

SUMMARY OF FINANCIAL RESULTS (REIT) For the 13th Fiscal Period Ended August 31, 2018

< Under Japanese GAAP >

October 15, 2018

Name of REIT Issuer: GLP J-REIT Stock Exchange Listing: TSE
Securities Code: 3281 URL <https://www.glpireit.com/>
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Scheduled date to file securities report: November 29, 2018

Scheduled date to commence distribution payments: November 14, 2018

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

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

(Amounts are rounded down to the nearest million yen)

1. Financial Results for the Fiscal Period Ended August 31, 2018 (From March 1, 2018 to August 31, 2018)

(1) Operating Results

[Percentages indicate period-on-period changes]

	Operating revenues		Operating income		Ordinary income		Net income	
Period ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 31, 2018	16,896	19.1	9,100	21.9	7,944	24.4	7,944	24.4
February 28, 2018	14,181	(2.2)	7,463	(3.0)	6,388	(0.0)	6,387	(0.0)

	Net income per unit		Return on unitholders' equity		Ordinary income to total assets		Ordinary income to operating revenues	
Period ended	Yen		%		%		%	
August 31, 2018	2,336		3.2		1.6		47.0	
February 28, 2018	2,238		3.0		1.4		45.0	

(2) Distributions

	Distributions (excluding OPD*)		Optimal payable distribution (OPD)		Distributions (including OPD)		Payout ratio	Distributions to net assets
	Per Unit	Total	Per Unit	Total	Per Unit	Total		
Period ended	Yen	Million yen	Yen	Million yen	Yen	Million yen	%	%
August 31, 2018	2,335	7,945	299	1,017	2,634	8,962	100.0	3.0
February 28, 2018	2,239	6,388	301	858	2,540	7,246	100.0	3.0

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

(Note 1) Payout ratio for the period ended August 31, 2018 was calculated as follows since new investment units were issued during the period:

Payout ratio = Total distributions (excluding OPD) / Net income x 100

Payout ratio is rounded down to the first decimal place.

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

(Note 3) All of the amounts of OPD for the periods ended August 31, 2018 and February 28, 2018 are the refund of investment categorized as a distribution from in unitholders' capital for tax purposes.

(Note 4) Retained earnings decreased at a rate of 0.004 for the both periods ended August 31, 2018 and February 28, 2018, respectively, due to OPD (a refund of investment categorized as a distribution from unitholders' capital for tax purposes).

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

(3) Financial Position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
Period ended	Million yen	Million yen	%	Yen
August 31, 2018	528,614	273,931	51.8	80,504
February 28, 2018	441,944	215,055	48.7	75,376

(4) Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of the period
Period ended	Million yen	Million yen	Million yen	Million yen
August 31, 2018	9,240	(80,772)	75,102	15,577
February 28, 2018	7,816	(5,085)	(5,801)	12,007

2. Earnings Forecast for the Fiscal Periods Ending February 28, 2019 (From September 1, 2018 to February 28, 2019) and August 31, 2019 (From March 1, 2019 to August 31, 2019)

[Percentages indicate period-on-period changes]

	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (excluding OPD)	OPD per unit	Distributions per unit (including OPD)
Period ending	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen	Yen
February 28, 2019	18,669	10.5	10,112	11.1	8,860	11.5	8,859	11.5	2,311	297	2,608
August 31, 2019	18,988	1.7	9,999	(1.1)	8,766	(1.1)	8,765	(1.1)	2,286	297	2,583

(Reference) Estimated net income per unit: For the fiscal period ending February 28, 2019 2,311 yen
For the fiscal period ending August 31, 2019 2,286 yen

* Other

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

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

(2) Number of investment units issued and outstanding

- (a) Number of investment units issued and outstanding, including treasury units:
As of August 31, 2018 3,402,681 Units As of February 28, 2018 2,853,078 Units
- (b) Number of treasury units:
As of August 31, 2018 0 Units As of February 28, 2018 0 Units

(Note) Please refer notes to "Per Unit Information" on page 34 for the number of investment units used as the basis for calculating the net income per unit.

* The Status of Statutory Audit

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

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

The forward-looking statements in this material are based on the information currently available to us and certain assumptions we believe reasonable. Actual operating performance may differ substantially due to various factors. Furthermore, those statements do not guarantee the amounts of future distributions and distributions in excess of earnings. Please refer to “Assumptions Underlying Earnings Forecasts for the 14th Fiscal Period Ending February 28, 2019 (From September 1, 2018 to February 28, 2019) and the 15th Fiscal Period Ending August 31, 2019 (From March 1, 2019 to August 31, 2019)” on page 9 – 11 for assumptions regarding the forward-looking statements.

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

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1. Structure and Formation of Investment Corporation

Asset Manager of GLP J-REIT is a wholly owned company of GLP Japan Inc., which is directly owned by GLP Singapore Pte. Ltd. (“GLPSP”). On April 2, 2018, Global Logistic Properties Holdings Limited (“GLPHL”), a wholly-owning parent company of GLPSP, sold all outstanding shares of GLPSP to GLP Japan Investment Holdings Pte. Ltd. (“GLPJIH”). Accordingly, GLPHL is no longer a specified related party of GLP J-REIT, and GLPJIH has become a specified related party of GLP J-REIT effective on that date.

Except for the above mentioned matter, there are no significant changes from the structure and formation of GLP J-REIT described in the most recent Securities Report filed on May 30, 2018. Thus, further disclosure is omitted.

2. Management Policy and Operating Conditions

(1) Management Policy

Disclosure is omitted, as there are no significant changes from the investment policy, investment targets and distribution policy described in the most recent Securities Report filed on May 30, 2018.

(2) Operating Conditions

[Overview of the Current Fiscal Period]

(i) Brief Background of GLP J-REIT

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

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) as of 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 68 properties (total acquisition price of 524,644 million yen).

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

(ii) Investment Environment and Business Performance

During the current fiscal period, consumer spending continues to recover moderately, supported by steady improvement in employment and personal income. Corporate profit has also been improving while capital investment remains strong and exports are on an upward trend backed by the growth of overseas

economies, mainly in the U.S. Thus, the Japanese economy as a whole is recovering at a moderate pace.

In the real estate investment market, investors including J-REIT remain active in acquiring properties within a continuously favorable financing environment. Especially in the logistics real estate market, the competition among market players including new investors to acquire properties remains intense; thus, the market capitalization rate remains on a moderately downward trend.

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

Under these conditions, 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 5th public offering at the Board of Directors' Meeting held on February 5, 2018. Further, GLP J-REIT also decided to purchase six logistics properties, mainly developed by GLP Group, and 13 solar panels installed at 13 of GLP J-REIT's current properties (total acquisition price of 82,050 million yen) using funds from the public offering and new borrowings. The acquisition of properties was completed on March 1, 2018.

In addition, at the Board of Directors' Meeting held on August 13, 2018, GLP J-REIT decided to issue new investment units through the 6th public offering and acquire eight properties (total acquisition price of 84,850 million yen) including properties under development by GLP Group, utilizing the proceeds from the issuance of new investment units and funds through new borrowings.

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

As a result of these operations, GLP J-REIT owns 68 properties with a total acquisition price of 524,644 million yen and total leasable area of 2,459,807.22 m² as of the end of the current fiscal period. The occupancy rate across the entire portfolio remained stable at the high level of 99.4% as of the end of the current fiscal period. Furthermore, the total appraisal value of the entire portfolio reached 622,221 million yen with an unrealized gain of 115,993 million yen and the unrealized gain ratio (Note) of 22.9 %.

(Note) Unrealized gain ratio = Unrealized gain (Appraisal value or research price at the fiscal period

end – Book value) / Book value.

(iii) Overview of Financing

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

In the current fiscal period, GLP J-REIT newly borrowed 26,770 million yen to cover part of the acquisition price and related costs of six properties which was acquired on March 1, 2018, as stated “(ii) Investment Environment and Business Performance” above. In addition, GLP J-REIT issued the 10th and 11th investment corporation bonds (total amount issued: 3,000 million yen) on July 9, 2018. Thus, GLP J-REIT pursues to diversify and lengthen debt maturities, and diversify the sources of fund raising.

As a result of the above, outstanding interest-bearing liabilities as of the end of the current fiscal period totaled 238,180 million yen (outstanding loans 207,680 million yen, outstanding investment corporation bonds 30,500 million yen) and the ratio of interest-bearing liabilities to total assets (LTV) was 45.1 %.

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

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

(Note) It is the rating for the 1st to the 11th Unsecured Investment Corporation Bonds.

(iv) Overview of Financial Results and Cash Distribution

As a result of these management efforts, GLP J-REIT reported total operating revenues of 16,896 million yen, operating income of 9,100 million yen, ordinary income of 7,944 million yen and net income of 7,944 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 7,945,260,135 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 (3,402,681 units) from unappropriated retained earnings. Accordingly, distribution per unit for the current fiscal period was 2,335 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 1,017,401,619 yen, an

amount almost equivalent to 30% of depreciation (3,400 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 299 yen.

(Note) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings that do not exceed the amount obtained by deducting capital expenditure for the accounting period immediately before the period in which the distribution is made from an amount equal to depreciation expenses for the corresponding period. The amount obtained by deducting 658 million yen of capital expenditure for the current fiscal period from 3,400 million yen of depreciation expenses for the period is 2,742 million yen.

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

With respect to all 68 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 571 million yen.

[Outlook of Next Fiscal Period]

(i) Future Management Policy and Matters to be Addressed

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

- (A) In terms of its internal growth strategy, while enjoying the stable cash flows that characterize its portfolio of assets, GLP J-REIT will aim to keep high occupancy rate of facilities regardless the fluctuation of vacancy rate in the market as a whole, and negotiate for higher rents for lease agreements subject to renewal upon the expirations of lease periods with consideration of market rents. At the same time, GLP J-REIT will seek to enhance the value of existing assets through appropriate maintenance of such assets and capital expenditures.
- (B) With regard to its external growth strategy, GLP J-REIT will take advantage of five properties under Rights-of-First-Look agreement (floor area: approximately 304 thousand m²) (Note 1), which is held by GLP Group as a specific and flexible pipeline, and seek future opportunities to acquire some of the 33 properties (floor area: approximately 3,014 thousand m²) (the figures include properties under construction or planned for construction) (Note 1) held by itself or by a joint venture formed by GLP Group with a third party. Furthermore, GLP J-REIT will pursue further expansion of its portfolio by

continuously collecting information about prospective properties and considering using the bridge approach through the Optimal Takeout Arrangement (“OTA”) (Note 2).

- (C) As to financial strategy, GLP J-REIT will examine such financing activities as extending debt maturities through refinancing, issuing investment 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) Figures as of September 30, 2018 are stated. (The figures exclude those of properties already sold as of today) For properties under construction or planned for construction as of September 30, 2018, figures are calculated based on planned floor area of construction at that time.

(Note 2) Optimal Takeout Arrangement (“OTA”) refers to the arrangement under which GLP J-REIT acquires an asset at the timing designated by GLP J-REIT within the scheduled acquisition period, and with the acquisition price which may be reduced to some degree depending on the timing of acquisition.

(ii) Significant Subsequent Events

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 to be 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
GLP Neyagawa		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%.

(iii) Earnings Forecast

GLP J-REIT has made the following earnings forecasts for the fiscal period ending February 28, 2019 (From September 1, 2018 to February 28, 2019) and the fiscal period ending August 31, 2019 (From March 1, 2019 to August 31, 2019). Please refer the forecast assumptions to “Assumptions Underlying Earnings Forecasts for the 14th Fiscal Period Ending February 28, 2019 (From September 1, 2018 to February 28, 2019)” and the 15th Fiscal Period Ending August 31, 2019 (From March 1, 2019 to August 31, 2019) below.

[Percentages indicate period-on-period changes]											
	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (excluding OPD)	OPD per unit	Distributions per unit (including OPD)
Period ending	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen	Yen
February 28, 2019	18,669	10.5	10,112	11.1	8,860	11.5	8,859	11.5	2,311	297	2,608
August 31, 2019	18,988	1.7	9,999	(1.1)	8,766	(1.1)	8,765	(1.1)	2,286	297	2,583

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

Assumptions Underlying Earnings Forecasts for:

**The 14th Fiscal Period Ending February 28, 2019 (From September 1, 2018 to February 28, 2019) and
The 15th Fiscal Period Ending August 31, 2019 (From March 1, 2019 to August 31, 2019)**

Item	Assumption
Accounting period	The 14th Fiscal Period: From September 1, 2018 to February 28, 2019 (181 days) The 15th Fiscal Period: From March 1, 2019 to August 31, 2019 (184 days)
Portfolio assets	<ul style="list-style-type: none"> It is assumed that the portfolio assets will consist of the trust beneficiary rights of 76 properties which include 68 properties held by GLP J-REIT as of the end of the 13th Fiscal Period and the following properties newly acquired on September 3, 2018: GLP Shinsuna, GLP Shonan, GLP Osaka, GLP Settsu, GLP Nishinomiya, GLP Shiga, GLP Neyagawa, and GLP Fujimae. The forecasts also assume that there will be no changes to the portfolio assets (acquisition of new assets, disposal of portfolio assets, etc.) until the end of the 15th Fiscal Period. In practice, however, changes such as the acquisition of new assets other than those properties stated above or the disposal of portfolio assets may occur.
Number of investment units issued and outstanding	<ul style="list-style-type: none"> It is assumed to be 3,833,420 units, which is the number of investment units issued and outstanding as of the date of this document.
Interest-bearing liabilities	<ul style="list-style-type: none"> The outstanding interest-bearing liabilities of GLP J-REIT as of the date of this report are 277,600 million yen. On September 3, 2018, GLP J-REIT obtained bank loans, including short-term loans payable, in the total amount of 41,320 million yen. Using proceeds from issuance of new investment units through a third-party allocation in connection with the domestic offering through over-allotment, GLP J-REIT made an early repayment of 1,900 million yen on September 28, 2018, out of 8,000 million yen of short-term loans payable obtained in September 2018. After the aforementioned early repayment in the 14th Fiscal Period, the remaining balance of 6,100 million yen is assumed to be refinanced by borrowings or issuance of investment corporate

Item	Assumption
	<p>bonds.</p> <ul style="list-style-type: none"> A refund of consumption tax for the 13th Fiscal Period is expected in the 14th Fiscal Period. The forecast assumes that short-term loans payable and part of long-term loans payable due on February 28, 2019, in the total amount of 3,026 million yen, will be repaid using the refund and cash on hands before their original repayment date. It is assumed that 2,500 million yen of long-term loans payable with the repayment date of December 20, 2018 will be refinanced with borrowings on December 20, 2018. Of 19,560 million yen of long-term loans payable with original repayment date of February 28, 2019, the remaining balance of loans payable after aforementioned early repayments and 6,000 million yen of investment corporation bonds with maturity date of February 27, 2019 are assumed to be refinanced with borrowings or investment corporation bonds on the respective repayment date or maturity date. A refund of consumption tax for the 14th Fiscal Period is expected in the 15th Fiscal Period. The forecast assumes that long-term loans payable in the amount of 1,110 million yen will be repaid using the refund and cash on hands before their original repayment date. It is assumed that LTV as of as of February 28, 2019 (the 14th Fiscal Period) will be 44.9 % and LTV as of August 31, 2019 (the 15th Fiscal Period) will be 44.8 %. The following formula is used to compute LTV. $LTV = (\text{Balance of interest-bearing liabilities} / \text{Total assets}) \times 100$
Operating revenues	<ul style="list-style-type: none"> The forecasts assume seasonal effects on rent revenues since solar panels attached to properties are leased under variable-rent leases. Rental income from solar panel leasing is assumed to be 352 million yen in the 14th Fiscal Period and 584 million yen in the 15th Fiscal Period. Concerning operating revenues, the forecasts assume that there is no delinquent rent payment by tenants.
Operating expenses	<ul style="list-style-type: none"> With respect to taxes on property and equipment (fixed asset tax, city planning tax and depreciable asset tax on real estate, etc. hereinafter “property-related taxes”) held by GLP J-REIT, of the tax amounts assessed and determined, the amounts corresponding to the relevant accounting period are recognized as rental expenses. However, if property and equipment is newly acquired and adjusted amounts of property-related taxes for the year under the same accounting period (the “amounts equivalent to property-related taxes”) arise between GLP J-REIT and the transferor, the relevant adjusted amounts are capitalized as part of the acquisition cost of the relevant property. Accordingly, the property-related taxes for six properties (GLP Urayasu, GLP Funabashi II, GLP Misato, GLP Maishima I, GLP Soja I and GLP Soja II) and 13 solar panels acquired in March 2018, and eight properties (GLP Shinsuna, GLP Shonan, GLP Osaka, GLP Settsu, GLP Nishinomiya, GLP Shiga, GLP Neyagawa, and GLP Fujimae) acquired in September 2018 were not recognized as expenses in the 14th Fiscal Period. The relevant amounts assumed to be recognized as expenses in the 15th Fiscal Period are 161 million yen and 192 million yen, respectively. The property-related taxes capitalized as part of acquisition cost are 274 million yen for six properties and 13 solar panels acquired in March 2018, and 114 million yen for eight properties acquired in September 2018. Taxes and dues are expected to be 1,224 million yen for the 14th Fiscal Period and 1,578 million yen for the 15th Fiscal Period. Repair and maintenance expenses are expected to be 76 million yen for the 14th Fiscal Period and 95million yen for the 15th Fiscal Period. Property and facility management fees are expected to be 679 million yen for the 14th Fiscal Period and 681 million yen for the 15th Fiscal Period. Depreciation is expected to be 3,795 million yen for the 14th Fiscal Period and 3,803 million yen for the 15th Fiscal Period. Of rental expenses that are the main operating expenses, expenses other than depreciation are estimated based on the historical experiences and fluctuation factors.

Item	Assumption
	<ul style="list-style-type: none"> • Please be aware that actual amount of repair and maintenance expenses of each accounting period may be significantly different from the estimated amount due to the following reasons: repair and maintenance (1) may emergently arise due to property damages occurred by unpredictable incidents; (2) generally varies in amount from period to period and (3) may not arise regularly. • Depreciation is estimated using the straight-line method based on acquisition costs including incidental expenses assumed and additional capital expenditure in the future.
NOI (Net Operating Income)	<ul style="list-style-type: none"> • NOI (the amount calculated by deducting rental expenses, excluding depreciation, from operating revenues) is expected to be 16,013 million yen for the 14th Fiscal Period and 15,979 million yen for the 15th Fiscal Period.
Non-operating expenses	<ul style="list-style-type: none"> • The total amount of interest expenses on loans, interest expenses on investment corporation bonds, amortization of investment corporation bonds issuance expenses and other finance-related expenses are expected to be 1,162 million yen for the 14th Fiscal Period and 1,185 million yen for the 15th Fiscal Period. Investment corporation bonds issuance expenses are amortized monthly for the period from issuance to redemption. • Investment unit issuance expenses are amortized monthly for three years from occurrence, and amortization expenses are expected to be 46 million yen for the 14th Fiscal Period and 46 million yen for the 15th Fiscal Period. • In addition, the forecast assumes the temporary expenses of 42 million yen for the 14th Fiscal Period in connection with an issuance of new investment units.
Distributions per unit (excluding OPD)	<ul style="list-style-type: none"> • Distribution per unit is calculated in accordance with the distribution policy set forth in the Articles of Incorporation of GLP J-REIT. • Distributions per unit (excluding OPD) may change due to various factors including changes in portfolio assets, changes in rental revenues in connection with changes in tenants, unexpected repair, changes in interest rates and additional issuance of investment units.
Optimal payable distribution (OPD) per unit	<ul style="list-style-type: none"> • The forecasts assume that all of the amounts of OPD for the 14th Period and the 15th Period will be the refund of its investment categorized as a distribution from unitholders' capital for tax purposes. • OPD per unit is calculated in accordance with the policy on cash distributions in excess of retained earnings provided in the Management Guidelines, the internal policy of the Asset Manager. It is calculated by assuming distribution of approximately 30% of respective depreciation arising in the 14th Fiscal Period and the 15th Fiscal Period. • Depreciation may vary from the current expected amount due to change in portfolio assets, the amount of incidental expenses incurred and the amount of capital expenditure. Therefore, the total amount of OPD calculated on the basis of depreciation may also vary due to these and other various factors. In addition, in order to maintain the value of assets held by GLP J-REIT, in the event that GLP J-REIT is to pay out OPD, GLP J-REIT sets the maximum as the amount of depreciation less capital expenditure incurred in the accounting period in which the concerned depreciation was recognized. Therefore, when urgent capital expenditure arises from unforeseen factors causing building damage and other, the amount of OPD per unit may decrease. Moreover, when the appraisal LTV provided below exceeds 60%, GLP J-REIT will not pay out OPD. • Appraisal LTV (%) = $A/B \times 100$ (%) A= Interest-bearing liabilities balance (including investment corporation bonds balance and short-term investment corporation bonds balance) at the end of the period + Deposit release amount at the end of the period B= Total amount of appraisal value or research price of portfolio assets at the end of the period + Cash and deposits balance at the end of the period – Scheduled total amount of distributions of earnings – Scheduled total amount of OPD The scheduled total amount of distributions of earnings and scheduled total amount of OPD are assumed to be the same as the actual figures of the most recent fiscal period.

Item	Assumption
Other	<ul style="list-style-type: none"> • The forecasts assume that there will be no revision of laws and regulations, tax systems, accounting standards, listing regulations of the Tokyo Stock Exchange, Inc., rules of the Investment Trusts Association, Japan, (“JITA”), etc. that will impact the forecast figures above. • The forecasts assume that there will be no unforeseen material change in general economic trends and real estate market conditions, etc.

3. Financial Statements

(1) Balance Sheets

	(Unit: Thousand yen)	
	Prior Period As of February 28, 2018	Current Period As of August 31, 2018
Assets		
Current assets		
Cash and deposits	5,523,591	7,617,737
Cash and deposits in trust	6,483,790	7,960,149
Operating accounts receivable	1,616,473	1,770,717
Prepaid expenses	401,255	442,635
Deferred tax assets	10	—
Consumption taxes receivable	120,748	2,985,941
Other current assets	2,325	2,301
Total current assets	14,148,193	20,779,483
Noncurrent assets		
Property and equipment		
Vehicles	1,016	1,016
Accumulated depreciation	(381)	(508)
Vehicles, net	635	508
Buildings in trust	181,095,607	224,866,071
Accumulated depreciation	(22,554,528)	(25,768,052)
Buildings in trust, net	158,541,078	199,098,019
Structures in trust	4,717,225	5,790,599
Accumulated depreciation	(1,385,958)	(1,556,936)
Structures in trust, net	3,331,266	4,233,663
Machinery and equipment in trust	56,594	57,507
Accumulated depreciation	(43,946)	(48,340)
Machinery and equipment in trust, net	12,648	9,167
Tools, furniture and fixtures in trust	236,200	249,272
Accumulated depreciation	(97,885)	(109,772)
Tools, furniture and fixtures in trust, net	138,314	139,499
Land in trust	264,333,398	302,746,622
Construction in progress in trust	12,800	—
Construction in progress	26,203	23,484
Total property and equipment, net	426,396,344	506,250,964
Investments and other assets		
Investment securities	1,600	1,600
Long-term prepaid expenses	1,241,267	1,365,906
Security deposits	10,000	10,000
Other	1,400	1,400
Total investments and other assets	1,254,267	1,378,906
Total noncurrent assets	427,650,612	507,629,871
Deferred assets		
Investment unit issuance expenses	58,092	111,283
Investment corporation bond issuance costs	87,625	94,322
Total deferred assets	145,718	205,605

Total Assets	441,944,524	528,614,960
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(Unit: Thousand yen)		
	Prior Period As of February 28, 2018	Current Period As of August 31, 2018
Liabilities		
Current liabilities		
Operating accounts payable	178,386	342,177
Short-term loans payable	5,500,000	1,160,000
Current portion of investment corporation bonds	6,000,000	6,000,000
Current portion of long-term loans payable	20,900,000	20,900,000
Accounts payable	1,704,711	2,167,737
Accrued expenses	39,686	60,560
Income taxes payable	807	605
Advances received	2,413,701	2,799,913
Deposits received	—	143,855
Current portion of tenant leasehold and security deposits	24,272	19,134
Total current liabilities	36,761,567	33,593,982
Noncurrent liabilities		
Investment corporation bonds	21,500,000	24,500,000
Long-term loans payable	159,990,000	185,620,000
Tenant leasehold and security deposits	8,459,485	10,895,259
Tenant leasehold and security deposits in trust	178,019	74,000
Total noncurrent liabilities	190,127,504	221,089,259
Total Liabilities	226,889,071	254,683,242
Net Assets		
Unitholders' equity		
Unitholders' capital	215,098,711	273,277,487
Deduction from unitholders' capital	(6,433,707)	(7,292,483)
Unitholders' capital, net	208,665,004	265,985,003
Retained earnings		
Unappropriated retained earnings	6,390,448	7,946,714
Total retained earnings	6,390,448	7,946,714
Total unitholders' equity	215,055,453	273,931,717
Total Net Assets *2	215,055,453	273,931,717
Total Liabilities and Net Assets	441,944,524	528,614,960

(2) Statements of Income

	(Unit: Thousand yen)	
	Prior Period From September 1, 2017 To February 28, 2018	Current Period From March 1, 2018 To August 31, 2018
Operating revenues		
Rental revenues *1	13,581,262	15,545,133
Other rental revenues *1	600,315	1,351,299
Total operating revenues	14,181,577	16,896,432
Operating expenses		
Rental expenses *1	5,125,343	5,936,781
Asset management fee	1,478,272	1,738,971
Asset custody fee	6,643	6,636
Administrative service fees	20,527	22,439
Directors' remuneration	3,960	3,960
Audit fee	13,000	13,500
Taxes and dues	146	108
Other operating expenses	70,584	73,805
Total operating expenses	6,718,477	7,796,204
Operating income	7,463,100	9,100,227
Non-operating income		
Interest income	53	57
Reversal of distributions payable	627	998
Interest on refund of consumption taxes and other	—	683
Others	—	0
Total non-operating income	680	1,740
Non-operating expenses		
Interest expense	754,987	753,981
Interest expenses on investment corporation bonds	68,804	72,121
Amortization of investment corporation bond issuance costs	13,582	14,138
Borrowing related expenses	205,741	214,667
Amortization of investment unit issuance expenses	29,467	45,966
Offering costs associated with the issuance of investment units	1,152	54,823
Others	1,329	1,346
Total non-operating expenses	1,075,064	1,157,045
Ordinary income	6,388,716	7,944,922
Income before income taxes	6,388,716	7,944,922
Income taxes-current	816	605
Income taxes-deferred	2	10
Total income taxes	818	615
Net income	6,387,897	7,944,307
Accumulated earnings brought forward	2,551	2,406

Unappropriated retained earnings	6,390,448	7,946,714
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(3) Statements of Changes in Net Assets

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

(Unit: Thousand yen)

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

Current period (From March 1, 2018 to August 31, 2018)

(Unit: Thousand yen)

	Unitholders' equity						Total Net Assets
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Retained earnings		Total unitholders' equity	
				Unappropriated retained earnings	Total retained earnings		
Balance at the beginning of the period	215,098,711	(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

(4) Statements of Distributions

(Unit: Yen)		
	Prior Period From September 1, 2017 To February 28, 2018	Current Period From March 1, 2018 To August 31, 2018
I Unappropriated retained earnings	6,390,448,479	7,946,714,353
II Distributions in excess of retained earnings		
Deduction from unitholders' capital	858,776,478	1,017,401,619
III Distributions	7,246,818,120	8,962,661,754
[Distributions per unit]	[2,540]	[2,634]
Of which, distributions of earnings	6,388,041,642	7,945,260,135
[Of which, distributions of earnings per unit]	[2,239]	[2,335]
Of which, distributions in excess of retained earnings	858,776,478	1,017,401,619
[Of which, distributions in excess of retained earnings per unit]	[301]	[299]
IV Retained earnings carried forward	2,406,837	1,454,218
Calculation method of distribution amount	<p>In accordance with Section 34.1 of the bylaws set forth by GLP J-REIT for distributions of cash dividends, the amount of the distributions shall be more than 90% of income available for dividends defined in Section 67.15 of the Special Taxation Measures Act.</p> <p>Accordingly, GLP J-REIT declared a distribution amount of 6,388,041,642 yen, which was the amount equivalent to the maximum integral multiples of the number of investment units issued and outstanding as of the end of the period.</p>	<p>In accordance with Section 34.1 of the bylaws set forth by GLP J-REIT for distributions of cash dividends, the amount of the distributions shall be more than 90% of income available for dividends defined in Section 67.15 of the Special Taxation Measures Act.</p> <p>Accordingly, GLP J-REIT declared a distribution amount of 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.</p>

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(Continued)

(Continued)

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

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

(Continued)

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

Thus, GLP J-REIT declared an OPD (a refund of investment categorized as a distribution from unitholders’ capital for tax purposes) amounting to 1,017,401,619 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.

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

(5) Statements of Cash Flows

	(Unit: Thousand yen)	
	Prior Period From September 1, 2017 To February 28, 2018	Current Period From March 1, 2018 To August 31, 2018
Operating activities:		
Income before income taxes	6,388,716	7,944,922
Depreciation	2,864,723	3,400,908
Amortization of investment corporation bond issuance costs	13,582	14,138
Amortization of investment unit issuance expenses	29,467	45,966
Interest income	(53)	(57)
Reversal of distributions payable	(627)	(998)
Interest expense	823,791	826,103
Decrease (increase) in operating accounts receivable	(3,335)	(154,244)
Decrease (increase) in prepaid expenses	(36,555)	(41,380)
Decrease (increase) in consumption taxes receivable	(120,748)	(2,865,193)
Decrease (increase) in other current assets	748	23
Decrease (increase) in long-term prepaid expenses	5,958	(124,638)
Increase (decrease) in operating accounts payable	(120,369)	163,790
Increase (decrease) in accounts payable	(25,705)	307,047
Increase (decrease) in consumption taxes payable	(1,157,247)	—
Increase (decrease) in advances received	(34,222)	386,211
Increase (decrease) in deposits	—	143,855
Sub total	8,628,122	10,046,455
Interest received	53	57
Interest paid	(810,849)	(805,229)
Income taxes paid	(867)	(807)
Net cash provided by (used in) operating activities	7,816,458	9,240,476
Investing activities:		
Purchase of property and equipment	(10,246)	(86)
Purchase of property and equipment in trust	(5,181,146)	(83,099,394)
Proceeds from tenant leasehold and security deposits	227,697	2,389,719
Repayments of tenant leasehold and security deposits	(121,697)	(63,102)
Net cash provided by (used in) investing activities	(5,085,391)	(80,772,864)
Financing activities:		
Proceeds from short-term loans payable	5,500,000	1,140,000
Repayments of short-term loans payable	(5,500,000)	(5,480,000)
Proceeds from long-term loans payable	25,750,000	25,630,000
Repayments of long-term loans payable	(24,300,000)	—
Proceeds from issuance of investment corporation bonds	—	3,000,000
Payments of investment corporation bond issuance costs	—	(20,516)
Proceeds from issuance of investment units	—	58,079,617
Payments of distributions of earnings	(6,390,486)	(6,387,658)
Payments of distributions in excess of retained earnings	(861,356)	(858,547)
Net cash provided by (used in) financing activities	(5,801,843)	75,102,894
Net increase (decrease) in cash and cash equivalents	(3,070,777)	3,570,505
Cash and cash equivalents at beginning of period	15,078,158	12,007,381
Cash and cash equivalents at end of period *1	12,007,381	15,577,887

(6) Notes Concerning Going Concern Assumption

None

(7) Notes Concerning Significant Accounting Policies

1. Basis and method of valuation of assets	<p>Securities</p> <p>Available-for-sale securities with no readily determinable market price are stated at cost. Cost of securities sold is determined by the moving-average method.</p>										
2. Depreciation of noncurrent assets	<p>Property and equipment including trust assets</p> <p>Property and equipment are stated at cost, which includes the original purchase price and related acquisition costs and expenses. Depreciation of property and equipment, including property and equipment in trust, is calculated by the straight-line method over the estimated useful lives as follows:</p> <table> <tr> <td>Buildings</td><td>2 to 77 years</td></tr> <tr> <td>Structures</td><td>2 to 59 years</td></tr> <tr> <td>Machinery and equipment</td><td>6 to 12 years</td></tr> <tr> <td>Vehicles</td><td>4 years</td></tr> <tr> <td>Tools, furniture and fixtures</td><td>2 to 18 years</td></tr> </table>	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
Buildings	2 to 77 years										
Structures	2 to 59 years										
Machinery and equipment	6 to 12 years										
Vehicles	4 years										
Tools, furniture and fixtures	2 to 18 years										
3. Accounting treatment for deferred assets	<p>(1) Investment unit issuance expenses are amortized over three years using the straight-line method.</p> <p>(2) Investment corporation bond issuance costs are amortized over the respective terms of the bonds using the straight-line method.</p>										
4. Revenue and expense recognition	<p>Taxes on property and equipment</p> <p>With respect to taxes on property and equipment held by GLP J-REIT, of the tax amounts assessed and determined, the amounts corresponding to the relevant accounting period are accounted for as rental expenses.</p> <p>Of the amounts paid for the acquisition of real estate or beneficiary right of real estate in trust, the amounts equivalent to property-related taxes are capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses. Capitalized property-related taxes amounted to 9,575 thousand yen for the prior period and 274,381 thousand yen for the current period.</p>										

5. Hedge accounting	<p>GLP J-REIT enters into derivative transactions in order to hedge against risks defined in its Articles of Incorporation in compliance with their general risk management policy. GLP J-REIT uses interest rate swaps for the purpose of hedging its risk exposure associated with interests on floating rate loans payable. Where deferral accounting is generally adopted for hedge transactions, GLP J-REIT applies the special accounting treatment to interest rate swaps which qualify for hedge accounting and meet the specific matching criteria. Under the special accounting treatment, interest rate swaps are not measured at fair value, but the differential paid or received under the swap agreements is recognized and included in interest expense.</p> <p>The hedge effectiveness test for interest rate swaps is omitted since all interest rate swaps of GLP J-REIT meet the specific matching criteria for the special accounting treatment as permitted under the Japanese GAAP.</p>
6. Cash and cash equivalents as stated in the Statements of Cash Flows	<p>Cash and cash equivalents consist of cash on hand and cash in trust, readily-available bank deposits, readily-available bank deposits in trust and short-term investments that are liquid and realizable with a maturity of three months or less when purchased and that are subject to an insignificant risk of changes in value.</p>
7. Other significant matters which constitute the basis for preparation of financial statements	<p>(1) Accounting treatment of beneficiary right of real estate in trust</p> <p>As to beneficiary rights of real estate in trust, all accounts of assets and liabilities for assets in trust as well as the related income generated and expenses incurred are recorded in the relevant balance sheet and statement of income accounts.</p> <p>The following significant trust assets are shown separately on the balance sheets.</p> <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, land in trust and construction in progress in trust</p> <p>(c) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment for consumption taxes</p> <p>Consumption taxes withheld and paid are not included in the accompanying statements of income.</p>

(8) Notes to Financial Statements

(Notes to Balance Sheets)

1. Commitment line agreements

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

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

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

(Unit: Thousand yen)	
Prior Period As of February 28, 2018	Current Period As of August 31, 2018
50,000	50,000

(Notes to Statements of Income)

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

(Unit: Thousand yen)		
	Prior Period From September 1, 2017 To February 28, 2018	Current Period From March 1, 2018 To August 31, 2018
A. Property-related revenues		
Rental revenues:		
Rental revenues	13,143,400	15,030,857
Common area charges	437,861	514,275
Total	13,581,262	15,545,133
Other revenues related to property leasing		
Utility charges	380,839	478,394
Parking lots	50,277	62,739
Solar panel leasing	73,114	648,099
Others	96,083	162,065
Total	600,315	1,351,299
Total property-related revenues	14,181,577	16,896,432
B. Property-related expenses		
Rental expenses:		
Taxes and dues	1,212,173	1,223,515
Property and facility management fees	503,114	602,115
Utilities	352,792	418,447
Repairs and maintenance	78,274	135,991
Casualty insurance	26,236	30,707
Depreciation	2,864,723	3,400,908
Others	88,028	125,095
Total property-related expenses	5,125,343	5,936,781
C. Operating income from property leasing (A – B)	9,056,234	10,959,650

(Notes to Statements of Changes in Net Assets)

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

	Prior Period From September 1, 2017 To February 28, 2018	Current Period From March 1, 2018 To August 31, 2018
Number of investment units authorized	16,000,000 units	16,000,000 units
Number of investment units issued and outstanding	2,853,078 units	3,402,681 units

(Notes to Statements of Cash Flows)

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

	Prior Period From September 1, 2017 To February 28, 2018	Current Period From March 1, 2018 To August 31, 2018
		(Unit: Thousand yen)
Cash and deposits	5,523,591	7,617,737
Cash and deposits in trust	6,483,790	7,960,149
Cash and cash equivalents	12,007,381	15,577,887

(Leases)

Operating lease transactions (As Lessor)

Future minimum rental revenues

	Prior Period As of February 28, 2018	Current Period As of August 31, 2018
		(Unit: Thousand yen)
Due within one year	25,128,857	30,149,858
Due after one year	78,786,628	87,546,426
Total	103,915,485	117,696,285

(Financial Instruments)

1. Status of financial instruments

(1) Policy for financial instruments

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

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

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

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

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

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

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

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

(3) Supplemental explanation regarding fair values of financial instruments

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

2. Estimated fair value of financial instruments

Prior Period (As of February 28, 2018)

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

(Unit: Thousand yen)

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

Current Period (As of August 31, 2018)

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

(Unit: Thousand yen)

	Book value	Fair value	Difference
(1) Cash and deposits	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 (2) Cash and deposits in trust

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

Liabilities:

(1) Short-term loans payable

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

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

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

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

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

Derivative transactions:

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

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

(Unit: Thousand yen)

Account name	Prior Period As of February 28, 2018	Current Period As of August 31, 2018
Tenant leasehold and security deposits	8,459,485	10,895,259
Tenant leasehold and security deposits in trust	178,019	74,000
Total	8,637,504	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 schedules for monetary claims are as follows:

Prior Period (As of February 28, 2018)

(Unit: Thousand yen)

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

Current Period (As of August 31, 2018)

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

Prior Period (As of February 28, 2018)

(Unit: Thousand yen)

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

Current Period (As of August 31, 2018)

(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

(Investment Securities)

Prior Period (As of February 28, 2018) and Current Period (As of August 31, 2018)

None

(Derivative Transactions)

1. Derivative transactions for which hedge accounting is not applied

Prior Period (As of February 28, 2018) and Current Period (As of August 31, 2018)

None

2. Derivative transactions for which hedge accounting is applied

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

Prior Period (As of February 28, 2018)

(Unit: Thousand yen)

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

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

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

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

Current Period (As of August 31, 2018)

(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 (Note 1)	163,580,000 (Note 1)	(22,505) (Note 2)	(Note 3)

(Note 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.

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

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

(Retirement Benefit Plans)

Prior Period (As of February 28, 2018) and Current Period (As of August 31, 2018)

None

(Equity in Income)

Prior Period (As of February 28, 2018) and Current Period (As of August 31, 2018)

No affiliate exists, thus, none to report.

(Asset Retirement Obligation)

Prior Period (As of February 28, 2018) and Current Period (As of August 31, 2018)

None

(Deferred Tax Accounting)

1. Significant components of deferred tax assets and liabilities

	(Unit: Thousand yen)	
	Prior Period As of February 28, 2018	Current Period As of August 31, 2018
Deferred tax assets		
Enterprise tax payable	10	—
Total	10	—
Net deferred tax assets	10	—

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

	(Unit: %)	
	Prior Period As of February 28, 2018	Current Period As of August 31, 2018
Statutory effective tax rate	31.74	31.74
(Adjustments)		
Distributions deductible for tax purposes	(31.74)	(31.74)
Other	0.01	0.01
Actual tax rate	0.01	0.01

(Related Party Transactions)

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

Prior Period (As of February 28, 2018) and Current Period (As of August 31, 2018)

None

2. Transactions and account balances with affiliates

Prior Period (As of February 28, 2018) and Current Period (As of August 31, 2018)

None

3. Transactions and account balances with companies under common control

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

Classification	Name of the company	Location	Stated capital (Thousand yen)	Type of business	% of voting rights (owned)	Business relationship	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
Subsidiary of major unitholder	GLP Japan Inc.	Minato-ku, Tokyo	100,000	Investment advisory/agency	—	Entrustment of property management Patent license	Property management fee	260,730	Operating accounts payable	60,619
							Leasing commission	52,427		
							Royalty fee (Note 2)	7,500	—	
	GLP Japan Advisors Inc.	Minato-ku, Tokyo	110,000	Asset management	—	Concurrently serving directors Entrustment of asset management	Asset management fee (Notes 2 and 3)	1,500,755	Accounts payable	1,382,050
	GLP Solar Special Purpose Company	Minato-ku, Tokyo	1,410,100	Equipment leasing	—	Rooftop leasing	Rental income from rooftop leasing (Note 2)	39,204	—	—
	GLP J-REIT Master Lease GK	Minato-ku, Tokyo	1,000	Real estate	—	Solar panel leasing	Rental income from solar panel leasing	55,653	Operating accounts receivable	12,058
	Ichikawashiohama Godo Kaisha	Minato-ku, Tokyo	1,000	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	17,461	Operating accounts receivable	5,826

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

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

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

(Note 3) The Asset management fee above includes management fees of 22,483 thousand yen capitalized as part of acquisition costs of properties.

Current Period (From March 1, 2018 to August 31, 2018)

Classification	Name of the company	Location	Stated capital (Thousand yen)	Type of business	% of voting rights (owned)	Business relationship	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
Subsidiary of major unitholder	GLP Japan Inc.	Minato-ku, Tokyo	100,000	Investment advisory/agency	—	Entrustment of property management Patent license	Property management fee	312,099	Operating accounts payable	79,460
							Leasing commission	80,736		
							Royalty fee (Note 2)	7,500	—	
	GLP Japan Advisors Inc.	Minato-ku, Tokyo	110,000	Asset management	—	Concurrently serving directors Entrustment of asset management	Asset management fee (Notes 2 and 3)	1,970,152	Accounts payable	1,661,539
	GLP J-REIT Master Lease GK	Minato-ku, Tokyo	1,000	Real estate	—	Solar panel leasing	Rental income from solar panel leasing	254,036	Operating accounts receivable	52,948
	Ichikawashiohama Godo Kaisha	Minato-ku, Tokyo	1,000	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	30,722	Operating accounts receivable	4,864
	Fukaehama Logistic Special Purpose Company (Note 4)	Minato-ku, Tokyo	169,600	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	—	—
	Funabashi Two Logistic Special Purpose Company (Notes 4 and 5)	Minato-ku, Tokyo	1,971,100	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	—	—
	Misato Logistic Special Purpose Company (Note 4)	Minato-ku, Tokyo	17,350	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	—	—
	Maishima One Logistic Special Purpose Company (Note 4)	Minato-ku, Tokyo	100,100	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	—	—
	Soja Logistic Special Purpose Company	Minato-ku, Tokyo	33,350	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	—	—
	Soja Two Logistic Special Purpose Company	Minato-ku, Tokyo	8,950	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	—	—
	GLP Solar Special Purpose Company	Minato-ku, Tokyo	12,900	Equipment leasing	—	—	Purchase of beneficiary right of solar panels in trust	4,990,000	—	—
	GLP Tosu One GK	Minato-ku, Tokyo	2,200	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	62,488	Operating accounts receivable	12,757
	GLP Sugito Y.K.	Minato-ku, Tokyo	3,800	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	15,811	Operating accounts receivable	3,396
	GLP Urayasu Three Y.K.	Minato-ku, Tokyo	3,000	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	50,237	Operating accounts receivable	11,246
	GLP Tokyo Two Y.K.	Minato-ku, Tokyo	3,000	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	24,067	Operating accounts receivable	5,307
	GLP Komaki Y.K.	Minato-ku, Tokyo	3,000	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	39,053	Operating accounts receivable	7,438

Classification	Name of the company	Location	Stated capital (Thousand yen)	Type of business	% of voting rights (owned)	Business relationship	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
	GLP Fukusaki Y.K.	Minato-ku, Tokyo	3,000	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	25,989	Operating accounts receivable	5,047
	GLP Amagasaki Y.K.	Minato-ku, Tokyo	3,000	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	42,051	Operating accounts receivable	8,307
	GLP Misato Two GK	Minato-ku, Tokyo	2,200	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	27,110	Operating accounts receivable	5,430
	GLP Maishima Two Y.K.	Minato-ku, Tokyo	3,000	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	28,926	Operating accounts receivable	5,703
	GLP Kiyama GK	Minato-ku, Tokyo	2,200	Equipment leasing	—	Solar panel leasing	Rental income from solar panel leasing	47,605	Operating accounts receivable	9,696

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

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

- (a) The asset management fee was determined in accordance with the rules prescribed in the Articles of Incorporation of GLP J-REIT.
- (b) The royalty fee was mutually agreed after negotiation between both parties, based on the initial formula proposed by GLP Japan Inc.
- (c) Other transactions, including the transaction described in below (Note 4), are determined based on market conditions.

(Note 3) The Asset management fee above includes management fees of 231,181 thousand yen capitalized as part of acquisition costs of properties.

(Note 4) The counterparty of the transactions was Sumitomo Mitsui Finance and Leasing Company, Limited (“SMFL”) which is not a related party of GLP J-REIT. 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 major unitholder of GLP J-REIT. 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 considers that the transactions were essentially made with the related parties of GLP J-REIT, and discloses them as related party transactions. The amounts stated above are the amounts of transactions between GLP J-REIT and SMFL.

(Note 5) Funabashi Two Logistic Special Purpose Company has been liquidated on March 29, 2018.

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

Prior Period (As of February 28, 2018) and Current Period (As of August 31, 2018)

None

(Investment and Rental Properties)

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

(Unit: Thousand yen)

	Prior Period From September 1, 2017 To February 28, 2018	Current Period From March 1, 2018 To August 31, 2018
Book value		
Balance at the beginning of the period	423,952,613	426,357,341
Change during the period	2,404,727	79,870,138
Balance at the end of the period	426,357,341	506,227,480
Fair value at the end of the period	528,628,000	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 each period, the major increase for the prior period was primarily due to the acquisition of one property (GLP Noda-Yoshiharu) in the amount of 4,593,739 thousand yen, whereas the major decrease was due to depreciation of 2,864,723 thousand yen. The major increase for the current period 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 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 prices.

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

(Segment and Related Information)

(Segment Information)

1. Overview of operating and reportable segments

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

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

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

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

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

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

Prior Period (February 28, 2018)

	(Unit: Thousand yen)			
	Multi-tenant rental business	BTS rental business	Reconciling items	Amount on financial statements
Operating revenues (Note 1)	6,338,036	7,843,541	—	14,181,577
Segment income	3,940,789	5,115,444	(1,593,133)	7,463,100
Segment assets	196,558,585	237,948,197	7,437,741	441,944,524
Other items				
Depreciation	1,103,529	1,761,193	—	2,864,723
Increase in property and equipment	155,939	5,113,511	(37,337)	5,232,113

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

(Note 2) Reconciling items to segment income in the negative amount of 1,593,133 thousand yen consist of corporate expenses that are not allocated to each reportable segment. Corporate expenses present mainly asset management fee, asset custody fee, administrative service fees, directors’ remuneration and other expenses. Reconciling items to segment assets in the amount of 7,437,741 thousand yen include current assets of 6,001,752 thousand yen, property and equipment of 39,003 thousand yen, investments and other assets of 1,251,267 thousand yen and deferred assets of 145,718 thousand yen. Reconciling items to increase in property and equipment under other items in the negative amount of 37,337 thousand yen consist of corporate assets which do not belong to reportable segments. Such corporate assets represent a decrease in construction in progress (including construction in progress in trust) of 37,337 thousand yen.

Current Period (August 31, 2018)

(Unit: Thousand yen)

	Multi-tenant rental business	BTS rental business	Reconciling items	Amount on financial statements
Operating revenues (Note 1)	7,412,055	9,484,376	—	16,896,432
Segment income	4,633,630	6,326,019	(1,859,422)	9,100,227
Segment assets	224,060,692	291,966,455	12,587,811	528,614,960
Other items				
Depreciation	1,316,352	2,084,556	—	3,400,908
Increase in property and equipment	27,898,105	55,372,941	(15,518)	83,255,528

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

(Note 2) Reconciling items to segment income in the negative amount of 1,859,422 thousand yen consist of corporate expenses that are not allocated to each reportable segment. Corporate expenses present mainly asset management fee, asset custody fee, administrative service fees, directors' remuneration and other expenses. Reconciling items to segment assets in the amount of 12,587,811 thousand yen include current assets of 10,991,476 thousand yen, property and equipment of 23,484 thousand yen, investments and other assets of 1,367,244 thousand yen and deferred assets of 205,605 thousand yen. Reconciling items to increase in property and equipment under other items in the negative amount of 15,518 thousand yen consist of corporate assets which do not belong to reportable segments. Such corporate assets represent a decrease in construction in progress (including construction in progress in trust) of 15,518 thousand yen.

(Related Information)

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

1. Revenue information by product and service
Substantially all of the operating revenue is earned from external customers in Japan.
2. Information by geographic area
 - (1) Operating revenues
Substantially all property and equipment are located in Japan.
 - (2) Property and equipment
Disclosure of this information has been omitted as the amount of property and equipment in Japan has exceeded 90% of the amount of total property and equipment on the accompanying balance sheet.
3. Information on major tenants
Disclosure of this information has been omitted as no customer accounting for 10% or more of total operating revenues existed.

Current Period (From March 1, 2018 to August 31, 2018)

1. Revenue information by product and service
Substantially all of the operating revenue is earned from external customers in Japan.
2. Information by geographic area
 - (1) Operating revenues
Substantially all property and equipment are located in Japan.
 - (2) Property and equipment

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

3. Information on major tenants

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

(Per Unit Information)

	Prior Period From September 1, 2017 To February 28, 2018	Current Period From March 1, 2018 To August 31, 2018
Net assets per unit	75,376 yen	80,504 yen
Net income per unit	2,238 yen	2,336 yen

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

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

	Prior Period From September 1, 2017 To February 28, 2018	Current Period From March 1, 2018 To August 31, 2018
Net income	6,387,897 thousand yen	7,944,307 thousand yen
Amount not attributable to ordinary unitholders	— thousand yen	— thousand yen
Net income attributable to ordinary unitholders	6,387,897 thousand yen	7,944,307 thousand yen
Average number of investment units outstanding	2,853,078 units	3,400,648 units

(Significant Subsequent Events)

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 to be 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
GLP Neyagawa		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%.

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

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

Date	Type of issue	Number of investment units issued and outstanding (Unit)		Unitholders' capital, net (Note 1) (Million yen)		Note
		Increase (decrease)	Total	Increase (decrease)	Total	
September 26, 2013	Public offering	249,955	2,087,655	22,179	129,527	(Note 2)
October 16, 2013	Issuance of new units through allocation to a third party	10,045	2,097,700	891	130,418	(Note 3)
November 19, 2013	Distributions in excess of retained earnings (a refund of investment)	—	2,097,700	(475)	129,942	(Note 4)
May 19, 2014	Distributions in excess of retained earnings (a refund of investment)	—	2,097,700	(526)	129,415	(Note 5)
September 1, 2014	Public offering	281,709	2,379,409	30,973	160,389	(Note 6)
September 24, 2014	Issuance of new units through allocation to a third party	11,322	2,390,731	1,244	161,633	(Note 7)
November 19, 2014	Distributions in excess of retained earnings (a refund of investment)	—	2,390,731	(593)	161,040	(Note 8)
May 19, 2015	Distributions in excess of retained earnings (a refund of investment)	—	2,390,731	(698)	160,342	(Note 9)
September 1, 2015	Public offering	197,594	2,588,325	21,784	182,126	(Note 10)
September 25, 2015	Issuance of new units through allocation to a third party	5,459	2,593,784	601	182,728	(Note 11)
November 17, 2015	Distributions in excess of retained earnings (a refund of investment)	—	2,593,784	(707)	182,020	(Note 12)
May 17, 2016	Distributions in excess of retained earnings (a refund of investment)	—	2,593,784	(778)	181,242	(Note 13)
September 1, 2016	Public offering	247,507	2,841,291	28,561	209,804	(Note 14)
September 27, 2016	Issuance of new units through allocation to a third party	11,787	2,853,078	1,360	211,164	(Note 15)
November 16, 2016	Distributions in excess of retained earnings (a refund of investment)	—	2,853,078	(770)	210,393	(Note 16)
May 16, 2017	Distributions in excess of retained earnings (a refund of investment)	—	2,853,078	(867)	209,526	(Note 17)

Date	Type of issue	Number of investment units issued and outstanding (Unit)		Unitholders' capital, net (Note 1) (Million yen)		Note
		Increase (decrease)	Total	Increase (decrease)	Total	
November 14, 2017	Distributions in excess of retained earnings (a refund of investment)	—	2,853,078	(861)	208,665	(Note 18)
March 1, 2018	Public offering	529,922	3,383,000	56,095	264,760	(Note 19)
March 20, 2018	Issuance of new units through allocation to a third party	19,681	3,402,681	2,083	266,843	(Note 20)
May 15, 2018	Distributions in excess of retained earnings (a refund of investment)	—	3,402,681	(858)	265,985	(Note 21)

- (Note 1) “Unitholders’ capital, net” represents the amount of unitholders’ capital, net of distributions in excess of retained earnings deducted from total unitholders’ capital.
- (Note 2) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 88,735 yen or the offer price of 91,942 yen per unit.
- (Note 3) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 88,735 yen.
- (Note 4) At the Board of Directors’ Meeting held on October 16, 2013, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment) of 259 yen per unit for the 3rd Fiscal Period (the period ended August 31, 2013). The payment of distributions was commenced on November 19, 2013.
- (Note 5) 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 6) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 109,947 yen or the offer price of 113,827 yen per unit.
- (Note 7) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 109,947 yen.
- (Note 8) 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 9) 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 10) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 110,247 yen or the offer price of 114,174 yen per unit.
- (Note 11) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 110,247 yen.
- (Note 12) 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 13) 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 14) 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 15) 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 16) 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 17) 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 18) 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 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 105,856 yen or the offer price of 109,372 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 105,856 yen.

(Note 21) 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.

4. Changes in Directors and Officers

Changes in directors and officers are disclosed on a timely basis, when the contents for disclosure are determined.

5. Reference Information

(1) Investment Status

Type of asset	Area (Note 1)	Prior Period February 28, 2018		Current Period August 31, 2018	
		Total amount held (Million yen) (Note 2)	Ratio to total assets (%) (Note 3)	Total amount held (Million yen) (Note 2)	Ratio to total assets (%) (Note 3)
Property and equipment in trust (Note 4)	Tokyo metropolitan area	281,587	63.7	314,163	59.4
	Greater Osaka area	78,088	17.7	98,397	18.6
	Other	66,681	15.1	93,666	17.7
Sub Total		426,357	96.5	506,227	95.8
Deposits and other assets		15,587	3.5	22,387	4.2
Total assets (Notes 5 and 6)		441,944 [426,357]	100.0 [96.5]	528,614 [506,227]	100.0 [95.8]

	Amount (Million yen)	As a ratio to total assets (%) (Note 3)	Amount (Million yen)	As a ratio to total assets (%) (Note 3)
Total liabilities (Note 5)	226,889	51.3	254,683	48.2
Total net assets (Note 5)	215,055	48.7	273,931	51.8

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

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

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

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

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

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

(2) Portfolio Overview

The following table summarizes the beneficiary rights of real estate in trust or the real estate properties in trust held by GLP J-REIT at the fiscal period end. Each figure in this table is the information as of August 31, 2018 unless otherwise stated.

Property number	Property name	Acquisition price (Million yen) (Note 1)	Book value (Million yen)	Appraisal value (Million yen) (Note 2)	Share (%) (Note 3)	Leasable area (m ²) (Note 4)	Leased area (m ²) (Note 5)	Occupancy ratio (%) (Note 6)	Number of tenants (Note 7)
Tokyo-1	GLP Tokyo	22,700	21,690	29,800	4.3	56,105.95	56,105.95	100.0	4
Tokyo-2	GLP Higashi-Ogishima	4,980	4,919	6,850	0.9	34,582.00	34,582.00	100.0	1
Tokyo-3	GLP Akishima	7,555	7,381	9,730	1.4	27,356.63	27,356.63	100.0	3
Tokyo-4	GLP Tomisato	4,990	4,597	6,030	1.0	27,042.59	27,042.59	100.0	1
Tokyo-5	GLP Narashino II	15,220	14,531	20,100	2.9	101,623.59	101,623.59	100.0	2
Tokyo-6	GLP Funabashi	1,720	1,911	2,090	0.3	10,465.03	10,465.03	100.0	1
Tokyo-7	GLP Kazo	11,500	10,568	14,300	2.2	76,532.71	76,532.71	100.0	1
Tokyo-8	GLP Fukaya	2,380	2,213	2,890	0.5	19,706.00	19,706.00	100.0	1
Tokyo-9	GLP Sugito II	19,000	17,627	24,600	3.6	101,272.40	100,345.84	99.1	5
Tokyo-10	GLP Iwatsuki	6,940	6,505	9,490	1.3	31,839.99	31,839.99	100.0	1
Tokyo-11	GLP Kasukabe	4,240	3,900	5,280	0.8	18,460.73	18,460.73	100.0	1
Tokyo-12	GLP Koshigaya II	9,780	9,278	13,500	1.9	43,533.28	43,533.28	100.0	2
Tokyo-13	GLP Misato II	14,868	14,196	21,100	2.8	59,208.59	59,208.59	100.0	2
Tokyo-14	GLP Tatsumi	4,960	4,824	6,570	0.9	12,925.58	12,925.58	100.0	1
Tokyo-15	GLP Hamura	7,660	7,396	9,660	1.5	40,277.93	40,277.93	100.0	1
Tokyo-16	GLP Funabashi III	3,050	3,007	4,170	0.6	18,281.84	18,281.84	100.0	1
Tokyo-17	GLP Sodegaura	6,150	5,784	8,080	1.2	45,582.06	45,582.06	100.0	1
Tokyo-18	GLP Urayasu III	18,760	18,100	22,200	3.6	64,198.11	64,198.11	100.0	2
Tokyo-19	GLP Tatsumi Ila	6,694	6,627	8,500	1.3	17,108.52	17,108.52	100.0	1
Tokyo-21	GLP Tokyo II	36,373	35,292	42,300	6.9	79,073.21	79,073.21	100.0	6
Tokyo-22	GLP Okegawa	2,420	2,353	3,010	0.5	17,062.92	17,062.92	100.0	1
Tokyo-23	GLP Shinkiba	11,540	11,512	12,800	2.2	18,341.73	18,341.73	100.0	1
Tokyo-24	GLP Narashino	5,320	5,315	5,570	1.0	23,548.03	23,548.03	100.0	3
Tokyo-26	GLP Sugito	8,481	8,339	10,300	1.6	58,918.12	58,918.12	100.0	1
Tokyo-27	GLP Matsudo	2,356	2,422	2,880	0.4	14,904.60	14,904.60	100.0	1
Tokyo-28	GLP-MFLP Ichikawa Shiohama (Note 8)	15,500	15,341	16,850	3.0	50,813.07	50,813.07	100.0	5
Tokyo-29	GLP Atsugi II	21,100	20,738	23,500	4.0	74,176.27	74,176.27	100.0	2
Tokyo-30	GLP Yoshimi	11,200	10,976	11,600	2.1	62,362.89	62,362.89	100.0	1
Tokyo-31	GLP Noda-Yoshiharu	4,496	4,533	5,300	0.9	26,631.40	26,631.40	100.0	1
Tokyo-32	GLP Urayasu	7,440	7,473	7,780	1.4	25,839.60	25,839.60	100.0	1
Tokyo-33	GLP Funabashi II	7,789	7,811	8,300	1.5	34,699.09	34,349.01	99.0	1
Tokyo-34	GLP Misato	16,939	16,990	18,100	3.2	46,892.00	46,892.00	100.0	1

Property number	Property name	Acquisition price (Million yen) (Note 1)	Book value (Million yen)	Appraisal value (Million yen) (Note 2)	Share (%) (Note 3)	Leasable area (m ²) (Note 4)	Leased area (m ²) (Note 5)	Occupancy ratio (%) (Note 6)	Number of tenants (Note 7)
Osaka-1	GLP Hirakata	4,750	4,592	6,270	0.9	29,829.56	29,829.56	100.0	1
Osaka-2	GLP Hirakata II	7,940	7,491	9,250	1.5	43,283.01	43,283.01	100.0	1
Osaka-3	GLP Maishima II	9,288	8,321	12,000	1.8	56,511.10	56,511.10	100.0	1
Osaka-4	GLP Tsumori	1,990	2,006	2,640	0.4	16,080.14	16,080.14	100.0	1
Osaka-5	GLP Rokko	5,160	5,025	6,020	1.0	39,339.00	39,339.00	100.0	1
Osaka-6	GLP Amagasaki	24,963	23,480	29,100	4.8	110,224.41	110,224.41	100.0	7
Osaka-7	GLP Amagasaki II	2,040	1,954	2,300	0.4	12,342.95	12,342.95	100.0	1
Osaka-8	GLP Nara	2,410	2,111	2,990	0.5	19,545.35	19,545.35	100.0	1
Osaka-9	GLP Sakai	2,000	1,836	2,230	0.4	10,372.10	10,372.10	100.0	1
Osaka-10	GLP Rokko II	3,430	3,180	4,260	0.7	20,407.30	20,407.30	100.0	1
Osaka-11	GLP Kadoma	2,430	2,424	3,180	0.5	12,211.73	12,211.73	100.0	1
Osaka-12	GLP Seishin	1,470	1,435	1,650	0.3	9,533.88	9,533.88	100.0	1
Osaka-13	GLP Fukusaki	3,928	3,634	4,490	0.7	24,167.83	24,167.83	100.0	1
Osaka-14	GLP Kobe-Nishi	7,150	6,798	7,620	1.4	35,417.31	35,417.31	100.0	1
Osaka-15	GLP Fukaehama	4,798	4,707	4,920	0.9	19,386.00	19,386.00	100.0	1
Osaka-16	GLP Maishima I	19,390	19,394	19,400	3.7	72,948.78	72,948.78	100.0	1
Other-1	GLP Morioka	808	763	871	0.2	10,253.80	10,253.80	100.0	1
Other-2	GLP Tomiya	3,102	2,967	3,610	0.6	20,466.98	20,466.98	100.0	1
Other-3	GLP Koriyama I	4,100	3,686	4,590	0.8	24,335.96	24,335.96	100.0	1
Other-4	GLP Koriyama III	2,620	2,647	2,770	0.5	27,671.51	27,671.51	100.0	4
Other-5	GLP Tokai	6,210	5,863	7,900	1.2	32,343.31	32,343.31	100.0	1
Other-6	GLP Hayashima	1,190	1,200	1,360	0.2	13,574.58	13,574.58	100.0	1
Other-7	GLP Hayashima II	2,460	2,208	2,880	0.5	14,447.48	14,447.48	100.0	1
Other-8	GLP Kiyama	5,278	4,690	6,040	1.0	23,455.96	23,455.96	100.0	1
Other-10	GLP Sendai	5,620	5,348	6,800	1.1	37,256.23	37,256.23	100.0	1
Other-11	GLP Ebetsu	1,580	1,443	2,210	0.3	18,489.25	18,489.25	100.0	1
Other-12	GLP Kuwana	3,650	3,379	4,300	0.7	20,402.12	20,402.12	100.0	1
Other-13	GLP Hatsukaichi	1,980	1,851	2,360	0.4	10,981.89	10,981.89	100.0	1
Other-14	GLP Komaki	10,748	10,277	13,700	2.0	52,709.97	52,709.97	100.0	2
Other-15	GLP Ogimachi	1,460	1,448	1,620	0.3	13,155.28	13,155.28	100.0	1
Other-16	GLP Hiroshima	3,740	3,618	4,170	0.7	21,003.04	21,003.04	100.0	2
Other-17	GLP Fukuoka	1,520	1,468	1,700	0.3	14,641.22	14,641.22	100.0	1
Other-19	GLP Tosu I	9,898	9,466	11,200	1.9	74,860.38	74,860.38	100.0	1
Other-20	GLP Tomiya IV	5,940	5,844	6,490	1.1	32,562.60	32,562.60	100.0	1
Other-21	GLP Soja I	12,800	12,789	13,100	2.4	63,015.53	50,894.34	80.8	4
Other-22	GLP Soja II	12,700	12,700	13,000	2.4	63,213.21	62,215.62	98.4	8
Total portfolio		524,644	506,227	622,221	100.0	2,459,807.22	2,445,411.80	99.4	114

(Note 1) “Acquisition price” represents the purchase amount (excluding acquisition costs and consumption taxes) of each property or beneficiary

right in trust as stated in the Sales and Purchase Contract or the Price Agreement associated to the Contract.

- (Note 2) “Appraisal value” represents the appraisal value or research price as set forth on the relevant study reports by real estate appraisers as of the balance sheet date in accordance with the policy prescribed in the Articles of Incorporation of GLP J-REIT and the rules of the Investment Trusts Association, Japan.
- (Note 3) “Share” is the ratio of the acquisition price of each property or property in trust to total acquisition price, and rounded to the first decimal place.
- (Note 4) “Leasable area” is the area of property or property in trust that is available for lease in accordance with relevant lease agreements or architectural drawings. The figures are rounded down to the second decimal place. The leasable area may be changed upon renewal of lease agreements.
- (Note 5) “Leased area” is the total area leased to building tenants in accordance with the relevant lease agreement of each property or property in trust. The figures are rounded down to the second decimal place. When the property or property in trust is leased through a master lease agreement, the leased area represents the total space actually leased based on the lease agreement concluded with end-tenants.
- (Note 6) “Occupancy ratio” is rounded to the first decimal place. However, when it may result in 100.0% after rounding, the figure is rounded down to the first decimal place and shown as 99.9%
- (Note 7) “Number of tenants” represents the total number of building tenants stated on the lease agreement of each property or property in trust.
- (Note 8) GLP-MFLP Ichikawa Shiohama is a property under joint co-ownership which GLP-JREIT holds 50% beneficiary right of real estate in trust. “Leasable area” and “Leased area” stated above are computed by multiplying 50% of the joint co-ownership ratio.

(3) Capital Expenditure for Properties Owned

(a) Future plan for capital expenditure

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

Property name	Location	Purpose	Planned period	Estimated construction cost (Million yen)		
				Total amount	Amount paid during the period	Total amount paid
GLP Narashino II	Narashino, Chiba	Renewal of water chiller/heater	From May 2018 to November 2018	73	—	—
GLP Amagasaki	Amagasaki, Hyogo	Renovation of shutters and elevators	From December 2018 to March 2019	50	—	—
GLP Sugito II	Kita-Katsushika, Saitama	FRP waterproofing work on roofs	From October 2018 to December 2018	38	—	—
GLP Kasukabe	Kasukabe, Saitama	Roadbed improvement work in the facility yard	From August 2019 to August 2019	32	—	—
GLP Rokko	Kobe, Hyogo	Renovation of exterior walls, South-side of ASB building, West-side of warehouse building and other	From October 2018 to December 2018	30	—	—
GLP Tokyo	Ota, Tokyo	FRP waterproofing work on roofs	From June 2019 to August 2019	28	—	—
GLP Amagasaki	Amagasaki, Hyogo	Installation of transformers	From February 2019 to February 2019	25	—	—

(b) Capital expenditure incurred for the period

The following table summarizes the major constructions to holding properties that resulted in capital expenditure for the current period. Capital expenditure for the current period was 658 million yen. The total construction cost amounted to 794 million yen, including repair and maintenance of 135 million yen that was accounted for as expenses.

Property name	Location	Purpose	Period	Construction cost (Million yen)
GLP Sendai	Sendai, Miyagi	Renovation of East-side exterior walls	From April 2018 to August 2018	58
GLP Amagasaki	Amagasaki, Hyogo	Trunk cable installation and switching construction	From June 2018 to August 2018	25
GLP Narashino	Narashino, Chiba	Steel canopy replacement	From June 2018 to July 2018	22
GLP Tokyo	Ota, Tokyo	FRP waterproofing work on roofs	From July 2018 to August 2018	21
GLP Kasukabe	Kasukabe, Saitama	Roadbed improvement work in the facility yard	From July 2018 to August 2018	21
Other	—	—	—	509
Total				658

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

The 13th Fiscal Period (From March 1, 2018 to August 31, 2018)

(Unit in amount: Thousand yen)

Property number	Tokyo-1	Tokyo-2	Tokyo-3	Tokyo-4	Tokyo-5	Tokyo-6	Tokyo-7
Property name	GLP Tokyo	GLP Higashi-Ogishima	GLP Akishima	GLP Tomisato	GLP Narashino II	GLP Funabashi	GLP Kazo
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues	738,098	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)
(2) Property-related expenses	149,362						
Taxes and dues	56,882						
Property and facility management fees	39,598						
Utilities	34,995						
Repair and maintenance	746						
Casualty insurance	759						
Others	16,380						
(3) NOI((1)-(2))	588,735	161,199	230,537	141,204	404,611	50,663	328,321
(4) Depreciation	116,696	41,862	28,218	37,841	130,790	16,041	101,970
(5) Loss on disposal of property and equipment	-	-	-	-	-	-	-
(6) Operating income from property leasing ((3)-(4)-(5))	472,039	119,337	202,319	103,362	273,820	34,621	226,351
(7) Capital expenditure	28,561	23,468	11,180	1,976	38,448	23,416	16,720
(8) NCF((3)-(7))	560,174	137,731	219,357	139,228	366,163	27,247	311,601

Property number	Tokyo-8	Tokyo-9	Tokyo-10	Tokyo-11	Tokyo-12	Tokyo-13	Tokyo-14
Property name	GLP Fukaya	GLP Sugito II	GLP Iwatsuki	GLP Kasukabe	GLP Koshigaya II	GLP Misato II	GLP Tatsumi
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues	(Note)	687,885	(Note)	(Note)	(Note)	(Note)	(Note)
(2) Property-related expenses		143,948					
Taxes and dues		50,043					
Property and facility management fees		42,482					
Utilities		39,545					
Repair and maintenance		7,714					
Casualty insurance		1,197					
Others		2,964					
(3) NOI((1)-(2))	79,542	543,937	166,579	115,623	270,085	419,869	124,676
(4) Depreciation	29,695	131,001	42,635	36,803	53,404	83,494	13,604
(5) Loss on disposal of property and equipment	-	-	-	-	-	-	-
(6) Operating income from property leasing ((3)-(4)-(5))	49,846	412,935	123,943	78,819	216,680	336,374	111,071
(7) Capital expenditure	10,121	12,786	4,208	28,830	4,440	7,504	491
(8) NCF((3)-(7))	69,421	531,151	162,371	86,793	265,645	412,365	124,185

Property number	Tokyo-15	Tokyo-16	Tokyo-17	Tokyo-18	Tokyo-19	Tokyo-21	Tokyo-22
Property name	GLP Hamura	GLP Funabashi III	GLP Sodegaura	GLP Urayasu III	GLP Tatsumi Iia	GLP Tokyo II	GLP Okegawa
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues	(Note)	(Note)	(Note)	(Note)	(Note)	1,107,944	(Note)
(2) Property-related expenses						250,328	
Taxes and dues						84,674	
Property and facility management fees						63,825	
Utilities						92,537	
Repair and maintenance						2,800	
Casualty insurance						1,095	
Others						5,395	
(3) NOI((1)-(2))	211,106	83,191	189,799	468,689	162,374	857,616	70,533
(4) Depreciation	39,236	20,939	41,308	109,196	19,922	180,610	22,857
(5) Loss on disposal of property and equipment	-	-	-	-	-	-	-
(6) Operating income from property leasing ((3)-(4)-(5))	171,870	62,252	148,491	359,492	142,451	677,005	47,675
(7) Capital expenditure	4,390	9,789	-	17,325	6,782	9,812	1,670
(8) NCF((3)-(7))	206,716	73,402	189,799	451,364	155,592	847,804	68,863

Property number	Tokyo-23	Tokyo-24	Tokyo-26	Tokyo-27	Tokyo-28	Tokyo-29	Tokyo-30
Property name	GLP Shinkiba	GLP Narashino	GLP Sugito	GLP Matsudo	GLP-MFLP Ichikawa Shiohama	GLP Atsugi II	GLP Yoshimi
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues	(Note)	171,801	(Note)	(Note)	484,631	(Note)	(Note)
(2) Property-related expenses		31,105			87,879		
Taxes and dues		8,411			37,765		
Property and facility management fees		8,731			26,280		
Utilities		8,564			18,986		
Repair and maintenance		992			1,326		
Casualty insurance		216			622		
Others		4,190			2,897		
(3) NOI((1)-(2))	259,978	140,695	224,157	67,433	396,752	487,340	287,425
(4) Depreciation	34,995	23,279	47,888	12,033	64,140	115,183	74,127
(5) Loss on disposal of property and equipment	-	-	-	-	-	-	-
(6) Operating income from property leasing ((3)-(4)-(5))	224,983	117,416	176,268	55,400	332,612	372,156	213,297
(7) Capital expenditure	1,008	38,900	7,894	1,504	2,438	-	-
(8) NCF((3)-(7))	258,970	101,795	216,263	65,929	394,314	487,340	287,425

Property number	Tokyo-31	Tokyo-32	Tokyo-33	Tokyo-34	Osaka-1	Osaka-2	Osaka-3
Property name	GLP Noda-Yoshiharu	GLP Urayasu	GLP Funabashi II	GLP Misato	GLP Hirakata	GLP Hirakata II	GLP Maishima II
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)
(2) Property-related expenses							
Taxes and dues							
Property and facility management fees							
Utilities							
Repair and maintenance							
Casualty insurance							
Others							
(3) NOI((1)-(2))	118,679	161,772	186,138	403,400	159,555	220,315	286,604
(4) Depreciation	30,388	35,199	34,018	61,913	23,151	36,870	97,394
(5) Loss on disposal of property and equipment	-	-	-	-	-	-	-
(6) Operating income from property leasing ((3)-(4)-(5))	88,290	126,573	152,120	341,486	136,403	183,444	189,209
(7) Capital expenditure	-	17,147	10,708	-	13,385	10,815	1,556
(8) NCF((3)-(7))	118,679	144,625	175,430	403,400	146,170	209,500	285,048

Property number	Osaka-4	Osaka-5	Osaka-6	Osaka-7	Osaka-8	Osaka-9	Osaka-10
Property name	GLP Tsumori	GLP Rokko	GLP Amagasaki	GLP Amagasaki II	GLP Nara	GLP Sakai	GLP Rokko II
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues	(Note)	(Note)	882,984	(Note)	(Note)	(Note)	(Note)
(2) Property-related expenses			193,657				
Taxes and dues			70,629				
Property and facility management fees			48,444				
Utilities			63,204				
Repair and maintenance			7,274				
Casualty insurance			1,310				
Others			2,794				
(3) NOI((1)-(2))	57,251	200,327	689,327	64,209	86,536	58,429	117,357
(4) Depreciation	7,819	30,864	165,639	11,791	27,713	16,129	27,442
(5) Loss on disposal of property and equipment	-	-	-	-	-	-	-
(6) Operating income from property leasing ((3)-(4)-(5))	49,431	169,462	523,687	52,418	58,823	42,299	89,914
(7) Capital expenditure	15,466	5,869	45,126	1,898	6,051	600	-
(8) NCF((3)-(7))	41,784	194,457	644,201	62,311	80,485	57,829	117,357

Property number	Osaka-11	Osaka-12	Osaka-13	Osaka-14	Osaka-15	Osaka-16	Other-1
Property name	GLP Kadoma	GLP Seishin	GLP Fukusaki	GLP Kobe-Nishi	GLP Fukaehama	GLP Maishima I	GLP Morioka
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)
(2) Property-related expenses							
Taxes and dues							
Property and facility management fees							
Utilities							
Repair and maintenance							
Casualty insurance							
Others							
(3) NOI((1)-(2))	75,294	45,729	135,390	195,817	135,200	494,994	28,263
(4) Depreciation	12,059	11,644	47,946	58,709	37,666	144,324	13,944
(5) Loss on disposal of property and equipment	-	-	-	-	-	-	-
(6) Operating income from property leasing ((3)-(4)-(5))	63,234	34,085	87,443	137,107	97,533	350,669	14,318
(7) Capital expenditure	1,448	8,720	3,571	370	140	2,892	1,732
(8) NCF((3)-(7))	73,846	37,009	131,819	195,447	135,060	492,102	26,531

Property number	Other-2	Other-3	Other-4	Other-5	Other-6	Other-7	Other-8
Property name	GLP Tomiya	GLP Koriyama I	GLP Koriyama III	GLP Tokai	GLP Hayashima	GLP Hayashima II	GLP Kiyama
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues	(Note)	(Note)	126,303	(Note)	(Note)	(Note)	(Note)
(2) Property-related expenses			35,138				
Taxes and dues			15,296				
Property and facility management fees			6,937				
Utilities			8,354				
Repair and maintenance			2,826				
Casualty insurance			277				
Others			1,447				
(3) NOI((1)-(2))	106,025	122,189	91,164	176,528	43,964	76,379	183,374
(4) Depreciation	31,363	41,924	27,262	35,054	7,827	23,687	64,146
(5) Loss on disposal of property and equipment	-	-	-	-	-	-	-
(6) Operating income from property leasing ((3)-(4)-(5))	74,661	80,264	63,901	141,474	36,137	52,692	119,228
(7) Capital expenditure	8,960	4,326	29,333	5,300	4,555	61	3,676
(8) NCF((3)-(7))	97,065	117,863	61,831	171,228	39,409	76,318	179,698

Property number	Other-10	Other-11	Other-12	Other-13	Other-14	Other-15	Other-16
Property name	GLP Sendai	GLP Ebetsu	GLP Kuwana	GLP Hatsukaichi	GLP Komaki	GLP Ogimachi	GLP Hiroshima
Operating dates	184	184	184	184	184	184	184
(1) Property-related revenues	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)
(2) Property-related expenses							
Taxes and dues							
Property and facility management fees							
Utilities							
Repair and maintenance							
Casualty insurance							
Others							
(3) NOI((1)-(2))	175,810	59,990	122,529	67,231	311,383	45,184	113,658
(4) Depreciation	48,184	19,497	29,502	14,911	74,888	19,293	28,060
(5) Loss on disposal of property and equipment	-	-	-	-	-	-	-
(6) Operating income from property leasing ((3)-(4)-(5))	127,625	40,492	93,026	52,320	236,495	25,891	85,598
(7) Capital expenditure	64,259	8,362	-	-	6,888	2,094	16,330
(8) NCF((3)-(7))	111,551	51,628	122,529	67,231	304,495	43,090	97,328

Property number	Other-17	Other-19	Other-20	Other-21	Other-22
Property name	GLP Fukuoka	GLP Tosu I	GLP Tomiya IV	GLP Soja I	GLP Soja II
Operating dates	184	184	184	184	184
(1) Property-related revenues	(Note)	(Note)	(Note)	419,272	370,222
(2) Property-related expenses				58,636	46,471
Taxes and dues				-	-
Property and facility management fees				26,925	23,324
Utilities				24,520	19,588
Repair and maintenance				517	478
Casualty insurance				806	799
Others				5,867	2,281
(3) NOI((1)-(2))	50,151	305,687	171,639	360,635	323,750
(4) Depreciation	13,914	101,357	46,061	87,295	84,257
(5) Loss on disposal of property and equipment	-	-	-	-	-
(6) Operating income from property leasing ((3)-(4)-(5))	36,236	204,329	125,578	273,339	239,492
(7) Capital expenditure	6,783	4,684	24,907	794	6,050
(8) NCF((3)-(7))	43,368	301,003	146,732	359,841	317,700

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