo-5	GLP Narashino II			—	1,117,350
Tokyo-6	GLP Funabashi			—	167,750
Tokyo-7	GLP Kazo			—	392,050
Tokyo-8	GLP Fukaya			—	307,300
Tokyo-9	GLP Sugito II			—	406,640
Tokyo-10	GLP Iwatsuki			—	71,950
Tokyo-11	GLP Kasukabe			—	167,980
Tokyo-12	GLP Koshigaya II			—	139,890
Tokyo-13	GLP Misato II (Note 3)			—	168,620
Tokyo-14	GLP Tatsumi			—	54,520
Tokyo-15	GLP Hamura		August 31, 2018	—	61,540
Tokyo-16	GLP Funabashi III			—	127,980
Tokyo-17	GLP Sodegaura			—	63,000
Tokyo-18	GLP Urayasu III			—	296,600
Tokyo-19	GLP Tatsumi Ila		March 20, 2014	—	86,120
Tokyo-21	GLP Tokyo II (Note 3)		July 25, 2014	—	357,870
Tokyo-22	GLP Okegawa		July 27, 2015	—	209,530
Tokyo-23	GLP Shinkiba			—	243,980
Tokyo-24	GLP Narashino		July 27, 2015	—	230,950
Tokyo-26	GLP Sugito (Note 3)			—	276,775
Tokyo-27	GLP Matsudo	Tokio Marine & Nichido Risk Consulting Co., Ltd.	December 14, 2015	—	142,870
Tokyo-28	GLP-MFLP Ichikawa Shiohama (Note 4)		April 12, 2016	—	220,644
Tokyo-29	GLP Atsugi II		August 3, 2016	—	180,143
Tokyo-30	GLP Yoshimi			—	142,536
Tokyo-31	GLP Noda-Yoshiharu	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	July 1, 2015	—	62,226
Tokyo-32	GLP Urayasu	Tokio Marine & Nichido Risk Consulting Co., Ltd.	August 18, 2017	—	82,849
Tokyo-33	GLP Funabashi II			—	262,847
Tokyo-34	GLP Misato			—	211,734
Tokyo-35	GLP Shinsuna		July 30, 2018	—	298,639
Tokyo-36	GLP Shonan			—	142,715
Osaka-1	GLP Hirakata	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 31, 2017	—	376,400
Osaka-2	GLP Hirakata II			—	236,350
Osaka-3	GLP Maishima II (Note 3)			—	271,900
Osaka-4	GLP Tsumori			—	143,330
Osaka-5	GLP Rokko			—	406,840
Osaka-6	GLP Amagasaki (Note 3)			—	204,430
Osaka-7	GLP Amagasaki II			—	136,600
Osaka-8	GLP Nara			—	146,790
Osaka-9	GLP Sakai			—	39,800
Osaka-10	GLP Rokko II		August 31, 2018	—	353,530
Osaka-11	GLP Kadoma		July 25, 2014	—	114,160
Osaka-12	GLP Seishin			—	186,900

Property number	Name of property	Engineering due diligence company	Date of report	Emergency repair and maintenance expenses (Thousand yen) (Note 1)	Mid-to-Long term repair and maintenance expenses (Thousand yen) (Note2)	
Osaka-13	GLP Fukusaki (Note 3)	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	July 25, 2014	—	160,500	
Osaka-14	GLP Kobe-Nishi		January 28, 2015	—	57,340	
Osaka-15	GLP Fukaehama (Note 3)	Tokio Marine & Nichido Risk Consulting Co., Ltd.	August 3, 2016	—	219,979	
Osaka-16	GLP Maishima I		August 18, 2017	—	407,302	
Osaka-17	GLP Osaka		July 30, 2018	—	459,059	
Osaka-18	GLP Settsu			—	413,785	
Osaka-19	GLP Nishinomiya			—	227,195	
Osaka-20	GLP Shiga			—	215,421	
Osaka-21	GLP Neyagawa			—	63,718	
Other-1	GLP Morioka		Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 31, 2017	—	52,660
Other-2	GLP Tomiya (Note 3)	—			84,040	
Other-3	GLP Koriyama I	—			56,400	
Other-4	GLP Koriyama III	—			315,200	
Other-5	GLP Tokai	—			151,530	
Other-6	GLP Hayashima	—			144,200	
Other-7	GLP Hayashima II	—			51,550	
Other-8	GLP Kiyama (Note 3)	—			233,920	
Other-10	GLP Sendai	—		134,980		
Other-11	GLP Ebetsu	August 31, 2018		—	74,540	
Other-12	GLP Kuwana			—	126,470	
Other-13	GLP Hatsukaichi			—	83,530	
Other-14	GLP Komaki			—	227,250	
Other-15	GLP Ogimachi	July 25, 2014		—	110,170	
Other-16	GLP Hiroshima			—	198,660	
Other-17	GLP Fukuoka			—	134,110	
Other-19	GLP Tosu I (Note 3)	Tokio Marine & Nichido Risk Consulting Co., Ltd.		July 27, 2015	—	187,234
Other-20	GLP Tomiya IV			August 3, 2016	—	233,500
Other-21	GLP Soja I			January 15, 2018	—	161,102
Other-22	GLP Soja II				—	161,224
Other-23	GLP Fujimae			July 30, 2018	—	143,851
Total				—	15,682,999	

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

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

(Note 3) The amounts include repair and maintenance expenses reported in “Engineering Due Diligence Report (Solar Panels)” on January 15, 2018.

(Note 4) GLP-MFLP Ichikawa Shiohama is a property under joint co-ownership which GLP J-REIT holds 50% beneficiary right of real estate in trust. “Emergency repair and maintenance expenses” and “Mid-to-Long term repair and maintenance expenses” stated above are computed by multiplying 50% of the joint co-ownership ratio.

[Expenses and Liabilities]

1. Status of Expenses related to Asset Management

(Unit: Thousand yen)

	13th Period From March 1, 2018 To August, 31, 2018	14th Period From September 1, 2018 To February 28, 2019
Asset management fee	1,738,971	1,994,088
Asset custody fee	6,636	7,547
Administrative service fees	22,439	24,474
Directors' remuneration	3,960	3,960
Audit fee	13,500	13,500
Taxes and dues	108	103
Other operating expenses	73,805	73,302
Total	1,859,422	2,116,975

(Note) In addition to the amount shown, the amount of asset management fee capitalized as part of acquisition cost was 231,181 thousand yen and 254,550 thousand yen for the 13th Period and the 14th Period, respectively.

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2. Status of Borrowings

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

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Short-term loans payable	Sumitomo Mitsui Banking Corporation	February 28, 2018	284	—	0.21%	February 28, 2019	Lump-sum	(Note 8)	Unsecured not guaranteed
	MUFG Bank, Ltd.		307	—					
	Mizuho Bank, Ltd.		66	—					
	Citibank, N.A., Tokyo Branch		78	—					
	The Bank of Fukuoka, Ltd.		49	—					
	Development Bank of Japan Inc.		72	—					
	The Norinchukin Bank		106	—					
	Resona Bank, Limited		33	—					
	Sumitomo Mitsui Trust Bank, Limited		130	—					
	Shinsei Bank, Limited		14	—					
	The 77 Bank, Ltd.		14	—					
	Sumitomo Mitsui Banking Corporation	September 3, 2018	—	480	0.21%	September 2, 2019 (Note 5)	Lump-sum	(Note 9)	Unsecured not guaranteed
	MUFG Bank, Ltd.	September 3, 2018	—	320	0.21%	September 2, 2019 (Note 6)	Lump-sum	(Note 9)	Unsecured not guaranteed
	Subtotal		1,160	800					
Long-term loans payable	Sumitomo Mitsui Banking Corporation	January 4, 2013	5,000	5,000	1.41% (Note 4)	January 4, 2020	Lump-sum	(Note 9)	Unsecured not guaranteed
	MUFG Bank, Ltd.		6,400	6,400					
	Mizuho Bank, Ltd.		4,000	4,000					
	The Bank of Fukuoka, Ltd.		900	900					
	Development Bank of Japan Inc.		4,500	4,500					
	MUFG Bank, Ltd.	February 1, 2013	3,250	3,250	1.03%	January 31, 2020	Lump-sum	(Note 9)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	February 1, 2013	3,250	3,250	1.30% (Note 4)	February 1, 2021	Lump-sum	(Note 9)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	March 3, 2014	3,720	—	0.76% (Note 4)	February 28, 2019 (Note 7)	Lump-sum	(Note 9)	Unsecured not guaranteed
	MUFG Bank, Ltd.		3,730	—					
	Mizuho Bank, Ltd.		2,550	—					
	Citibank, N.A., Tokyo Branch		700	—					
	The Bank of Fukuoka, Ltd.		700	—					
	The Norinchukin Bank		450	—					
	Resona Bank, Limited		450	—					
	Sumitomo Mitsui Banking Corporation	March 3, 2014	2,000	2,000	1.09% (Note 4)	February 26, 2021	Lump-sum	(Note 9)	Unsecured not guaranteed
	MUFG Bank, Ltd.		2,400	2,400					
	Mizuho Bank, Ltd.		1,250	1,250					
	Development Bank of Japan Inc.		450	450					
	Sumitomo Mitsui Banking Corporation	March 3, 2014	1,470	1,470	1.56% (Note 4)	February 29, 2024	Lump-sum	(Note 9)	Unsecured not guaranteed
	MUFG Bank, Ltd.		1,170	1,170					
	Development Bank of Japan Inc.		500	500					
	MUFG Bank, Ltd.	March 3, 2014	3,800	3,800	0.92%	February 26, 2021	Lump-sum	(Note 8)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	June 30, 2014	500	500	1.48% (Note 4)	June 30, 2026	Lump-sum	(Note 8)	Unsecured not guaranteed
	MUFG Bank, Ltd.		500	500					

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Long-term loans payable	Sumitomo Mitsui Banking Corporation	September 2, 2014	3,890	3,890	0.86% (Note 4)	September 2, 2022	Lump-sum	(Note 9)	Unsecured not guaranteed
	MUFG Bank, Ltd.		4,440	4,440					
	Mizuho Bank, Ltd.		2,830	2,830					
	The Bank of Fukuoka, Ltd.		610	610					
	Development Bank of Japan Inc.		650	650					
	The Norinchukin Bank		350	350					
	Resona Bank, Limited		270	270					
	Sumitomo Mitsui Trust Bank, Limited		560	560					
	Sumitomo Mitsui Banking Corporation	September 2, 2014	1,530	1,530	1.85% (Note 4)	September 2, 2027	Lump-sum	(Note 9)	Unsecured not guaranteed
	MUFG Bank, Ltd.		1,170	1,170					
	Development Bank of Japan Inc.	January 5, 2015	1,250	—	0.31%	December 20, 2018	Lump-sum	(Note 8)	Unsecured not guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,250	—					
	MUFG Bank, Ltd.	May 1, 2015	800	—	0.29%	February 28, 2019	Lump-sum	(Note 9)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	May 1, 2015	2,700	2,700	0.52% (Note 4)	April 30, 2021	Lump-sum	(Note 9)	Unsecured not guaranteed
	Mizuho Bank, Ltd.	May 1, 2015	700	700	0.52% (Note 4)	April 30, 2021	Lump-sum	(Note 9)	Unsecured not guaranteed
	The Norinchukin Bank	May 1, 2015	400	400	0.52% (Note 4)	April 30, 2021	Lump-sum	(Note 9)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	September 1, 2015	2,922	2,922	0.61% (Note 4)	February 28, 2022	Lump-sum	(Note 9)	Unsecured not guaranteed
	MUFG Bank, Ltd.		3,028	3,028					
	Mizuho Bank, Ltd.		1,640	1,640					
	Citibank, N.A., Tokyo Branch		320	320					
	The Bank of Fukuoka, Ltd.		480	480					
	Development Bank of Japan Inc.		320	320					
	The Norinchukin Bank		320	320					
	Resona Bank, Limited		320	320					
	Sumitomo Mitsui Trust Bank, Limited		440	440					
	Shinsei Bank, Limited		130	130					
	The 77 Bank, Ltd.		130	130					
	MUFG Bank, Ltd.	September 1, 2015	1,300	1,300	0.96% (Note 4)	September 1, 2025	Lump-sum	(Note 9)	Unsecured not guaranteed
	Mizuho Bank, Ltd.	January 4, 2016	3,000	—	(0.01)% (Note 4)	February 28, 2019	Lump-sum	(Note 8)	Unsecured not guaranteed
	Citibank, N.A., Tokyo Branch		500	—					
	The Bank of Fukuoka, Ltd.		1,800	—					
	The Bank of Fukuoka, Ltd.	January 4, 2016	1,400	1,400	0.35% (Note 4)	February 26, 2021	Lump-sum	(Note 8)	Unsecured not guaranteed
	The Norinchukin Bank		1,400	1,400					
	MUFG Bank, Ltd.	January 4, 2016	1,900	1,900	0.61% (Note 4)	February 29, 2024	Lump-sum	(Note 8)	Unsecured not guaranteed
	Resona Bank, Limited		1,400	1,400					
	Mizuho Bank, Ltd.	January 4, 2016	1,500	1,500	0.93% (Note 4)	February 27, 2026	Lump-sum	(Note 8)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	January 4, 2016	5,600	5,600	1.22% (Note 4)	December 21, 2026	Lump-sum	(Note 8)	Unsecured not guaranteed
	MUFG Bank, Ltd.		5,100	5,100					

Category		Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
Name of financial institution									
Long-term loans payable	Sumitomo Mitsui Banking Corporation	January 4, 2016	500	500	1.31% (Note 4)	December 20, 2027	Lump-sum	(Note 8)	Unsecured not guaranteed
	MUFG Bank, Ltd.		400	400					
	Sumitomo Mitsui Banking Corporation	January 4, 2016	600	600	1.57% (Note 4)	December 20, 2028	Lump-sum	(Note 8)	Unsecured not guaranteed
	MUFG Bank, Ltd.		400	400					
	Sumitomo Mitsui Banking Corporation	January 15, 2016	980	980	0.42% (Note 4)	January 14, 2022	Lump-sum	(Note 9)	Unsecured not guaranteed
	MUFG Bank, Ltd.	January 15, 2016	850	850	0.42%	January 14, 2022	Lump-sum	(Note 9)	Unsecured not guaranteed
	MUFG Bank, Ltd.	January 15, 2016	610	610	0.42% (Note 4)	January 14, 2022	Lump-sum	(Note 9)	Unsecured not guaranteed
	MUFG Bank, Ltd.	September 1, 2016	3,780	3,780	0.29%	September 1, 2023	Lump-sum	(Note 9)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	September 1, 2016	4,100	4,100	0.32%	September 1, 2024	Lump-sum	(Note 9)	Unsecured not guaranteed
	MUFG Bank, Ltd.	September 1, 2016	530	530	0.24%	September 2, 2019	Lump-sum	(Notes 8 and 9)	Unsecured not guaranteed
	Mizuho Bank, Ltd.		510	510					
	Citibank, N.A., Tokyo Branch		310	310					
	The Bank of Fukuoka, Ltd.		290	290					
	The 77 Bank, Ltd.		300	300					
	MUFG Bank, Ltd.	September 1, 2016	1,250	1,250	0.26%	September 1, 2020	Lump-sum	(Notes 8 and 9)	Unsecured not guaranteed
	Mizuho Bank, Ltd.		1,570	1,570					
	Citibank, N.A., Tokyo Branch		270	270					
	The 77 Bank, Ltd.		60	60					
	Sumitomo Mitsui Banking Corporation	September 1, 2016	790	790	0.44%	March 1, 2024	Lump-sum	(Notes 8 and 9)	Unsecured not guaranteed
	MUFG Bank, Ltd.		2,000	2,000					
Mizuho Bank, Ltd.	1,280		1,280						
Citibank, N.A., Tokyo Branch	780		780						
The Bank of Fukuoka, Ltd.	500		500						
Development Bank of Japan Inc.	230		230						
The Norinchukin Bank	1,060		1,060						
Resona Bank, Limited	490		490						
Aozora Bank, Ltd.	180		180						
Shinsei Bank, Limited	180		180						
Sumitomo Mitsui Trust Bank, Limited	480		480						
The 77 Bank, Ltd.	180	180							

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Long-term loans payable	Sumitomo Mitsui Banking Corporation	September 1, 2016	2,170	2,170	0.57%	March 3, 2025	Lump-sum	(Notes 8 and 9)	Unsecured not guaranteed
	MUFG Bank, Ltd.		2,310	2,310					
	Mizuho Bank, Ltd.		1,110	1,110					
	The Bank of Fukuoka, Ltd.		740	740					
	Development Bank of Japan Inc.		550	550					
	Resona Bank, Limited		650	650					
	Aozora Bank, Ltd.		370	370					
	Shinsei Bank, Limited		370	370					
	Sumitomo Mitsui Trust Bank, Limited		920	920					
	Mizuho Bank, Ltd.	December 20, 2016	1,150	1,150	0.25%	December 21, 2020	Lump-sum	(Note 8)	Unsecured not guaranteed
	The Bank of Fukuoka, Ltd.	December 20, 2016	500	500	0.53%	December 20, 2022	Lump-sum	(Note 8)	Unsecured not guaranteed
	Sumitomo Mitsui Trust Bank, Limited	December 20, 2016	1,150	1,150	0.56%	December 20, 2023	Lump-sum	(Note 8)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	December 20, 2016	5,700	5,700	0.79%	September 1, 2025	Lump-sum	(Note 8)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	September 1, 2017	870	870	0.46%	September 1, 2023	Lump-sum	(Note 9)	Unsecured not guaranteed
	MUFG Bank, Ltd.	September 1, 2017	580	580	0.46%	September 1, 2023	Lump-sum	(Note 9)	Unsecured not guaranteed
	Mizuho Bank, Ltd.	January 4, 2018	1,500	1,500	0.19%	December 21, 2020	Lump-sum	(Note 8)	Unsecured not guaranteed
	MUFG Bank, Ltd.		800	800					
	Citibank, N.A., Tokyo Branch		1,800	1,800					
	The Bank of Fukuoka, Ltd.		1,800	1,800					
	The Norinchukin Bank		1,300	1,300					
	Sumitomo Mitsui Banking Corporation	January 4, 2018	5,100	5,100	0.28% (Note 4)	December 20, 2021	Lump-sum	(Note 8)	Unsecured not guaranteed
	MUFG Bank, Ltd.		3,600	3,600					
	Mizuho Bank, Ltd.		500	500					
	Resona Bank, Limited	January 4, 2018	1,300	1,300	0.48% (Note 4)	December 22, 2025	Lump-sum	(Note 8)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	January 4, 2018	2,300	2,300	0.60% (Note 4)	October 30, 2026	Lump-sum	(Note 8)	Unsecured not guaranteed
	MUFG Bank, Ltd.		2,300	2,300					
	Mizuho Bank, Ltd.		2,000	2,000					
	Sumitomo Mitsui Banking Corporation	March 1, 2018	540	540	0.29% (Note 4)	September 1, 2021	Lump-sum	(Notes 8 and 9)	Unsecured not guaranteed
	MUFG Bank, Ltd.		700	700					
	Mizuho Bank, Ltd.		930	930					
	Citibank, N.A., Tokyo Branch		140	140					
	The Norinchukin Bank		190	190					
	Resona Bank, Limited		130	130					
	Sumitomo Mitsui Trust Bank, Limited		340	340					
	Shinsei Bank, Limited		200	200					

Category		Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
Name of financial institution									
Long-term loans payable	Sumitomo Mitsui Banking Corporation	March 1, 2018	2,850	2,850	0.34% (Note 4)	February 28, 2023	Lump-sum	(Notes 8 and 9)	Unsecured not guaranteed
	MUFG Bank, Ltd.		2,600	2,600					
	Mizuho Bank, Ltd.		1,900	1,900					
	Citibank, N.A., Tokyo Branch		470	470					
	Development Bank of Japan Inc.		580	580					
	The Norinchukin Bank		530	530					
	Resona Bank, Limited		260	260					
	Sumitomo Mitsui Trust Bank, Limited		440	440					
	Shinsei Bank, Limited		500	500					
	Sumitomo Mitsui Banking Corporation		March 1, 2018	1,900					
	MUFG Bank, Ltd.	1,900		1,900					
	Mizuho Bank, Ltd.	1,140		1,140					
	Development Bank of Japan Inc.	270		270					
	The Norinchukin Bank	220		220					
	Resona Bank, Limited	60		60					
	Sumitomo Mitsui Trust Bank, Limited	220		220					
	Shinsei Bank, Limited	290		290					
	Sumitomo Mitsui Banking Corporation	March 1, 2018	1,130	1,130	0.50% (Note 4)	February 27, 2026	Lump-sum	(Notes 8 and 9)	Unsecured not guaranteed
	MUFG Bank, Ltd.		830	830					
	Mizuho Bank, Ltd.		820	820					
	Resona Bank, Limited		390	390					
	Sumitomo Mitsui Banking Corporation	March 1, 2018	1,420	1,420	0.71% (Note 4)	February 29, 2028	Lump-sum	(Notes 8 and 9)	Unsecured not guaranteed
	MUFG Bank, Ltd.		1,110	1,110					
	Mizuho Bank, Ltd.		630	630					
	Sumitomo Mitsui Banking Corporation	September 3, 2018	—	1,690	0.36% (Note 4)	September 2, 2022	Lump-sum	(Note 9)	Unsecured not guaranteed
	MUFG Bank, Ltd.		—	1,280					
	Mizuho Bank, Ltd.		—	2,530					
	Citibank, N.A., Tokyo Branch		—	1,200					
The Norinchukin Bank	—		980						
Resona Bank, Limited	—		120						
Sumitomo Mitsui Trust Bank, Limited	—		940						
Shinsei Bank, Limited	—		1,230						
Sumitomo Mitsui Banking Corporation	September 3, 2018	—	4,920	0.45% (Note 4)	September 1, 2024	Lump-sum	(Note 9)	Unsecured not guaranteed	
MUFG Bank, Ltd.		—	4,770						
Mizuho Bank, Ltd.		—	2,610						
Development Bank of Japan Inc.		—	530						
The Norinchukin Bank		—	600						
Resona Bank, Limited		—	540						
Sumitomo Mitsui Trust Bank, Limited		—	540						

Category	Name of financial institution	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
Long-term loans payable	Sumitomo Mitsui Banking Corporation	September 3, 2018	—	3,160	0.70% (Note 4)	September 2, 2027	Lump-sum	(Note 9)	Unsecured not guaranteed
	MUFG Bank, Ltd.		—	2,840					
	Mizuho Bank, Ltd.		—	1,770					
	Development Bank of Japan Inc.		—	530					
	Resona Bank, Limited		—	540					
	Development Bank of Japan Inc.	December 20, 2018	—	1,250	0.31% (Note 4)	December 20, 2023	Lump-sum	(Note 8)	Unsecured not guaranteed
	Sumitomo Mitsui Trust Bank, Limited	December 20, 2018	—	1,250	0.31% (Note 4)	December 20, 2023	Lump-sum	(Note 8)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	February 26, 2019	—	3,600	0.21%	February 28, 2020	Lump-sum	(Note 10)	Unsecured not guaranteed
	MUFG Bank, Ltd.	February 26, 2019	—	2,400	0.21%	February 28, 2020	Lump-sum	(Note 10)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	February 28, 2019	—	557	0.21% (Note 4)	February 28, 2022	Lump-sum	(Note 8)	Unsecured not guaranteed
	MUFG Bank, Ltd.		—	703					
	Mizuho Bank, Ltd.		—	1,125					
	Citibank, N.A., Tokyo Branch		—	1,091					
	The Bank of Fukuoka, Ltd.		—	639					
	The Norinchukin Bank		—	139					
	Resona Bank, Limited		—	100					
	Sumitomo Mitsui Trust Bank, Limited		—	131					
	Shinsei Bank, Limited		—	14					
	The Gunma Bank, Ltd.		—	500					
	Sumitomo Mitsui Banking Corporation	February 28, 2019	—	350	0.37% (Note 4)	February 27, 2026	Lump-sum	(Note 8)	Unsecured not guaranteed
	MUFG Bank, Ltd.		—	1,034					
	Mizuho Bank, Ltd.		—	2,007					
	The Bank of Fukuoka, Ltd.		—	1,223					
	Development Bank of Japan Inc.		—	73					
	The Norinchukin Bank		—	296					
	Resona Bank, Limited		—	262					
	Shinsei Bank, Limited		—	14					
	Sumitomo Mitsui Banking Corporation	February 28, 2019	—	2,100	0.63% (Note 4)	February 28, 2029	Lump-sum	(Note 8)	Unsecured not guaranteed
	MUFG Bank, Ltd.		—	2,100					
	Mizuho Bank, Ltd.		—	1,800					
	Subtotal		206,520	243,700					
	Total		207,680	244,500					

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

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

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

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

(Note 5) GLP J-REIT borrowed 4,800 million yen on September 3, 2018 and made repayments of 1,140 million yen on September 28, 2018 and 3,180 million yen on December 20, 2018 before respective contractual repayment date.

(Note 6) GLP J-REIT borrowed 3,200 million yen on September 3, 2018 and made repayments of 760 million yen on September 28, 2018 and 2,120 million yen on December 20, 2018 before respective contractual repayment date.

(Note 7) Of outstanding loan balance of 12,300 million yen at beginning of the period, 3,300 million yen was repaid on December 11, 2018 before its contractual repayment date.

(Note 8) The fund was used to make repayments of bank borrowing.

(Note 9) The fund was used to acquire properties or beneficiary rights of real estate in trust.

(Note 10) The fund was used to redeem the investment corporation bonds.

3. Status of Investment Corporation Bonds

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

Description	Issued date	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Interest rate (Note 1)	Maturity date	Maturity method	Use	Remarks
GLP J-REIT 1st Unsecured Bonds	February 27, 2014	6,000	—	0.47%	February 27, 2019	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 2nd Unsecured Bonds	July 30, 2014	2,000	2,000	0.98%	July 30, 2024	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 3rd Unsecured Bonds	December 26, 2014	4,500	4,500	0.51%	December 25, 2020	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 4th Unsecured Bonds	December 26, 2014	1,500	1,500	0.68%	December 26, 2022	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 5th Unsecured Bonds	December 26, 2014	3,000	3,000	1.17%	December 25, 2026	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 6th Unsecured Bonds	June 30, 2015	1,500	1,500	0.89%	June 30, 2025	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 7th Unsecured Bonds	November 28, 2016	6,900	6,900	0.01%	November 28, 2019	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 8th Unsecured Bonds	November 28, 2016	1,100	1,100	0.45%	November 27, 2026	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 9th Unsecured Bonds	February 27, 2017	1,000	1,000	0.47%	February 26, 2027	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 10th Unsecured Bonds	July 9, 2018	2,000	2,000	0.23%	July 7, 2023	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 11th Unsecured Bonds	July 9, 2018	1,000	1,000	0.56%	July 7, 2028	Lump-sum	(Note 2)	(Note 3)
GLP J-REIT 12th Unsecured Bonds (Green Bonds)	December 20, 2018	—	5,100	0.68%	December 20, 2028	Lump-sum	(Note 2)	(Note 3)
Total		30,500	29,600					

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

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

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

4. Status of Short-Term Investment Corporation Bonds

None

5. Status of Subscription Rights to New Investment Units

None

[Acquisition and Disposition]

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

Type of asset	Name of property	Acquisition	
		Date	Price (Million yen) (Note)
Beneficiary right of real estate in trust	GLP Shinsuna	September 3, 2018	18,300
Beneficiary right of real estate in trust	GLP Shonan	September 3, 2018	5,870
Beneficiary right of real estate in trust	GLP Osaka	September 3, 2018	36,000
Beneficiary right of real estate in trust	GLP Settsu	September 3, 2018	7,300
Beneficiary right of real estate in trust	GLP Nishinomiya	September 3, 2018	2,750
Beneficiary right of real estate in trust	GLP Shiga	September 3, 2018	4,550
Beneficiary right of real estate in trust	GLP Neyagawa	September 3, 2018	8,100
Beneficiary right of real estate in trust	GLP Fujimae	September 3, 2018	1,980
Total			84,850

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

2. Acquisition and Disposition of Other Assets

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

3. Appraisal Values of Specific Assets

(1) Real estate properties

Acquisition or disposition	Name of property	Acquisition date	Acquisition price (Million yen) (Note 1)	Appraisal value (Million yen) (Note 2)	Name of appraiser	Date of appraisal
Acquisition	GLP Shinsuna	September 3, 2018	18,300	18,500	The Tanizawa Sōgō Appraisal Co., Ltd.	June 30, 2018
Acquisition	GLP Shonan	September 3, 2018	5,870	6,040	The Tanizawa Sōgō Appraisal Co., Ltd.	June 30, 2018
Acquisition	GLP Osaka	September 3, 2018	36,000	36,200	JLL Morii Valuation & Advisory K.K.	June 30, 2018
Acquisition	GLP Settsu	September 3, 2018	7,300	7,520	Japan Real Estate Institute	June 30, 2018
Acquisition	GLP Nishinomiya	September 3, 2018	2,750	2,830	Japan Real Estate Institute	June 30, 2018
Acquisition	GLP Shiga	September 3, 2018	4,550	4,690	JLL Morii Valuation & Advisory K.K.	June 30, 2018
Acquisition	GLP Neyagawa	September 3, 2018	8,100	8,100	JLL Morii Valuation & Advisory K.K.	June 30, 2018
Acquisition	GLP Fujimae	September 3, 2018	1,980	2,020	The Tanizawa Sōgō Appraisal Co., Ltd.	June 30, 2018

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

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

(2) Other

(a) Name of the party who performed the investigation

KPMG AZSA LLC

(b) Overview of the method and results of the investigation

The transactions subject to the investigation for the period from September 1, 2018 to February 28, 2019 are four interest rate swap transactions. For these transactions, GLP J-REIT entrusted KPMG AZSA LLC to perform the investigation of comparable prices, names of counterparties, contract amounts, durations of transactions etc. based on the Article 201-2 of the Act on Investment Trusts and Investment Corporations, and obtained the report on agreed-upon procedures based on Professional Practice Guidelines 4460, the “Practical Guidelines on Agreed-Upon Procedures for the Investigation of Values, etc. of Specified Assets held by Investment Trusts or Investment Corporations” issued by the Japanese Institute of Certified Public Accountants.

This investigation is neither a part of the financial audit nor an attestation engagement on the reasonableness of values or the internal control system.

4. Transactions with Interested Parties

(1) Transactions

	Transaction amount (Thousand yen)	
	Acquisition	Sales
Total amount	84,850,000	—
Breakdown of transactions		
Shinsuna Logistic Special Purpose Company	18,300,000 (21.6%)	— (—%)
Azalea Two Special Purpose Company	17,720,000 (20.9%)	— (—%)
Osaka Logistic Special Purpose Company	36,000,000 (42.4%)	— (—%)
Cosmos Special Purpose Company	4,730,000 (5.6%)	— (—%)
Neyagawa Logistic Special Purpose Company	8,100,000 (9.5%)	— (—%)
Total	84,850,000 (100.0%)	— (—%)

(2) Amounts of fees paid

	Total fees (A) (Thousand yen)	Name of interested parties and major shareholders and the amount of transactions		(B)/(A) (%)
		Paid to	Amount paid (B) (Thousand yen)	
Property management fee	354,879	GLP Japan Inc.	354,879	100.0
Royalty fee	7,500	GLP Japan Inc.	7,500	100.0
Leasing commission	108,702	GLP Japan Inc.	108,702	100.0

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

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

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

[Accounting]

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

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

2. Change in Calculation of Depreciation

None

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

None

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

None

[Other Information]

1. Notice

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

Date of approval	Item	Summary
November 27, 2018	Conclusion of Underwriting Agreement and other with regard to investment corporation bonds	<p>Based on a comprehensive resolution on the issuance of unsecured investment corporation bonds at a meeting of the Board of Directors held on November 27, 2018, GLP J-REIT entered into the following agreements with effective date of December 14, 2018.</p> <p>(1) Underwriting Agreement, relating to the issuance of GLP J-REIT 12th Unsecured Bond with special pari passu conditions among specified investment corporation bonds (Green Bonds), concluded among GLP Japan Advisors Inc., SMBC Nikko Securities Inc., Nomura Securities Co., Ltd. and Mizuho Securities Co., Ltd.</p> <p>(2) Fiscal Agent Agreement for GLP J-REIT 12th Unsecured Bond with special pari passu conditions among specified investment corporation bonds (Green Bonds), concluded with MUFG Bank, Ltd. ("MUFG"). Under the Agreement, MUFG is designated as the fiscal agent, issuing agent and payment agent.</p> <p>(3) Memorandum agreed with MUFG regarding the fiscal agent commission prescribed in the Fiscal Agent Agreement as stated above (2), for GLP J-REIT 12th Unsecured Bond with special pari passu conditions among specified investment corporation bonds (Green Bonds).</p>

2. Other

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

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

None

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

None

Balance Sheets

(Unit: Thousand yen)

	Prior Period (Reference) As of August 31, 2018	Current Period As of February 28, 2019
Assets		
Current assets		
Cash and deposits	7,617,737	7,113,336
Cash and deposits in trust	7,960,149	9,383,835
Operating accounts receivable	1,770,717	1,909,626
Prepaid expenses	442,635	546,037
Consumption taxes receivable	2,985,941	1,146,043
Other current assets	2,301	2,293
Total current assets	20,779,483	20,101,172
Noncurrent assets		
Property and equipment		
Vehicles	1,016	1,016
Accumulated depreciation	(508)	(635)
Vehicles, net	508	381
Buildings in trust	224,866,071	252,204,846
Accumulated depreciation	(25,768,052)	(29,355,567)
Buildings in trust, net	199,098,019	222,849,278
Structures in trust	5,790,599	6,201,724
Accumulated depreciation	(1,556,936)	(1,741,238)
Structures in trust, net	4,233,663	4,460,486
Machinery and equipment in trust	57,507	57,873
Accumulated depreciation	(48,340)	(51,431)
Machinery and equipment in trust, net	9,167	6,442
Tools, furniture and fixtures in trust	249,272	266,845
Accumulated depreciation	(109,772)	(122,835)
Tools, furniture and fixtures in trust, net	139,499	144,009
Land in trust	302,746,622	361,239,986
Construction in progress	23,484	—
Total property and equipment, net	506,250,964	588,700,584
Investments and other assets		
Investment securities	1,600	1,600
Long-term prepaid expenses	1,365,906	1,781,707
Deferred tax assets	—	62
Security deposits	10,000	10,000
Other	1,400	1,400
Total investments and other assets	1,378,906	1,794,770
Total noncurrent assets	507,629,871	590,495,354
Deferred assets		
Investment unit issuance expenses	111,283	157,006
Investment corporation bond issuance costs	94,322	108,168
Total deferred assets	205,605	265,174
Total Assets	528,614,960	610,861,701

(Unit: Thousand yen)

	Prior Period (Reference) As of August 31, 2018	Current Period As of February 28, 2019
Liabilities		
Current liabilities		
Operating accounts payable	342,177	218,617
Short-term loans payable	1,160,000	800,000
Current portion of investment corporation bonds	6,000,000	6,900,000
Current portion of long-term loans payable	20,900,000	31,990,000
Accounts payable	2,167,737	2,452,715
Accrued expenses	60,560	78,233
Income taxes payable	605	1,706
Advances received	2,799,913	3,160,598
Deposits received	143,855	—
Current portion of tenant leasehold and security deposits	19,134	43,687
Total current liabilities	33,593,982	45,645,559
Noncurrent liabilities		
Investment corporation bonds	24,500,000	22,700,000
Long-term loans payable	185,620,000	211,710,000
Tenant leasehold and security deposits	10,895,259	11,893,873
Tenant leasehold and security deposits in trust	74,000	224,560
Total noncurrent liabilities	221,089,259	246,528,434
Total Liabilities	254,683,242	292,173,993
Net Assets		
Unitholders' equity		
Unitholders' capital	273,277,487	317,943,829
Deduction from unitholders' capital	(7,292,483)	(8,309,885)
Unitholders' capital, net	265,985,003	309,633,944
Retained earnings		
Unappropriated retained earnings	7,946,714	9,053,764
Total retained earnings	7,946,714	9,053,764
Total unitholders' equity	273,931,717	318,687,708
Total Net Assets *1	273,931,717	318,687,708
Total Liabilities and Net Assets	528,614,960	610,861,701

Statements of Income

(Unit: Thousand yen)

	Prior Period (Reference)	Current Period
	From March 1, 2018 To August 31, 2018	From September 1, 2018 To February 28, 2019
Operating revenues		
Rental revenues *1	15,545,133	17,642,441
Other rental revenues *1	1,351,299	1,049,058
Total operating revenues	16,896,432	18,691,499
Operating expenses		
Rental expenses *1	5,936,781	6,389,098
Asset management fee	1,738,971	1,994,088
Asset custody fee	6,636	7,547
Administrative service fees	22,439	24,474
Directors' remuneration	3,960	3,960
Audit fee	13,500	13,500
Taxes and dues	108	103
Other operating expenses	73,805	73,302
Total operating expenses	7,796,204	8,506,074
Operating income	9,100,227	10,185,424
Non-operating income		
Interest income	57	67
Reversal of distributions payable	998	1,954
Interest on refund of consumption taxes and other	683	3,645
Others	0	0
Total non-operating income	1,740	5,668
Non-operating expenses		
Interest expense	753,981	817,637
Interest expenses on investment corporation bonds	72,121	80,371
Amortization of investment corporation bond issuance costs	14,138	15,440
Borrowing related expenses	214,667	239,726
Amortization of investment unit issuance expenses	45,966	46,150
Offering costs associated with the issuance of investment units	54,823	41,496
Others	1,346	3,756
Total non-operating expenses	1,157,045	1,244,580
Ordinary income	7,944,922	8,946,512
Extraordinary income		
Insurance income *2	—	554,024
Total extraordinary income	—	554,024
Extraordinary losses		
Loss on disaster *3	—	446,573
Total extraordinary losses	—	446,573
Income before income taxes	7,944,922	9,053,963
Income taxes-current	605	1,716
Income taxes-deferred	10	(62)
Total income taxes	615	1,653
Net income	7,944,307	9,052,310
Accumulated earnings brought forward	2,406	1,454
Unappropriated retained earnings	7,946,714	9,053,764

Statements of Changes in Net Assets

Prior period (From March 1, 2018 to August 31, 2018) (Reference)

(Unit: Thousand yen)

	Unitholders' equity						Total Net Assets
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Retained earnings		Total unitholders' equity	
				Unappropriated retained earnings	Total retained earnings		
Balance at the beginning of the period	215,098,711	(6,433,707)	208,665,004	6,390,448	6,390,448	215,055,453	215,055,453
Changes of items during the period							
Issuance of new investment units	58,178,775		58,178,775			58,178,775	58,178,775
Distributions in excess of retained earnings		(858,776)	(858,776)			(858,776)	(858,776)
Distributions of earnings				(6,388,041)	(6,388,041)	(6,388,041)	(6,388,041)
Net income				7,944,307	7,944,307	7,944,307	7,944,307
Total changes of items during the period	58,178,775	(858,776)	57,319,998	1,556,265	1,556,265	58,876,264	58,876,264
Balance at the end of the period *1	273,277,487	(7,292,483)	265,985,003	7,946,714	7,946,714	273,931,717	273,931,717

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

(Unit: Thousand yen)

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

Notes to Financial Statements

(Notes Concerning Significant Accounting Policies)

By period Item	Prior Period (Reference) From March 1, 2018 To August 31, 2018	Current Period From September 1, 2018 To February 28, 2019
1. Basis and method of valuation of assets	Securities Available-for-sale securities with no readily determinable market price are stated at cost. Cost of securities sold is determined by the moving-average method.	Securities Available-for-sale securities with no readily determinable market price are stated at cost. Cost of securities sold is determined by the moving-average method.
2. Depreciation of noncurrent assets	Property and equipment are stated at cost, which includes the original purchase price and related acquisition costs and expenses. Depreciation of property and equipment, including property and equipment in trust, is calculated by the straight-line method over the estimated useful lives as follows: Buildings 2 to 77 years Structures 2 to 59 years Machinery and equipment 6 to 12 years Vehicles 4 years Tools, furniture and fixtures 2 to 18 years	Property and equipment are stated at cost, which includes the original purchase price and related acquisition costs and expenses. Depreciation of property and equipment, including property and equipment in trust, is calculated by the straight-line method over the estimated useful lives as follows: Buildings 2 to 77 years Structures 2 to 60 years Machinery and equipment 6 to 12 years Vehicles 4 years Tools, furniture and fixtures 2 to 18 years
3. Accounting treatment for deferred assets	(1) Investment unit issuance expenses are amortized over three years using the straight-line method. (2) Investment corporation bond issuance costs are amortized over the respective terms of the bonds using the straight-line method.	(1) Investment unit issuance expenses are amortized over three years using the straight-line method. (2) Investment corporation bond issuance costs are amortized over the respective terms of the bonds using the straight-line method.
4. Revenue and expense recognition	Taxes on property and equipment With respect to taxes on property and equipment held by GLP J-REIT, of the tax amounts assessed and determined, the amounts corresponding to the relevant operating period are accounted for as rental expenses. Of the amounts paid for the acquisition of real estate or beneficiary right of real estate in trust, the amounts equivalent to property-related taxes are capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses. Capitalized property-related taxes amounted to 274,381 thousand yen for the period.	Taxes on property and equipment With respect to taxes on property and equipment held by GLP J-REIT, of the tax amounts assessed and determined, the amounts corresponding to the relevant operating period are accounted for as rental expenses. Of the amounts paid for the acquisition of real estate or beneficiary right of real estate in trust, the amounts equivalent to property-related taxes are capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses. Capitalized property-related taxes amounted to 114,332 thousand yen for the period.

By period Item	Prior Period (Reference) From March 1, 2018 To August 31, 2018	Current Period From September 1, 2018 To February 28, 2019
5. Hedge accounting	<p>GLP J-REIT enters into derivative transactions in order to hedge against risks defined in its Articles of Incorporation in compliance with their general risk management policy. GLP J-REIT uses interest rate swaps for the purpose of hedging its risk exposure associated with interests on floating rate loans payable. Where deferral accounting is generally adopted for hedge transactions, GLP J-REIT applies the special accounting treatment to interest rate swaps which qualify for hedge accounting and meet the specific matching criteria. Under the special accounting treatment, interest rate swaps are not measured at fair value, but the differential paid or received under the swap agreements is recognized and included in interest expense.</p> <p>The hedge effectiveness test for interest rate swaps is omitted since all interest rate swaps of GLP J-REIT meet the specific matching criteria for the special accounting treatment as permitted under the Japanese GAAP.</p>	<p>GLP J-REIT enters into derivative transactions in order to hedge against risks defined in its Articles of Incorporation in compliance with their general risk management policy. GLP J-REIT uses interest rate swaps for the purpose of hedging its risk exposure associated with interests on floating rate loans payable. Where deferral accounting is generally adopted for hedge transactions, GLP J-REIT applies the special accounting treatment to interest rate swaps which qualify for hedge accounting and meet the specific matching criteria. Under the special accounting treatment, interest rate swaps are not measured at fair value, but the differential paid or received under the swap agreements is recognized and included in interest expense.</p> <p>The hedge effectiveness test for interest rate swaps is omitted since all interest rate swaps of GLP J-REIT meet the specific matching criteria for the special accounting treatment as permitted under the Japanese GAAP.</p>
6. Other significant matters which constitute the basis for preparation of financial statements	<p>(1) Accounting treatment of beneficiary right of real estate in trust As to beneficiary rights of real estate in trust, all accounts of assets and liabilities for assets in trust as well as the related income generated and expenses incurred are recorded in the relevant balance sheet and statement of income accounts. The following significant trust assets are shown separately on the balance sheets.</p> <p>(a) Cash and deposits in trust</p> <p>(b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust</p> <p>(c) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment for consumption taxes Consumption taxes withheld and paid are not included in the accompanying statements of income.</p>	<p>(1) Accounting treatment of beneficiary right of real estate in trust As to beneficiary rights of real estate in trust, all accounts of assets and liabilities for assets in trust as well as the related income generated and expenses incurred are recorded in the relevant balance sheet and statement of income accounts. The following significant trust assets are shown separately on the balance sheets.</p> <p>(a) Cash and deposits in trust</p> <p>(b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust</p> <p>(c) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment for consumption taxes Consumption taxes withheld and paid are not included in the accompanying statements of income.</p>

(Notes Concerning Changes in Presentation)

Prior Period (Reference) From March 1, 2018 To August 31, 2018	Current Period From September 1, 2018 To February 28, 2019
—	<p>GLP J-REIT has adopted the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (the Accounting Standards Board of Japan (“ASBJ”) Statement No. 28, February 16, 2018) effective from the beginning of the current fiscal period.</p> <p>Accordingly, deferred tax assets are presented under investments and other assets and deferred tax liabilities are presented under noncurrent liabilities, if any.</p>

(Notes to Balance Sheets)

Prior Period (Reference) As of August 31, 2018	Current Period As of February 28, 2019
*1. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations: 50,000 thousand yen.	*1. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations: 50,000 thousand yen.

(Notes to Statements of Income)

Prior Period (Reference) From March 1, 2018 To August 31, 2018	Current Period From September 1, 2018 To February 28, 2019																																																																
<p>*1. Breakdown of operating income from property leasing are as follows:</p> <p style="text-align: right;">(Unit: Thousand yen)</p> <p>A. Property-related revenues</p> <p>Rental revenues:</p> <table> <tr> <td>Rental revenues</td><td>15,030,857</td></tr> <tr> <td>Common area charges</td><td>514,275</td></tr> <tr> <td>Total</td><td>15,545,133</td></tr> </table> <p>Other revenues related to property leasing</p> <table> <tr> <td>Utility charges</td><td>478,394</td></tr> <tr> <td>Parking lots</td><td>62,739</td></tr> <tr> <td>Solar panel leasing</td><td>648,099</td></tr> <tr> <td>Others</td><td>162,065</td></tr> <tr> <td>Total</td><td>1,351,299</td></tr> </table> <p>Total property-related revenues 16,896,432</p> <p>B. Property-related expenses</p> <p>Rental expenses:</p> <table> <tr> <td>Taxes and dues</td><td>1,223,515</td></tr> <tr> <td>Property and facility management fees</td><td>602,115</td></tr> <tr> <td>Utilities</td><td>418,447</td></tr> <tr> <td>Repairs and maintenance</td><td>135,991</td></tr> <tr> <td>Casualty insurance</td><td>30,707</td></tr> <tr> <td>Depreciation</td><td>3,400,908</td></tr> <tr> <td>Others</td><td>125,095</td></tr> <tr> <td>Total property-related expenses</td><td>5,936,781</td></tr> </table> <p>C. Operating income from property leasing 10,959,650</p> <p>(A – B)</p>	Rental revenues	15,030,857	Common area charges	514,275	Total	15,545,133	Utility charges	478,394	Parking lots	62,739	Solar panel leasing	648,099	Others	162,065	Total	1,351,299	Taxes and dues	1,223,515	Property and facility management fees	602,115	Utilities	418,447	Repairs and maintenance	135,991	Casualty insurance	30,707	Depreciation	3,400,908	Others	125,095	Total property-related expenses	5,936,781	<p>*1. Breakdown of operating income from property leasing are as follows:</p> <p style="text-align: right;">(Unit: Thousand yen)</p> <p>A. Property-related revenues</p> <p>Rental revenues:</p> <table> <tr> <td>Rental revenues</td><td>17,049,111</td></tr> <tr> <td>Common area charges</td><td>593,329</td></tr> <tr> <td>Total</td><td>17,642,441</td></tr> </table> <p>Other revenues related to property leasing</p> <table> <tr> <td>Utility charges</td><td>513,379</td></tr> <tr> <td>Parking lots</td><td>74,618</td></tr> <tr> <td>Solar panel leasing</td><td>363,025</td></tr> <tr> <td>Others</td><td>98,035</td></tr> <tr> <td>Total</td><td>1,049,058</td></tr> </table> <p>Total property-related revenues 18,691,499</p> <p>B. Property-related expenses</p> <p>Rental expenses:</p> <table> <tr> <td>Taxes and dues</td><td>1,223,515</td></tr> <tr> <td>Property and facility management fees</td><td>680,351</td></tr> <tr> <td>Utilities</td><td>417,040</td></tr> <tr> <td>Repairs and maintenance</td><td>82,105</td></tr> <tr> <td>Casualty insurance</td><td>38,001</td></tr> <tr> <td>Depreciation</td><td>3,788,098</td></tr> <tr> <td>Others</td><td>159,985</td></tr> <tr> <td>Total property-related expenses</td><td>6,389,098</td></tr> </table> <p>C. Operating income from property leasing 12,302,400</p> <p>(A – B)</p>	Rental revenues	17,049,111	Common area charges	593,329	Total	17,642,441	Utility charges	513,379	Parking lots	74,618	Solar panel leasing	363,025	Others	98,035	Total	1,049,058	Taxes and dues	1,223,515	Property and facility management fees	680,351	Utilities	417,040	Repairs and maintenance	82,105	Casualty insurance	38,001	Depreciation	3,788,098	Others	159,985	Total property-related expenses	6,389,098
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Total property-related expenses	6,389,098																																																																
—	<p>*2 Details of extraordinary income</p> <p>GLP J-REIT received insurance proceeds of 554,024 thousand yen for damage to properties sustained during Typhoon Jebi (No.21) and Typhoon Trami (No.24) in 2018, and recognized the amount as insurance income.</p>																																																																
—	<p>*3 Details of loss on disaster</p> <p>GLP J-REIT recognized a loss on disaster of 446,573 thousand yen for the restoration of property damage sustained during Typhoon Jebi (No.21) and Typhoon Trami (No.24) in 2018.</p>																																																																

(Notes to Statements of Changes in Net Assets)

Prior Period (Reference) From March 1, 2018 To August 31, 2018		Current Period From September 1, 2018 To February 28, 2019	
*1. Number of investment units authorized and number of investment units issued and outstanding		*1. Number of investment units authorized and number of investment units issued and outstanding	
Number of investment units authorized	16,000,000 units	Number of investment units authorized	16,000,000 units
Number of investment units issued and outstanding	3,402,681 units	Number of investment units issued and outstanding	3,833,420 units

(Deferred Tax Accounting)

Prior Period (Reference) From March 1, 2018 To August 31, 2018		Current Period From September 1, 2018 To February 28, 2019	
—		1. Significant components of deferred tax assets and liabilities (Unit: Thousand yen)	
		(Deferred tax assets)	
		Enterprise tax payable	62
		Total	62
		Net deferred tax assets	62
2. Reconciliation between Japanese statutory tax rate and the actual income tax rate with respect to pre-tax income reflected in the accompanying statement of income for each period is as follows. (Unit: %)		2. Reconciliation between Japanese statutory tax rate and the actual income tax rate with respect to pre-tax income reflected in the accompanying statement of income for each period is as follows. (Unit: %)	
Statutory effective tax rate	31.74	Statutory effective tax rate	31.51
(Adjustments)		(Adjustments)	
Distributions deductible for tax purposes	(31.74)	Distributions deductible for tax purposes	(31.50)
Other	0.01	Other	0.01
Actual tax rate	0.01	Actual tax rate	0.02

(Property and Equipment under Capital Lease)

Prior Period (Reference) From March 1, 2018 To August 31, 2018	Current Period From September 1, 2018 To February 28, 2019
—	—

(Financial Instruments)

Prior Period (From March 1, 2018 to August 31, 2018) (Reference)

1. Status of financial instruments

(1) Policy for financial instruments

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

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

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

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

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

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

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

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

(3) Supplemental explanation regarding fair values of financial instruments

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

2. Estimated fair value of financial instruments

Book value, fair value and differences between the values as of August 31, 2018 are as stated below. Financial instruments for which the fair value is difficult to estimate are excluded from the following table (See Note 2 below).

(Unit: Thousand yen)

	Book value	Fair value	Difference
(1) Cash and deposits	7,617,737	7,617,737	—
(2) Cash and deposits in trust	7,960,149	7,960,149	—
Total assets	15,577,887	15,577,887	—
(1) Short-term loans payable	1,160,000	1,160,000	—
(2) Current portion of investment corporation bonds	6,000,000	6,010,200	10,200
(3) Current portion of long-term loans payable	20,900,000	20,911,370	11,370
(4) Investment corporation bonds	24,500,000	24,744,840	244,840
(5) Long-term loans payable	185,620,000	186,846,882	1,226,882
Total liabilities	238,180,000	239,673,293	1,493,293
Derivative transactions	—	(22,505)	(22,505)

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

Assets:

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

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

Liabilities:

(1) Short-term loans payable

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

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

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

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

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

Derivative transactions:

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

None

(2) Derivative transactions for which hedge accounting is applied

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

(Unit: Thousand yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating/ Pay fix	Long-term loans payable	181,180,000 *1	163,580,000 *1	(22,505) *2	*3

*1 The amount includes 33,320 million yen of interest rate swap entered on August 30, 2018. The start date of the loan subject to the interest rate swap is September 3, 2018.

*2 At August 31, 2018, the interest rate swap entered on August 30, 2018 is not deemed as an integral component of long-term loan payable under the special accounting treatment since the corresponding loan designated as a hedged item

has not yet started. Thus, the amount presents the fair value of the aforementioned interest rate swap as of August 31, 2018. Interest rate swaps under the special accounting treatment are accounted for as an integral component of long-term loans payable designated as hedged items. Thus, their fair value is included in that of long-term loans payable disclosed in aforementioned “Liabilities” (3) and (5).

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

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

(Unit: Thousand yen)	
Account name	Amount on the balance sheet
Tenant leasehold and security deposits	10,895,259
Tenant leasehold and security deposits in trust	74,000
Total	10,969,259

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

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

(Unit: Thousand yen)	
	Due within one year
Cash and deposits	7,617,737
Cash and deposits in trust	7,960,149
Total	15,577,887

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

(Unit: Thousand yen)						
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds	6,000,000	6,900,000	4,500,000	—	3,500,000	9,600,000
Long-term loans payable	20,900,000	25,990,000	31,250,000	24,860,000	24,230,000	79,290,000
Total	26,900,000	32,890,000	35,750,000	24,860,000	27,730,000	88,890,000

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

1. Status of financial instruments

(1) Policy for financial instruments

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

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

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

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

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

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

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

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

(3) Supplemental explanation regarding fair values of financial instruments

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

2. Estimated fair value of financial instruments

Book value, fair value and differences between the values as of February 28, 2019 are as stated below. Financial instruments for which the fair value is difficult to estimate are excluded from the following table (See Note 2 below).

(Unit: Thousand yen)

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

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

Assets:

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

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

Liabilities:

(1) Short-term loans payable

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

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

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

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

With respect to long-term loans payable, interest rates of floating-rate loans are periodically adjusted or renewed by contract. Thus, the book value of these instruments is deemed a reasonable approximation of the fair value, and the book value is, therefore, used as the fair value. The fair value of fixed-rate loans is measured by discounting the total principal

and interest amount at the current rates that are reasonably estimated to be applicable if GLP J-REIT enters into new similar loans. The fair value of interest rate swaps under the special accounting treatment is included in long-term loans payable designated as a hedged item.

Derivative transactions:

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

None

(2) Derivative transactions for which hedge accounting is applied

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

(Unit: Thousand yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating/ Pay fix	Long-term loans payable	182,340,000	161,540,000	*1	*2

*1 Interest rate swaps under the special accounting treatment are accounted for as an integral component of long-term loans payable designated as hedged items. Thus, their fair value is included in that of long-term loans payable disclosed in aforementioned “Liabilities” (3) and (5).

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

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

(Unit: Thousand yen)

Account name	Amount on the balance sheet
Tenant leasehold and security deposits	11,893,873
Tenant leasehold and security deposits in trust	224,560
Total	12,118,434

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

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

(Unit: Thousand yen)

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

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

(Unit: Thousand yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds	6,900,000	4,500,000	—	1,500,000	2,000,000	14,700,000
Long-term loans payable	31,990,000	27,450,000	33,660,000	34,200,000	21,320,000	95,080,000
Total	38,890,000	31,950,000	33,660,000	35,700,000	23,320,000	109,780,000

(Investment and Rental Properties)

Prior Period (From March 1, 2018 to August 31, 2018) (Reference)

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

(Unit: Thousand yen)

Book value			Fair value at the end of the period
At the beginning of the period	Increase (decrease)	At the end of the period	
426,357,341	79,870,138	506,227,480	622,221,000

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

(Note 2) Of the change in book value during the period, the major increase was primarily due to the acquisition of six properties (GLP Urayasu, GLP Funabashi II, GLP Misato, GLP Maishima I, GLP Soja I and GLP Soja II) in the amount of 77,569,736 thousand yen and the acquisition of 13 solar panels in properties in the amount of 5,042,790 thousand yen, whereas the major decrease was due to depreciation of 3,400,908 thousand yen.

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

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

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

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

(Unit: Thousand yen)

Book value			Fair value at the end of the period
At the beginning of the period	Increase (decrease)	At the end of the period	
506,227,480	82,473,104	588,700,584	714,180,000

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

(Note 2) Of the change in book value during the period, the major increase was primarily due to the acquisition of eight properties (GLP Shinsuna, GLP Shonan, GLP Osaka, GLP Settsu, GLP Nishinomiya, GLP Shiga, GLP Neyagawa and GLP Fujimae) in the amount of 85,285,354 thousand yen, whereas the major decrease was due to depreciation of 3,788,098 thousand yen.

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

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

(Restriction on Asset Management)

Prior Period (Reference) From March 1, 2018 To August 31, 2018	Current Period From September 1, 2018 To February 28, 2019
—	—

(Related Party Transactions)

Prior Period (From March 1, 2018 to August 31, 2018) (Reference)

Classification	Name of the company	Type of business	% of voting rights (owned)	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
Interested party	GLP Japan Inc.	Investment advisory/ agency	—	Property management fee	312,099	Operating accounts payable	79,460
				Leasing commission	80,736		
				Royalty fee (Note 2)	7,500		
Interested party	Light Year Special Purpose Company	Real estate	—	Rental income from rooftop leasing (Note 2)	3,822	Advances received	688
Interested party	GLP J-REIT Master Lease GK	Real estate	—	Rental income from solar panel leasing	254,036	Operating accounts receivable	52,948
Interested party	Ichikawashiohama Godo Kaisha	Equipment leasing	—	Rental income from solar panel leasing	30,722	Operating accounts receivable	4,864
Interested party	Fukaehama Logistic Special Purpose Company (Note 3)	Real estate	—	Purchase of beneficiary right of real estate in trust	7,440,881	—	—
				Receipt of deposits	4,031	—	—
				Acceptance of security deposits	264,538	—	—
Interested party	Funabashi Two Logistic Special Purpose Company (Notes 3 and 4)	Real estate	—	Purchase of beneficiary right of real estate in trust	7,789,590	—	—
				Receipt of deposits	2,979	—	—
				Acceptance of security deposits	96,097	—	—
Interested party	Misato Logistic Special Purpose Company (Note 3)	Real estate	—	Purchase of beneficiary right of real estate in trust	16,939,573	—	—
				Receipt of deposits	10,768	—	—
				Acceptance of security deposits	799,000	—	—
Interested party	Maishima One Logistic Special Purpose Company (Note 3)	Real estate	—	Purchase of beneficiary right of real estate in trust	19,390,298	—	—
				Receipt of deposits	15,872	—	—
				Acceptance of security deposits	483,267	—	—
Interested party	Soja Logistic Special Purpose Company	Real estate	—	Purchase of beneficiary right of real estate in trust	12,800,000	—	—
				Receipt of deposits	6,282	—	—
				Acceptance of security deposits	395,414	—	—
Interested party	Soja Two Logistic Special Purpose Company	Real estate	—	Purchase of beneficiary right of real estate in trust	12,700,000	—	—
				Receipt of deposits	6,958	—	—
				Acceptance of security deposits	204,889	—	—
Interested party	GLP Solar Special Purpose Company	Equipment leasing	—	Purchase of beneficiary right of solar panels in trust	4,990,000	—	—
Interested party	GLP Tosu One GK	Equipment leasing	—	Rental income from solar panel leasing	62,488	Operating accounts receivable	12,757
Interested party	GLP Sugito Y.K.	Equipment leasing	—	Rental income from solar panel leasing	15,811	Operating accounts receivable	3,396
Interested party	GLP Urayasu Three Y.K.	Equipment leasing	—	Rental income from solar panel leasing	50,237	Operating accounts receivable	11,246
Interested party	GLP Tokyo Two Y.K.	Equipment leasing	—	Rental income from solar panel leasing	24,067	Operating accounts receivable	5,307
Interested party	GLP Komaki Y.K.	Equipment leasing	—	Rental income from solar panel leasing	39,053	Operating accounts receivable	7,438
Interested party	GLP Fukusaki Y.K.	Equipment leasing	—	Rental income from solar panel leasing	25,989	Operating accounts receivable	5,047
Interested party	GLP Amagasaki Y.K.	Equipment leasing	—	Rental income from solar panel leasing	42,051	Operating accounts receivable	8,307
Interested party	GLP Misato Two GK	Equipment leasing	—	Rental income from solar panel leasing	27,110	Operating accounts receivable	5,430
Interested party	GLP Maishima Two Y.K.	Equipment leasing	—	Rental income from solar panel leasing	28,926	Operating accounts receivable	5,703
Interested party	GLP Kiyama GK	Equipment leasing	—	Rental income from solar panel leasing	47,605	Operating accounts receivable	9,696

Classification	Name of the company	Type of business	% of voting rights (owned)	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
Asset custody company	Mitsubishi UFJ Trust and Banking Corporation (Note 5)	Trust and Banking	—	Borrowing as short-term loans payable	—	Short-term loans payable	—
				Repayment of short-term loans payable	76,745		
				Borrowing as long-term loans payable	890,000	Current portion of long-term loans payable	—
				Repayment of long-term loans payable	—	Long-term loans payable	—
				Interest expense	9,720	Accrued expenses	—
				Borrowing related fee	8,417	—	—
				Trust fee	10,535	Operating accounts payable	3,796
				Administrative service fee	22,439	Accounts payable	9,647

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

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

- (a) The royalty fee was mutually agreed after negotiation between both parties, based on the initial formula proposed by GLP Japan Inc.
- (b) The rental income from rooftop leasing was mutually agreed after negotiation between both parties, based on the initial formula proposed by Light Year Special Purpose Company.
- (c) Other transactions, including those stated in Note 4 below, are determined based on market conditions.

(Note 3) The counterparty of the transactions was Sumitomo Mitsui Finance and Leasing Company, Limited (“SMFL”) which is not an interested party of GLP J-REIT nor its Asset Manager. The sellers of the corresponding properties (GLP Urayasu, GLP Funabashi II, GLP Misato and GLP Maishima I; hereinafter the “Four Properties”) to SMFL were, however, Fukaehama Logistic Special Purpose Company, Funabashi Two Logistic Special Purpose Company, Misato Logistic Special Purpose Company, and Maishima One Logistic Special Purpose Company, respectively, and they are all owned by GLP Holding Limited, the indirect holding company of the Asset Manager. Thus, they are deemed as the interested parties as prescribed in Article 201 of the Investment Trust Act and Article 123 of Order for Enforcement of the Act on Investment Trusts and Investment Corporations. They are also deemed as the interested parties as prescribed in the “Policies and Procedures on Transactions with Interested Parties,” the internal rule of the Asset Manager.

At the same time of the acquisition of the Four Properties, SMFL entered the contract to sell the said properties to GLP J-REIT; that is, SMFL held the Four Properties only temporarily. Further, the contract prescribed that GLP J-REIT’s acquisition price of the Four Properties shall be determined based on the acquisition price by SMFL. Thus, GLP J-REIT treats these transactions in the same manner as the transactions with interested parties of GLP J-REIT. The amounts stated above are the amounts of transactions between GLP J-REIT and SMFL.

(Note 4) Funabashi Two Logistic Special Purpose Company has been liquidated on March 29, 2018.

(Note 5) On April 16, 2018, Mitsubishi UFJ Trust and Banking Corporation transferred its domestic corporate loan-related businesses to MUFG Bank, Ltd. Accordingly, the role of Mitsubishi UFJ Trust and Banking Corporation as a lender has been taken over by MUFG Bank, Ltd. The amounts of borrowing related expenses and interest expense above represent those for the period from March 1, 2018 to April 15, 2018.

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

Classification	Name of the company	Type of business	% of voting rights (owned)	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
Interested party	GLP Japan Inc.	Investment advisory/ agency	—	Property management fee	354,879	Operating accounts payable	66,277
				Leasing commission	108,702		
				Royalty fee (Note 2)	7,500	—	—
Interested party	Light Year Special Purpose Company	Real estate	—	Rental income from rooftop leasing (Note 2)	3,822	Advances received	688
Interested party	GLP J-REIT Master Lease GK	Real estate	—	Rental income from solar panel leasing	146,421	Operating accounts receivable	27,648
Interested party	Ichikawashiohama Godo Kaisha	Equipment leasing	—	Rental income from solar panel leasing	15,911	Operating accounts receivable	5,236
Interested party	GLP Tosu One GK	Equipment leasing	—	Rental income from solar panel leasing	35,685	Operating accounts receivable	5,629
Interested party	GLP Sugito Y.K.	Equipment leasing	—	Rental income from solar panel leasing	9,512	Operating accounts receivable	1,694
Interested party	GLP Urayasu Three Y.K.	Equipment leasing	—	Rental income from solar panel leasing	27,323	Operating accounts receivable	4,399
Interested party	GLP Tokyo Two Y.K.	Equipment leasing	—	Rental income from solar panel leasing	13,255	Operating accounts receivable	2,183
Interested party	GLP Komaki Y.K.	Equipment leasing	—	Rental income from solar panel leasing	22,299	Operating accounts receivable	3,905
Interested party	GLP Fukusaki Y.K.	Equipment leasing	—	Rental income from solar panel leasing	14,119	Operating accounts receivable	2,376
Interested party	GLP Amagasaki Y.K.	Equipment leasing	—	Rental income from solar panel leasing	21,363	Operating accounts receivable	3,666
Interested party	GLP Misato Two GK	Equipment leasing	—	Rental income from solar panel leasing	15,665	Operating accounts receivable	2,710
Interested party	GLP Maishima Two Y.K.	Equipment leasing	—	Rental income from solar panel leasing	15,050	Operating accounts receivable	2,553
Interested party	GLP Kiyama GK	Equipment leasing	—	Rental income from solar panel leasing	26,417	Operating accounts receivable	4,348
Interested party	Shinsuna Logistic Special Purpose Company	Real estate	—	Purchase of beneficiary right of real estate in trust	18,300,000	—	—
				Receipt of deposits	27,614	—	—
				Acceptance of security deposits	203,578	—	—
Interested party	Azalea Two Special Purpose Company	Real estate	—	Purchase of beneficiary right of real estate in trust	17,720,000	—	—
				Receipt of deposits	17,598	—	—
				Acceptance of security deposits	215,318	—	—
Interested party	Osaka Logistic Special Purpose Company	Real estate	—	Purchase of beneficiary right of real estate in trust	36,000,000	—	—
				Receipt of deposits	25,515	—	—
				Acceptance of security deposits	369,907	—	—
Interested party	Cosmos Special Purpose Company	Real estate	—	Purchase of beneficiary right of real estate in trust	4,730,000	—	—
				Acceptance of security deposits	72,042	—	—
Interested party	Neyagawa Logistic Special Purpose Company	Real estate	—	Purchase of beneficiary right of real estate in trust	8,100,000	—	—
				Acceptance of security deposits	150,560	—	—
Asset custody company	Mitsubishi UFJ Trust and Banking Corporation	Trust and Banking	—	Trust fee	11,555	Operating accounts payable	4,163
				Administrative service fee	24,474	Accounts payable	10,812

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

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

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

(Per Unit Information)

Prior Period (Reference) From March 1, 2018 To August 31, 2018		Current Period From September 1, 2018 To February 28, 2019	
Net assets per unit	80,504 yen	Net assets per unit	83,134 yen
Net income per unit	2,336 yen	Net income per unit	2,365 yen
Net income per unit is calculated by dividing net income for the period by the weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated as no dilutive securities were outstanding.		Net income per unit is calculated by dividing net income for the period by the weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated as no dilutive securities were outstanding.	

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

	Prior Period (Reference) From March 1, 2018 To August 31, 2018	Current Period From September 1, 2018 To February 28, 2019
Net income	7,944,307 thousand yen	9,052,310 thousand yen
Amount not attributable to ordinary unitholders	— thousand yen	— thousand yen
Net income attributable to ordinary unitholders	7,944,307 thousand yen	9,052,310 thousand yen
Average number of investment units outstanding	3,400,648 units	3,826,153 units

(Significant Subsequent Events)

Prior Period (From March 1, 2018 to August 31, 2018) (Reference)

1. Issuance of new investment units

At the Board of Directors' Meetings held on August 13, 2018 and August 21, 2018, GLP J-REIT resolved to issue the following new investment units. The proceeds from new investment units through a public offering were fully collected on September 3, 2018 while the proceeds from new investment units through a third-party allocation were fully collected on September 26, 2018.

[Issuance of new investment units through a public offering]

Number of new investment units issued:	411,013 units (281,791 units for domestic market, 129,222 units for international market)
Issue price (offer price):	107,130 yen per unit
Total amount issued (total offering amount):	44,031,822,690 yen
Amount to be paid in (issue amount):	103,697 yen per unit
Total amount to be paid in (total issue amount):	42,620,815,061 yen
Payment date:	September 3, 2018
Initial date of distribution calculation:	September 1, 2018

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

Number of new investment units issued:	19,726 units
Amount to be paid in (issue amount):	103,697 yen per unit
Total amount to be paid in (total issue amount):	2,045,527,022 yen
Payment date:	September 26, 2018
Initial date of distribution calculation:	September 1, 2018
Underwriter:	Nomura Securities Co., Ltd.

[Purpose of funding]

The funds raised through the public offering were appropriated for part of the acquisition of beneficiary rights of real estate in trust as stated below in "2. Acquisition of assets." The funds raised through the third-party allocation were held at hand, and of which 1,900 million yen was appropriated to repay part of short-term loans payable before its original repayment date of September 2, 2019 as stated below in "3. Additional borrowings." (The repayment of the aforementioned amount has been made on September 28, 2018.)

2. Acquisition of assets

GLP J-REIT acquired the beneficiary rights of real estate in trust of properties described below. The acquisition price (the purchase price stated in the Sales and Purchase Contract of Beneficiary Rights of Real Estate in Trust) 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 Shinsuna	September 3, 2018	Koto, Tokyo	Shinsuna Logistic Special Purpose Company	18,300
GLP Shonan		Fujisawa, Kanagawa	Azalea Two Special Purpose Company	5,870
GLP Osaka		Osaka, Osaka	Osaka Logistic Special Purpose Company	36,000
GLP Settsu		Settsu, Osaka	Azalea Two Special Purpose Company	7,300
GLP Nishinomiya		Nishinomiya, Hyogo	Cosmos Special Purpose Company	2,750
GLP Shiga		Kusatsu, Shiga	Azalea Two Special Purpose Company	4,550

Property name	Acquisition date	Location	Seller	Acquisition price (Million yen)
GLP Neyagawa	September 3, 2018	Neyagawa, Osaka	Neyagawa Logistic Special Purpose Company	8,100
GLP Fujimae		Nagoya, Aichi	Cosmos Special Purpose Company	1,980
Total	—	—	—	84,850

3. Additional borrowings

GLP J-REIT obtained the following bank loans to cover part of the acquisition price of beneficiary rights of real estate in trust of properties as stated in “2. Acquisition of assets” above as well as acquisition related costs.

Lender	Loan amount (Million yen)	Interest rate	Loan execution date	Repayment date	Repayment method	Collateral
Sumitomo Mitsui Banking Corporation	4,800	JBA yen 1month TIBOR + 0.15%	September 3, 2018	September 2, 2019	Lump-sum repayment on repayment date	Unsecured not guaranteed
MUFG Bank, Ltd.	3,200	JBA yen 1month TIBOR + 0.15%		September 2, 2019		
Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Mizuho Bank, Ltd., Citibank, N.A., Tokyo Branch, The Norinchukin Bank, Resona Bank, Limited, Sumitomo Mitsui Trust Bank, Limited, and Shinsei Bank, Limited	9,970	JBA yen 3month TIBOR + 0.19% (Note 1)		September 2, 2022		
Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Mizuho Bank, Ltd., Development Bank of Japan Inc., The Norinchukin Bank, Resona Bank, Limited, and Sumitomo Mitsui Trust Bank, Limited	14,510	JBA yen 3month TIBOR + 0.205% (Note 2)		September 1, 2024		
Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Mizuho Bank, Ltd., Development Bank of Japan Inc., and Resona Bank, Limited	8,840	JBA yen 3month TIBOR + 0.325% (Note 3)		September 2, 2027		
Total	41,320	—	—	—	—	—

(Note 1) GLP J-REIT entered into an interest rate swap agreement on August 30, 2018 and the interest rate has been substantially fixed at 0.361%.

(Note 2) GLP J-REIT entered into an interest rate swap agreement on August 30, 2018 and the interest rate has been substantially fixed at 0.44580%.

(Note 3) GLP J-REIT entered into an interest rate swap agreement on August 30, 2018 and the interest rate has been substantially fixed at 0.699%.

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

1. Sale of assets

GLP J-REIT sold the asset as described below.

GLP Fukuoka

• Type of specified asset	Beneficiary right of real estate in trust
• Contract date	March 29, 2019
• Closing date	March 29, 2019
• Sales price	2,300 million yen (Note 1)
• Buyer	Not disclosed (Note 2)

(Note 1) “Sales price” excludes asset transfer costs, property taxes, city planning taxes, consumption taxes and local consumption taxes.

(Note 2) The Buyer is one entity, but its profile including the company form is not disclosed since the Buyer’s consent has not been obtained. As of today, there is no capital, personnel or transactional relationship to be disclosed between the Buyer and GLP J-REIT or its Asset Manager. In addition, the Buyer is not a related party of GLP J-REIT or its Asset Manager.

From this transaction, GLP J-REIT will recognize approximately 784 million yen of gain on sales of property and equipment for the fiscal period ending August 31, 2019 (from March 1, 2019 to August 31, 2019).

Statements of Distributions

(Unit: Yen)

	Prior Period (Reference) From March 1, 2018 To August 31, 2018	Current Period From September 1, 2018 To February 28, 2019
I Unappropriated retained earnings	7,946,714,353	9,053,764,437
II Distributions in excess of retained earnings		
Deduction from unitholders' capital	1,017,401,619	1,134,692,320
III Distributions	8,962,661,754	10,185,396,940
[Distributions per unit]	[2,634]	[2,657]
Of which, distributions of earnings	7,945,260,135	9,050,704,620
[Of which, distributions of earnings per unit]	[2,335]	[2,361]
Of which, distributions in excess of retained earnings	1,017,401,619	1,134,692,320
[Of which, distributions in excess of retained earnings per unit]	[299]	[296]
IV Retained earnings carried forward	1,454,218	3,059,817

Calculation method of distribution amount

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

Accordingly, GLP J-REIT declared a distribution amount of 7,945,260,135 yen, which was the amount equivalent to the maximum integral multiples of the number of investment units issued and outstanding as of the end of the period.

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

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

Accordingly, GLP J-REIT declared a distribution amount of 9,050,704,620 yen, which was the amount equivalent to the maximum integral multiples of the number of investment units issued and outstanding as of the end of the period.

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

(Continued)

(Continued)

(Continued)

Thus, GLP J-REIT declared an OPD (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) amounting to 1,017,401,619 yen, which was determined as follows: (1) the amount not exceeding the upper limit of 2,742,388,093 yen calculated by deducting capital expenditure of 658,520,445 yen from depreciation expense of 3,400,908,538 yen, and (2) approximately 30% of the depreciation expense of 3,400,908,538 yen for the period.

(Continued)

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

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

Statements of Cash Flows (Reference information)

	(Unit: Thousand yen)	
	Prior Period (Reference)	Current Period
	From March 1, 2018 To August 31, 2018	From September 1, 2018 To February 28, 2019
Operating activities:		
Income before income taxes	7,944,922	9,053,963
Depreciation	3,400,908	3,788,098
Amortization of investment corporation bond issuance costs	14,138	15,440
Amortization of investment unit issuance expenses	45,966	46,150
Interest income	(57)	(67)
Reversal of distributions payable	(998)	(1,954)
Interest expense	826,103	898,008
Insurance income	—	(554,024)
Loss on disaster	—	446,573
Decrease (increase) in operating accounts receivable	(154,244)	(138,908)
Decrease (increase) in prepaid expenses	(41,380)	(103,401)
Decrease (increase) in consumption taxes receivable	(2,865,193)	1,839,898
Decrease (increase) in other current assets	23	7
Decrease (increase) in long-term prepaid expenses	(124,638)	(415,801)
Increase (decrease) in operating accounts payable	163,790	(123,559)
Increase (decrease) in accounts payable	307,047	214,487
Increase (decrease) in advances received	386,211	360,685
Increase (decrease) in deposits received	143,855	(143,855)
Subtotal	10,046,455	15,181,741
Interest received	57	67
Interest paid	(805,229)	(880,335)
Income taxes paid	(807)	(615)
Proceeds from insurance income	—	554,024
Payments for loss on disaster	—	(288,891)
Net cash provided by (used in) operating activities	9,240,476	14,565,991
Investing activities:		
Purchase of property and equipment	(86)	(1,785)
Purchase of property and equipment in trust	(83,099,394)	(86,322,082)
Proceeds from tenant leasehold and security deposits	2,389,719	1,468,426
Repayments of tenant leasehold and security deposits	(63,102)	(294,699)
Net cash provided by (used in) investing activities	(80,772,864)	(85,150,140)
Financing activities:		
Proceeds from short-term loans payable	1,140,000	8,000,000
Repayments of short-term loans payable	(5,480,000)	(8,360,000)
Proceeds from long-term loans payable	25,630,000	58,080,000
Repayments of long-term loans payable	—	(20,900,000)
Proceeds from issuance of investment corporation bonds	3,000,000	5,100,000
Redemption of investment corporation bonds	—	(6,000,000)
Payments of investment corporation bond issuance costs	(20,516)	(29,286)
Proceeds from issuance of investment units	58,079,617	44,574,468
Payment of distributions of earnings	(6,387,658)	(7,944,769)
Payment of distributions in excess of retained earnings	(858,547)	(1,016,978)
Net cash provided by (used in) financing activities	75,102,894	71,503,434
Net increase (decrease) in cash and cash equivalents	3,570,505	919,284
Cash and cash equivalents at beginning of period	12,007,381	15,577,887
Cash and cash equivalents at end of period *1	15,577,887	16,497,172

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

(Notes Concerning Significant Accounting Policies)

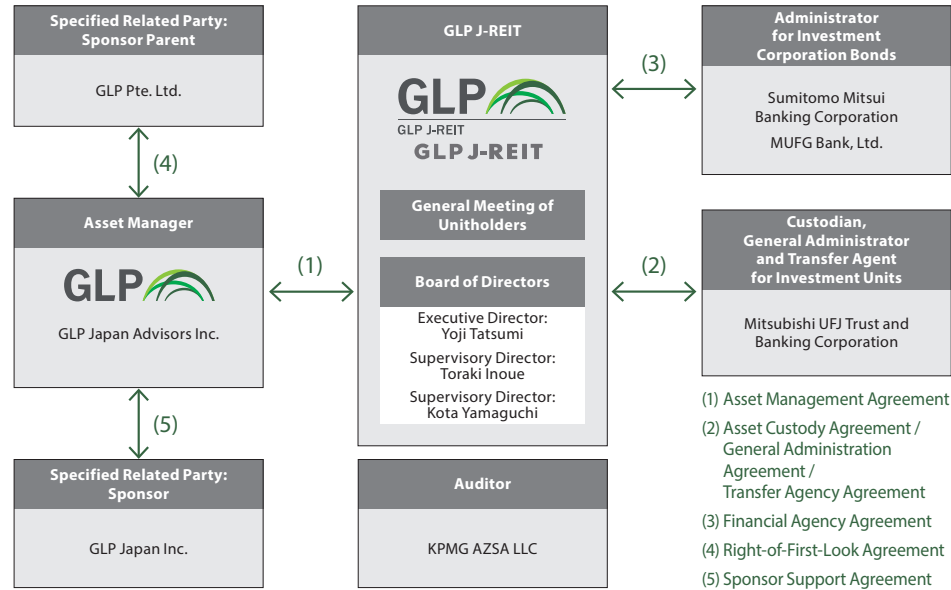
	Prior Period (Reference) From March 1, 2018 To August 31, 2018	Current Period From September 1, 2018 To February 28, 2019
Cash and cash equivalents as stated in the Statements of Cash Flows	Cash and cash equivalents consist of cash on hand and cash in trust, readily-available bank deposits, readily-available bank deposits in trust and short-term investments that are liquid and realizable with a maturity of three months or less when purchased and that are subject to an insignificant risk of changes in value.	Cash and cash equivalents consist of cash on hand and cash in trust, readily-available bank deposits, readily-available bank deposits in trust and short-term investments that are liquid and realizable with a maturity of three months or less when purchased and that are subject to an insignificant risk of changes in value.

(Notes to Statements of Cash Flows)

Prior Period (Reference) From March 1, 2018 To August 31, 2018	Current Period From September 1, 2018 To February 28, 2019
*1. Reconciliation of cash and cash equivalents in the Statement of Cash Flows to accounts and amounts in the accompanying balance sheet (As of August 31, 2018)	*1. Reconciliation of cash and cash equivalents in the Statement of Cash Flows to accounts and amounts in the accompanying balance sheet (As of February 28, 2019)
(Unit: Thousand yen)	(Unit: Thousand yen)
Cash and deposits	Cash and deposits
7,617,737	7,113,336
Cash and deposits in trust	Cash and deposits in trust
7,960,149	9,383,835
Cash and cash equivalents	Cash and cash equivalents
<u>15,577,887</u>	<u>16,497,172</u>

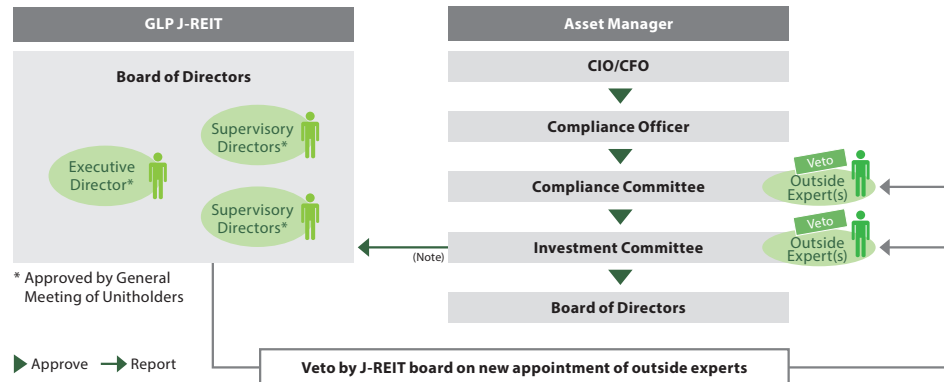
Overview of GLP J-REIT

Structure of GLP J-REIT



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

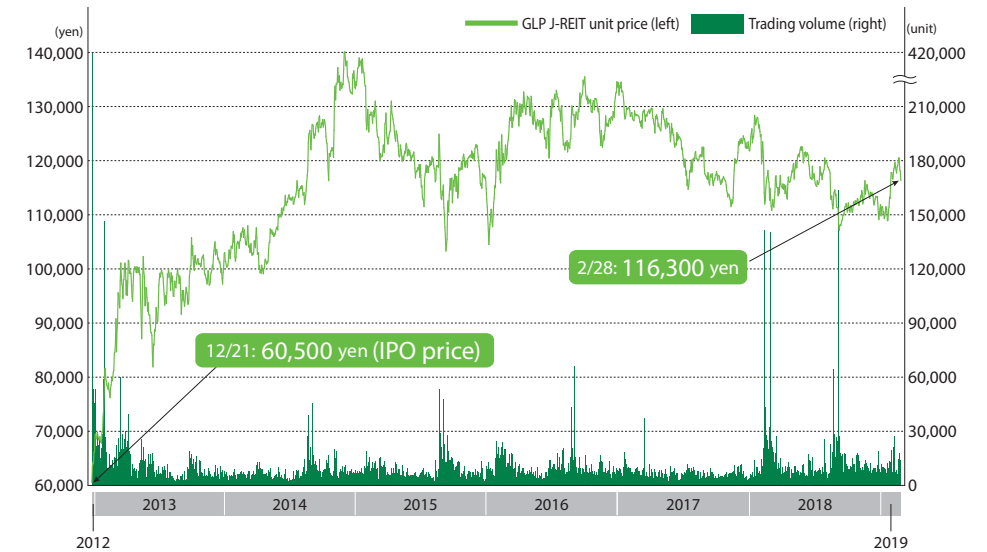
Governance Structure for Related Party Transactions



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

Investor's Information

Historical Investment Unit Price (closing price)



Unitholder Composition (as of the end of Feb 2019)

