

# Asset Management Report

Feb 2013 Fiscal Period

Global Logistic  
Properties

GLP J-REIT



2nd Fiscal Period

(from July 1, 2012 to February 28, 2013)

**GLP J-REIT**

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

Dividend per unit  
(Feb 2013 actual)

**531** yen

(including optimal payable distribution  
of 84 yen)

Dividend per unit  
(Aug 2013 forecast)

**2,160** yen

(including optimal payable distribution  
of 260 yen)

Total asset size

**221.3** bn yen

Occupancy

**99.9** %

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# To Our Valued Investors

Thanks to your support and that of our business partners, GLP J-REIT (“GLP J-REIT”) was listed on the Tokyo Stock Exchange on December 21, 2012, as a real estate investment corporation specializing in logistics facilities—the largest of its kind in Japan.

Cooperating with Global Logistic Properties Limited (“GLP”) as its sponsor—one of the world’s largest providers of modern logistics facilities—GLP J-REIT aims to earn stable income and achieve steady growth in its asset size over the medium and long term. It aims to do this by investing in large-scale, highly functional modern logistics facilities that are expected to be in high demand due to the scarcity of these facilities in Japan.

I hereby report the results of the second fiscal term (ended February 2013), which is the first fiscal term end since our IPO. GLP J-REIT acquired its assets and started its asset management on January 4, 2013, and has managed these assets for about two months (irregular fiscal term). As a result, the second period ended with operating revenues of 2,236 million yen, ordinary income of 910 million yen, and net income of 907 million yen. The total dividend is now 531 yen per unit, including a dividend of 447 yen per unit and optimal payable distribution per unit of 84 yen.

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

I respectfully ask for your continued support and encouragement in the years to come.



GLP J-REIT Executive Director  
GLP Japan Advisors Inc. President & CEO

Masato Miki



# Topics

Acquired 30 properties for its initial portfolio on January 4, 2013 (acquisition price:

- 208.7 bn yen) and 3 properties on February 1, 2013 (acquisition price: 12.5 bn yen) by exercising a purchase option earlier than initially scheduled

- Enjoyed a smooth launch, with a stable portfolio (33 properties with 99.9% occupancy), and achieved upward revisions in rent

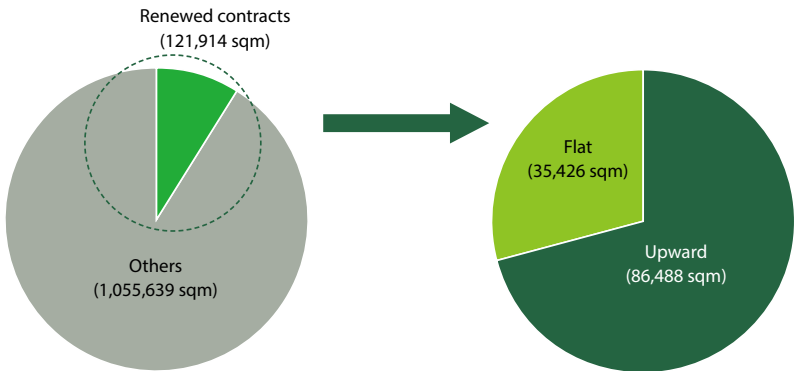
- Built up a solid bank formation with major Japanese banks, and realized low-cost borrowing and maturity diversification

- Established a market presence by being included in indices and winning deal awards

- Achieved a 100% retention rate after June 30, 2012<sup>1</sup>, and realized 0.4% rental growth (Portfolio basis)

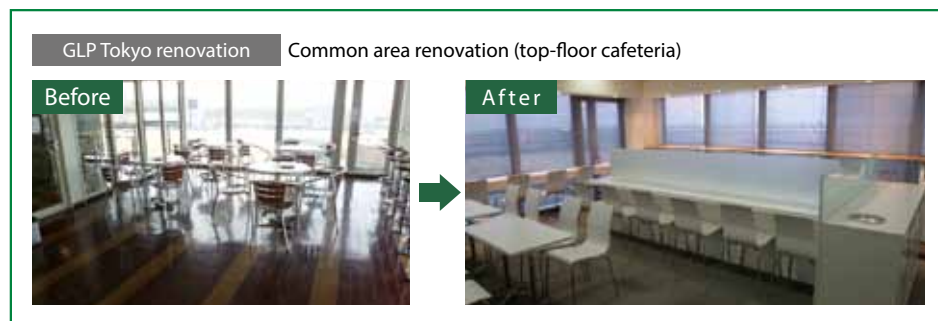
100% retention

Upward revision



1. Data in Offering Circular

## ■ Keep strengthening tenant satisfaction



## ■ Inclusion in indices

Included in a number of indices that are widely used as a benchmark

Index	Date of inclusion
TSE REIT Index	1/31/2013
FTSE EPRA / NA-REIT Global Real Estate Index	3/18/2013
S&P Global BMI Index	3/18/2013
UBS Global Real Estate Index	3/22/2013
Russell Global Index	3/29/2013

## ■ Deal awards

### Equity Division “IPO of the Year,” “Innovative Equity Deal of the Year”

Reason for winning the award:

**(IPO of the Year)** Listed as a foreign-capital fund that specializes in logistics facilities, sponsored by SWF. Through its excellent portfolio and the introduction of Japan's first incentive reward to the management of the managing company, it was viewed as a sign of the reinvigoration not only of J-REIT but the entire IPO.

**(Innovative Equity Deal of the Year)** Introduced Japan's first optimal payable distribution. Utilizing the characteristic of a logistics facility fund that does not incur repair costs as much as office buildings, it has decided to distribute approx. 30% of depreciation cost generated during the calculation period. It offered sufficient explanation to domestic investors, which led to high penetration of the fund.

### Real Estate Investment Trust Division “Special Award”

Reason for winning the award:

It has made various endeavors to create a “second generation of REIT.” At the top of the list is the introduction of REIT's first optimal payable distribution system. It is an innovative deal that takes advantage of a logistics REIT. Being a new listing before the market gained momentum, it carefully prepared measures for the deal to succeed and also devised purchase options and other measures.

# Financial Highlights

## ■ Financials results

February 2013 (mm yen)

**Feb 2013**

(from July 1, 2012 to February 28, 2013)

**Aug 2013 (forecast)**

(from March 1, 2013 to August 31, 2013)

Operating revenue	2,236	7,233
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Operating income	1,328	4,264
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Ordinary income	910	3,494
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Net income	907	3,493
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## ■ Dividend per unit (yen)

**Feb 2013**

(from July 1, 2012 to February 28, 2013)

**Aug 2013 (forecast)**

(from March 1, 2013 to August 31, 2013)

Dividend per unit (total)	531	2,160
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Dividend per unit	447	1,900
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Dividend per unit (excl. OPD)	84	260
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# Portfolio Data

## Portfolio Data

Acquisition price

**221,311** mm yen

No. of properties

**33** assets

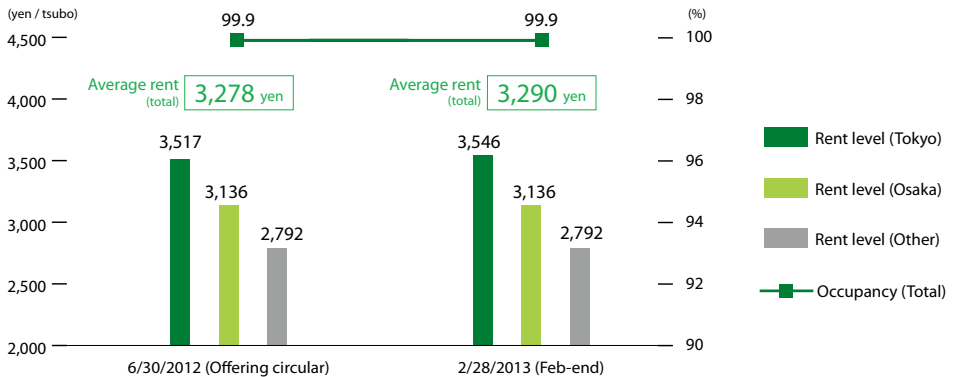
Occupancy

**99.9** %

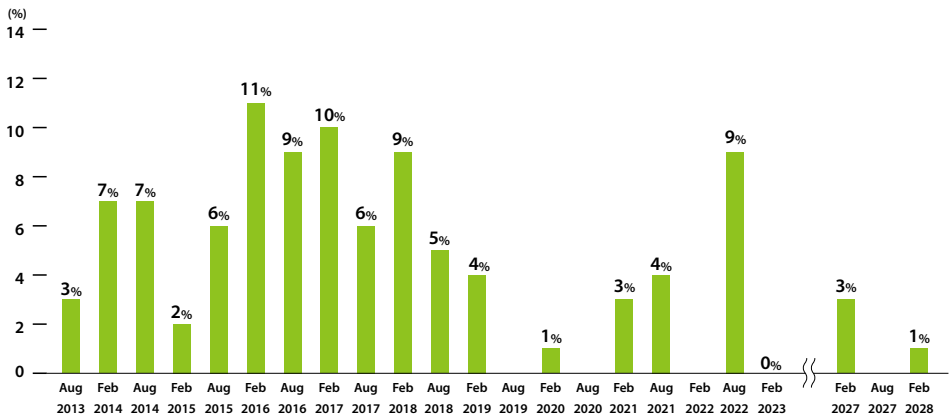
Average monthly rent

**3,290** yen / tsubo

## Occupancy and rent level by area (33 asset base)

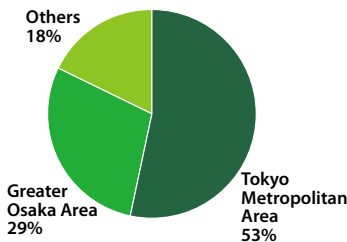


## Lease expiry profile

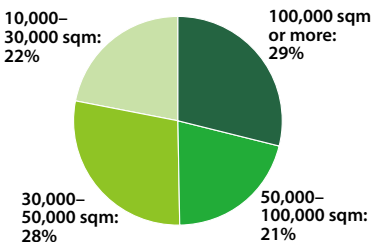


# Portfolio Data

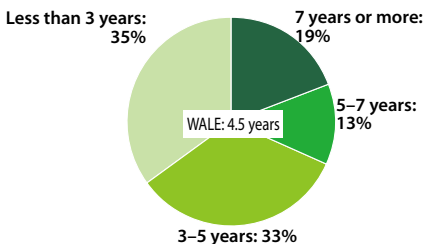
Location



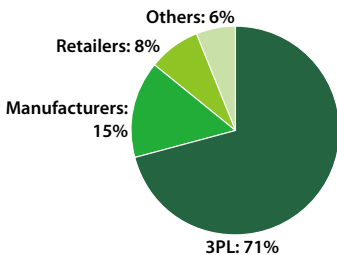
Building scale



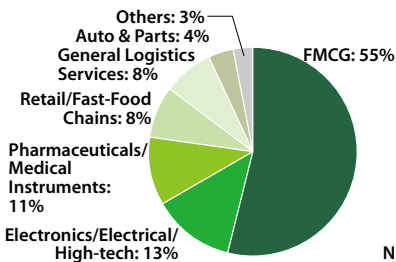
Lease expiry



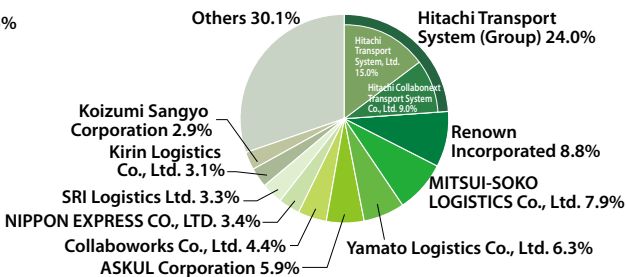
Tenant industry



End-user industry



Top 10 tenants



1. As of February 28, 2013. Location and building scale are based on gross floor area. Lease expiry and Weighted Average Lease Expiry (WALE) are based on the leased area, excluding vacant area.

# Debt Information

## ■ Loan details

Average interest rate<sup>1</sup>

**0.93 %**

LTV (Total Loan/Total Assets)

**49.4 %**

Average remaining period

**3.8 years**

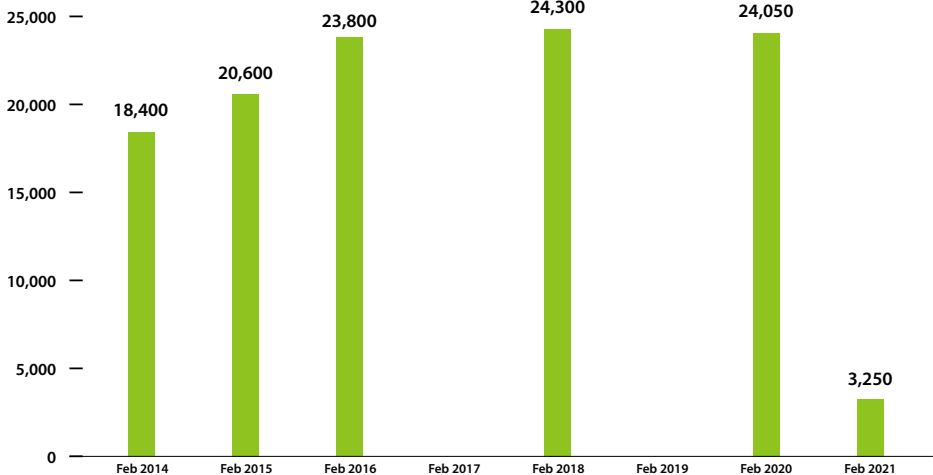
Long-term loan ratio

**83.9 %**

1. Interest paid only (excludes amortization of loan-related costs)

## ■ Debt maturity ladder

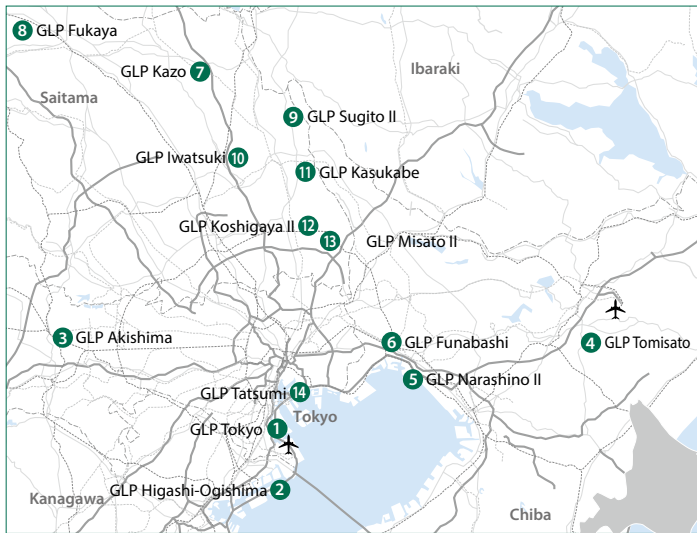
(mm yen)



## ■ Credit Ratings

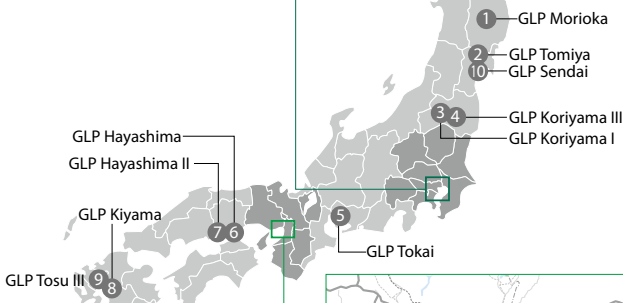
Credit Rating Agency	Subject	Rating	Outlook
JCR (Japan Credit Rating Agency, Ltd.)	Long-term issuer rating	AA-	Stable

# Portfolio Map

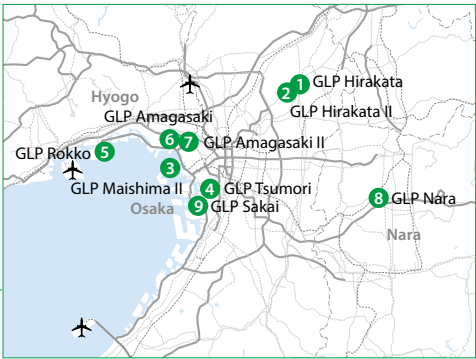


Tokyo Metropolitan Area

Other Area



Greater Osaka Area



# Overview of Portfolio in **Tokyo** Metropolitan Area

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**1** GLP Tokyo Ota, Tokyo



**2** GLP Higashi-Ogishima Kawasaki, Kanagawa



**4** GLP Tomisato Tomisato, Chiba



**3** GLP Akishima Akishima, Tokyo



**5** GLP Narashino II Narashino, Chiba

# Overview of Portfolio in Tokyo Metropolitan Area



**6** GLP Funabashi Funabashi, Chiba



**7** GLP Kazo Kazo, Saitama



**9** GLP Sugito II Kita-Katsushika, Saitama



**12** GLP Koshigaya II Koshigaya, Saitama

**13** GLP Misato II Misato, Saitama



**8** GLP Fukaya Fukaya, Saitama



**10** GLP Iwatsuki Saitama, Saitama



**11** GLP Kasukabe Kasukabe, Saitama



**14** GLP Tatsumi Koto, Tokyo

# Overview of Portfolio in Greater **Osaka** Area

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**1** GLP Hirakata Hirakata, Osaka



**2** GLP Hirakata II Hirakata, Osaka



**3** GLP Maishima II Osaka, Osaka



**4** GLP Tsumori Osaka, Osaka



**8** GLP Nara Yamatokoriyama, Nara



**7** GLP Amagasaki II  
Amagasaki, Hyogo



**5** GLP Rokko Kobe, Hyogo



**9** GLP Sakai Sakai, Osaka

**6** GLP Amagasaki Amagasaki, Hyogo



Overview of Portfolio in  
**Other**Area

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**1** GLP Morioka Shiwa, Iwate



**2** GLP Tomiya Kurokawa, Miyagi



**3** GLP Koriyama I Koriyama, Fukushima



**5** GLP Tokai Tokai, Aichi



**4** GLP Koriyama III Koriyama, Fukushima



**6** GLP Hayashima Tsukubo, Okayama



**7** GLP Hayashima II Tsukubo, Okayama



**8** GLP Kiyama Miyaki, Saga



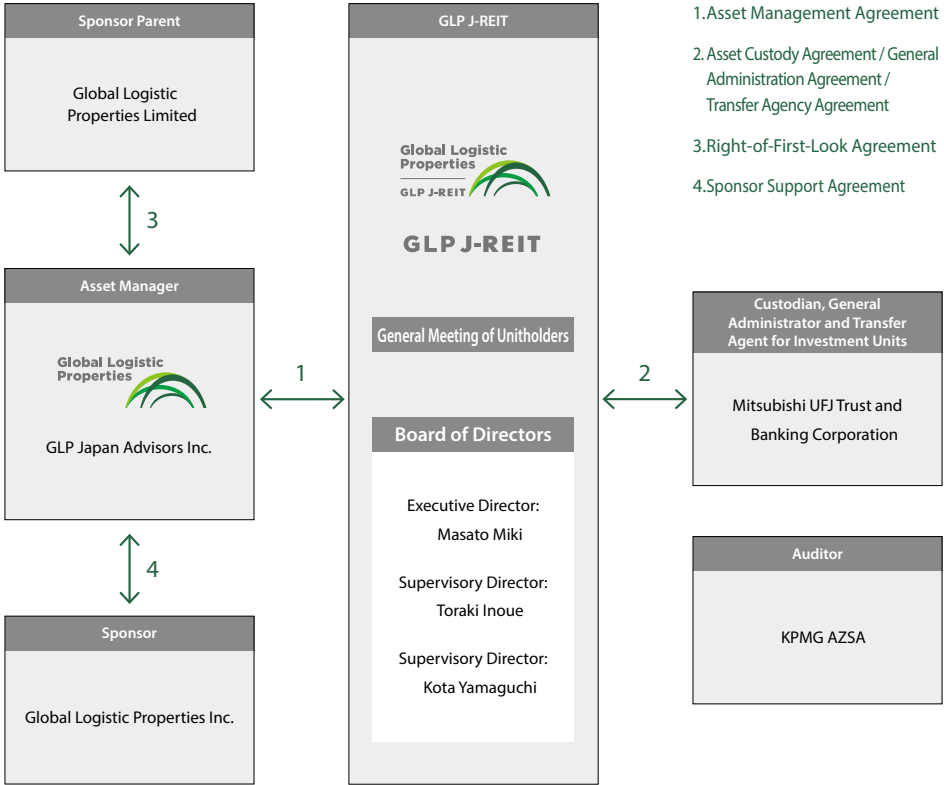
**9** GLP Tosu III Tosu, Saga



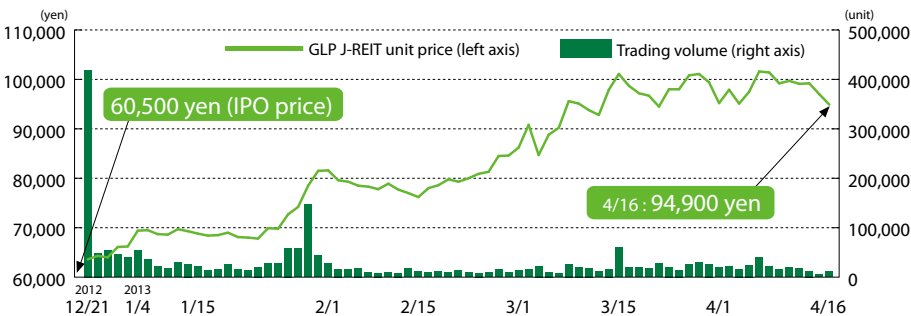
**10** GLP Sendai Sendai, Miyagi

# Overview GLP J-REIT

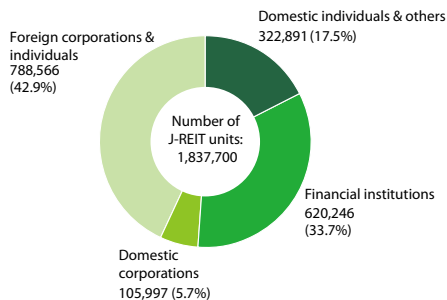
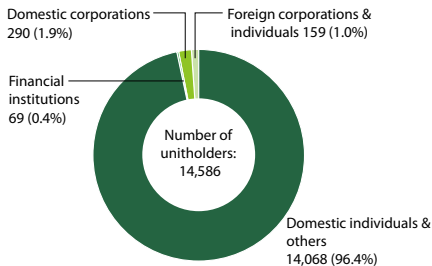
## Structure of GLP J-REIT



## Historical investment unit price (closing price)



## Unitholder composition



# ASSET MANAGEMENT REPORT

## [Overview of Asset Management]

### 1. Trends in Key Indicators

		1st Period	2nd Period
		From September 16, 2011 to June 30, 2012	From July 1, 2012 to February 28, 2013
Operating revenues	Million yen	—	2,236
Of which, Property-related revenues	Million yen	—	2,236
Operating expenses	Million yen	8	908
Of which, Property-related expenses	Million yen	—	665
Operating income (loss)	Million yen	(8)	1,328
Ordinary income (loss)	Million yen	(85)	910
Net income (loss)	Million yen	(85)	907
Total assets	Million yen	456	231,353
[Period-on-period changes]	%	[—]	[—]
Total net assets	Million yen	114	108,323
[Period-on-period changes]	%	[—]	[—]
Unitholders' capital	Million yen	200	107,501
Number of investment units issued and outstanding	Unit	400	1,837,700
Net assets per unit (Note 4)	Yen	35,705	58,945
Distributions	Million yen	—	975
Of which, Distributions of earnings	Million yen	—	821
Of which, Distributions in excess of retained earnings	Million yen	—	154
Distributions per unit	Yen	—	531
Of which, Distributions of earnings per unit	Yen	—	447
Of which, Distributions in excess of retained earnings per unit	Yen	—	84
Ordinary income to total assets (Note 5)	%	(37.4)	0.8
[Annualized ordinary income to total assets]	%	[(47.3)]	[1.2]
Return on unitholders' equity (Note 5)	%	(150.1)	1.7
[Annualized return on unitholders' equity]	%	[(189.6)]	[2.5]
Unitholders' equity to total assets (Note 5)	%	25.0	46.8
[Period-on-period changes]	%	[—]	[21.8]
Payout ratio (Note 5)	%	—	90.5
【Other Information】			
Number of operating days (Note 6)		—	56
Number of investment properties		—	33
Occupancy ratio	%	—	99.9
Depreciation expenses	Million yen	—	515
Capital expenditures	Million yen	—	59
Rental NOI (Net Operating Income) (Note 5)	Million yen	—	2,086
FFO (Funds from Operation) (Note 5)	Million yen	—	1,422
FFO per unit (Note 5)	Yen	—	774
Total distributions / FFO ratio (Note 5)	%	—	68.6
Debt service coverage ratio (Note 5)		—	6.8
The ratio of interest bearing liabilities to total assets	%	—	49.4

(Note 1) The fiscal period of GLP J-REIT is two six-month operating periods from March 1 to August 31 and from September 1 to February 28/29 of the following year. However, the 1st fiscal period is from the date of inception (September 16, 2011) to June 30, 2012 and the 2nd fiscal period is from July 1, 2012 to February 28, 2013.

(Note 2) Operating revenues and expenses are stated net of consumption taxes.

(Note 3) Any fraction is rounded down for monetary amounts unless otherwise stated. Ratios are rounded off to the first decimal places.

(Note 4) GLP J-REIT executed an 8-for-1 unit split on October 31, 2012. Net assets per unit are calculated as if the unit split was executed on September 16, 2011.

(Note 5) The following formula is used for the calculation.

Ordinary income to total assets	$\text{Ordinary income (loss)} / [(\text{Total assets at beginning of period} + \text{Total assets at end of period}) / 2] \times 100$
Return on unitholders' equity	$\text{Net income (loss)} / [(\text{Net assets at beginning of period} + \text{Net assets at end of period}) / 2] \times 100$
Unitholders' equity to total assets	$\text{Net assets at end of period} / \text{Total assets at end of period} \times 100$
Payout ratio	The following formula is used due to issuance of new units during the period. $\text{Total distributions (excluding OPD**)} / \text{Net income} \times 100$
Rental NOI (Net Operating income)	$\text{Property-related revenues} - \text{Property-related expenses} + \text{Depreciation expenses}$
FFO (Funds From Operation)	$\text{Net income (loss)} + \text{Depreciation expenses} - \text{Gain (loss) on sale of properties}$
FFO per unit	$\text{FFO} / \text{Number of investment units issued and outstanding}$
Total distributions / FFO ratio	$\text{Total distributions (including OPD**)} / \text{FFO}$
Debt service coverage ratio	$(\text{Net income} + \text{Interest expenses}) / \text{Interest expenses}$

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

(Note 6) "Number of operating days" represents the number of actual days to conduct management operation of properties and properties in trust. For the 2nd fiscal period, the actual operating days were from January 4, 2013 to February 28, 2013.

## 2. Performance Review for the 2nd Period

### (1) Brief Background of GLP J-REIT

GLP J-REIT is Japan's largest real estate investment corporation (J-REIT) specializing in logistics facilities, primarily investing in modern logistics facilities. GLP J-REIT was founded on September 16, 2011 in accordance with the Act on Investment Trusts and Investment Corporations (hereinafter the "Investment Trust Act") with GLP Japan Advisors Inc. as the founder and initial capital of 100 million yen (200 investment units). Registration to the Kanto Local Finance Bureau under Article 187 of the Investment Trust Act was completed on October 3, 2011.

Subsequently, GLP J-REIT made the issuance of new investment units through a third-party allocation of 20 units on December 14, 2011 and 180 units on June 22, 2012, and issued 2,800 units through a unit split on October 31, 2012. Moreover, GLP J-REIT conducted the issuance of new investment units through a public offering for 1,747,100 units, with proceeds paid in by December 20, 2012 as the payment date, and had its units listed on the Real Estate Investment Trust Market of the Tokyo Stock Exchange on December 21, 2012 (securities code: 3281). With the issuance of 87,400 new investment units through a third-party allocation conducted on January 21, 2013, the number of investment units issued and outstanding as of the end of the current fiscal period totaled 1,837,700 units.

### (2) Investment Environment and Business Performance

During the current fiscal period, the Japanese economy started to show signs of picking up. This was triggered by the change of government as a result of the House of Representatives election that took place in December 2012 and exemplified by the rapid rise in stock market prices due to expectations for the Abe Administration that predominantly focuses on economic measures.

The J-REIT market was also active, with the TSE REIT Index rising significantly backed by continued capital inflow, and the current financing environment has remained favorable for J-REITs.

In the leasing market for logistics facilities, demand for large-scale logistics facilities remained solid and strong against the backdrop of the expansion of the third-party logistics (3PL) business and the e-commerce market, with the vacancy rate continuing to stay at a low level nationwide.

Under these conditions, GLP J-REIT acquired 30 properties (total acquisition price: 208,731 million yen) on January 4, 2013 using proceeds from the issuance of new investment units through public offering as well as borrowings, and started actual asset management. Moreover, GLP J-REIT acquired three properties (total acquisition price: 12,580 million yen) on February 1, 2013 using funds procured through a third-party allocation of units and additional borrowings.

As a result, GLP J-REIT owns 33 properties (total acquisition price: 221,311 million yen) as of the end of the current fiscal period, with total leasable area of 1,178,461.83m<sup>2</sup>. The occupancy rate of the entire portfolio remained stable at a high level of 99.9% as of the end of the current fiscal period.

### (3) Overview of Financing

GLP J-REIT procured 102,189 million yen through the public offering conducted on December 20, 2012 as the payment date and 5,112 million yen through the third-party allocation conducted on January 21, 2013 as the payment date. As a result, total

unitholders' equity stood at 107,501 million yen as of the end of the current fiscal period.

In addition, GLP J-REIT procured 18,400 million yen in short-term loans and 89,500 million yen in long-term loans on January 4, 2013, and borrowed 6,500 million yen in long-term loans on February 1, 2013. Accordingly, outstanding loans as of the end of the fiscal period totaled 114,400 million yen, with the ratio of interest-bearing liabilities to total assets (LTV) at 49.4%.

Furthermore, GLP J-REIT has been assigned the following credit rating as of the end of the current fiscal period.

Credit Rating Agency	Subject	Rating	Outlook
JCR (Japan Credit Rating Agency, Ltd.)	Long-term issuer rating	AA-	Stable

#### (4) Overview of Financial Results and Cash Distribution

As a result of these management efforts, GLP J-REIT posted operating revenues of 2,236 million yen, operating income of 1,328 million yen, ordinary income of 910 million yen and net income of 907 million yen for the current fiscal period. Unappropriated retained earnings stood at 822 million yen, after deducting 85 million yen of deficit carried forward.

As for cash distribution for the fiscal period, in accordance with the distribution policy set forth in the Articles of Incorporation of GLP J-REIT determined to distribute 821,451,900 yen, which represents the integral multiples of the number of investment units issued and outstanding (1,837,700 units), from unappropriated retained earnings to be eligible for the special tax treatment on investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation). Accordingly, distribution per unit for the fiscal period was 447 yen.

In addition, GLP J-REIT intends to distribute funds in excess of the amount of retained earnings (Optimal Payable Distribution (hereinafter "OPD") 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 154,366,800 yen, an amount almost equivalent to 30% of depreciation (515 million yen) for the fiscal period, as a refund of investment. As a result, the amount of OPD per unit was 84 yen.

(Note) Please refer to "4. Distributions" for details of distributions in excess of retained earnings.

### 3. Changes in Number of Investment Units Issued and Outstanding

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

Date	Type of issuance	Number of investment units issued and outstanding (Unit)		Unitholders' capital (Million yen)		Remark
		Increase (decrease)	Total	Increase (decrease)	Total	
September 16, 2011	Establishment through private placement	200	200	100	100	(Note 1)
December 14, 2011	Issuance of new units through allocation to a third party	20	220	10	110	(Note 2)
June 22, 2012	Issuance of new units through allocation to a third party	180	400	90	200	(Note 3)
October 31, 2012	Unit split	2,800	3,200	—	200	(Note 4)
December 20, 2012	Public offering	1,747,100	1,750,300	102,189	102,389	(Note 5)
January 21, 2013	Issuance of new units through allocation to a third party	87,400	1,837,700	5,112	107,501	(Note 6)

(Note 1) At establishment of GLP J-REIT, new units were issued at the issue price of 500,000 yen per unit.

(Note 2) In order to obtain necessary operating funds, GLP J-REIT issued new investment units through a third party allocation at 500,000 yen per unit.

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

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

(Note 5) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through public offering at the issue price of 60,500 yen or the offer price of 58,491 yen per unit.

(Note 6) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the offer price of 58,491 yen.

#### [Changes in Unit Price at TSE]

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

(Unit: Yen)

Fiscal Period	1st Period	2nd Period
For the period ended	June 30, 2012	February 28, 2013
Highest	—	84,600
Lowest	—	63,600

## 4. Distributions

Actual amounts of distributions for the 1st and 2nd fiscal periods are as follows:

	1st Period	2nd Period
	From September 16, 2011 to June 30, 2012	From July 1, 2012 to February 28, 2013
Unappropriated retained earnings or accumulated deficit	(85,743) thousand yen	822,090 thousand yen
Retained earnings (deficit) carried forward	(85,743) thousand yen	638 thousand yen
Total distributions (Distributions per unit)	— thousand yen (— yen)	975,818 thousand yen (531 yen)
Of which, distributions of earnings (Distributions of earnings per unit)	— thousand yen (— yen)	821,451 thousand yen (447 yen)
Of which, Distributions in excess of retained earnings (Distributions in excess of retained earnings per unit)	— thousand yen (— yen)	154,366 thousand yen (84 yen)

(Note) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings, which do not exceed the amount obtained by deducting an amount of capital expenditures for the calculation 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 59 million yen of capital expenditures for the current fiscal period from 515 million yen of depreciation expense for the period is 455 million yen.

For the time being, GLP J-REIT intends to make Optimal Payable Distribution (the “OPD”), that means distributions in excess of retained earnings, in an amount equal to approximately 30% of depreciation expenses for the calculation 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 plan or financial conditions in light of the estimated amount of capital expenditures for each fiscal term based on the long-term repair plan of GLP J-REIT.

With respect to all 33 properties held as of February 28, 2013, the six-month period average of total amount of the short-term emergency repair costs and the medium- to long-term repair costs, which are set out in the Engineering Report dated September 19, 2012 for each property prepared by Property Risk Solution Corporation, is 306 million yen. Additional acquisitions of properties have been completed and GLP J-REIT has ownership of all 33 properties effective February 1, 2013. Since then, the actual amount accounted for as depreciation expense with respect to all properties held (33 properties) for a month is 264 million yen, thus, the amount for the six-month period is estimated to be 1,586 million yen.

In addition, the amount of OPD is deducted from unitholders’ capital upon its payment.

## 5. Outlook of the Next Fiscal Period (3rd Period)

### (1) Operational Environment in the Next Fiscal Period

The Japanese economy is expected to stay on the ongoing recovery trend, partly owing to the emergency economic measures by the government proving effective.

As for transactions of leasable logistics facilities, proactive deals are continuing to take place, including participation of new players, due to the growing interest among investors. However, as the supply of such facilities is scarce compared with other asset types, securing sources of acquisition has become a vital issue. In the leasing market, the sense of scarcity for modern logistics facilities has continued to cause the vacancy rate to drop, while rents appear to keep an increasing trend along with the higher demand for lease.

With regard to the financing environment, financial institutions are anticipated to maintain their current proactive lending attitude, and the J-REIT market is expected to continue to persistent capital inflow.

## (2) Future Management Policy and Issues To Be Addressed

Under these circumstances, GLP J-REIT is committed to implement the following measures in pursuit of growth over the medium to long term.

In its internal growth strategy, while enjoying stable cash flows that characterize its portfolio of assets, GLP J-REIT will work on upward revision of rents upon the renewal of lease contracts in connection with the expiration of lease period, with consideration given to market rents.

As for external growth strategy, the Asset Manager of GLP J-REIT has entered into a right-of-first-look agreement with Global Logistics Properties Limited, which is the sponsor, and its group companies (hereinafter “GLP Group”), allowing GLP J-REIT to preferentially obtain information regarding the sale of logistics facilities with regard to the 35 properties wholly owned by the GLP Group (as of the date of this document). GLP J-REIT will take advantage of this agreement as a valuable pipeline, as well as investigate acquisitions from third parties, as it pursues further expansion of its portfolio size.

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

## 6. Significant Subsequent Events

None

## [Profile of GLP J-REIT]

### 1. Status of Unitholders' Capital

	1st Period As of June 30, 2012	2nd Period As of February 28, 2013
Number of investment units authorized	2,000,000 units	16,000,000 units
Number of investment units issued and outstanding	400 units	1,837,700 units
Total unitholders' capital	200 million yen	107,501 million yen
Number of unitholders	1	14,585

### 2. Matters Concerning Investment Units

The following is a list of major unitholders as of February 28, 2013.

Name	Location	Number of units held (Units)	Ratio to total units issued and outstanding (%) (Note)
GLP Capital Japan 2 Private Limited	Shiodome City Center, 1-5-2, Higashi-Shimbashi, Minato-ku, Tokyo	272,455	14.82
Japan Trustee Services Bank (Trust Account)	1-8-11, Harumi, Chuo-ku, Tokyo	234,467	12.75
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	Tower Z, Harumi Triton Square, Harumi 1-8-12, Chuo-ku, Tokyo	105,932	5.76
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3, Hamamatsucho, Minato-ku, Tokyo	95,300	5.18
The Nomura Trust and Banking Co., Ltd. (Trust Account)	2-2-2, Otemachi, Chiyoda-ku, Tokyo	85,432	4.64
Nomura Bank Luxembourg SA	1-2-3, Otemachi, Chiyoda-ku, Tokyo Standing proxy: Sumitomo Mitsui Banking Corporation	57,080	3.10
JP Morgan Chase Bank 380055	4-16-13, Tsukishima, Chuo-ku, Tokyo Standing proxy: Mizuho Corporate Bank, Ltd. (Settlement & Clearing Services Division)	56,714	3.08
State Street Bank and Trust Company	3-11-1, Nihonbashi, Chuo-ku, Tokyo Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited (Tokyo Branch)	49,457	2.69
Deutsche Bank AG London-PB Non-Treaty Clients 613	Sanno Park Tower, 2-11-1, Nagatacho, Chiyoda-ku, Tokyo Standing proxy: Deutsche Securities Inc.	25,326	1.37
Mellon Bank, N.A. as Agent for its Client Melon Omnibus US Pension	4-16-13, Tsukishima, Chuo-ku, Tokyo Standing proxy: Mizuho Corporate Bank, Ltd. (Settlement & Clearing Services Division)	20,368	1.10
Total		1,002,531	54.55

(Note) "Ratio to total units issued and outstanding" is rounded down to the second decimal place.

### 3. Matters Concerning Directors and Auditors

#### Names of Directors and Independent Auditor for the period ended February 28, 2013

Title	Name	Other concurrent title	Total amount of fees paid during the Period (Thousand yen)
Executive Director (Notes 1 and 2)	Masato Miki	President and CEO, GLP Japan Advisors Inc.	—
Supervisory Director (Note 2)	Toraki Inoue	Representative CPA, Toraki Inoue CPA Firm President, Account Advisory Co., Ltd. Outside Corporate Auditor, Pioneer Co., Ltd.	1,330
	Kota Yamaguchi	Partner, Kimura Takushima & Yamaguchi Law Firm	1,330
Independent Auditor (Note 3)	KPMG AZSA	—	45,000

(Note 1) Masato Miki owns 1,367 units of GLP J-REIT under his own name.

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

(Note 3) The amount of fees paid to Independent Audit includes 25,000 thousand yen of fees for agreed-upon procedures and preparation of a comfort letter in connection with the issuance of new investment units.

#### Policy on dismissal and non-reappointment of Independent Auditor

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

### 4. Asset Management Company, Custodian and General Administrator

Business	Company name
Asset Management Company	GLP Japan Advisors Inc.
Custodian, General Administrator and Transfer Agent for Investment Units	Mitsubishi UFJ Trust and Banking Corporation

## [Status on Investment Properties]

### 1. Composition of GLP J-REIT's Assets

Type of asset	Area (Note 1)	1st Period As of June 30, 2012		2nd Period As of February 28, 2013	
		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	Tokyo metropolitan area	—	—	130,751	56.5
	Greater Osaka area	—	—	60,116	26.0
	Other	—	—	31,556	13.6
Sub Total		—	—	222,424	96.1
Deposits and other assets		456	100.0	8,929	3.9
Total assets (Note 4)		456 [—]	100.0 [—]	231,353 [222,424]	100.0 [96.1]

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

(Note 2) “Total amount held” represents the carrying 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 off to the first decimal place.

(Note 4) “Total assets” represents the total asset balance shown on the balance sheet as of the period end. In addition, the figures in square brackets represent the holding properties portion to total assets.

## 2. Major Properties Owned

The major components of assets (the 10 largest properties by book value) as of February 28, 2013 are as follows:

Name of properties	Book value (Million yen)	Leasable area (m <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Occupancy ratio (%) (Note 3)	Ratio to total rental revenues (%)	Primary use
GLP Amagasaki	24,608	110,314.00	110,314.00	100.0	11.2	Logistics facility
GLP Tokyo	22,784	56,105.95	56,105.95	100.0	9.8	Logistics facility
GLP Sugito II	19,060	101,262.00	100,354.73	99.1	9.2	Logistics facility
GLP Narashino II	15,299	104,543.59	104,543.59	100.0	(Note 4)	Logistics facility
GLP Misato II	14,644	59,208.59	59,208.59	100.0	(Note 4)	Logistics facility
GLP Kazo	11,528	76,532.71	76,532.71	100.0	(Note 4)	Logistics facility
GLP Koshigaya II	9,812	43,537.47	43,537.47	100.0	(Note 4)	Logistics facility
GLP Maishima II	9,007	56,511.10	56,511.10	100.0	(Note 4)	Logistics facility
GLP Hirakata II	8,000	43,283.01	43,283.01	100.0	(Note 4)	Logistics facility
GLP Akishima	7,205	27,356.63	27,356.63	100.0	(Note 4)	Logistics facility
Total	141,951	678,655.05	677,747.78	99.9	63.5	

(Note 1) “Leasable area” is the area of property or property in trust that is available for lease in accordance with the relevant lease agreement or architectural drawing, and rounded down to the second decimal place.

(Note 2) “Leased area” is the total area leased to building tenants in accordance with the relevant lease agreement of each property or property in trust, and 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 3) “Occupancy ratio” and “Ratio to total rental revenues” are rounded off to the first decimal place.

(Note 4) Not disclosed because tenant’s consent is not obtained.

### 3. Summary of Portfolio Properties

The following table summarizes the investment properties held by GLP J-REIT as of February 28, 2013.

The following table summarizes the investment properties held by GLP J-REIT as of February 28, 2015.					
Name of property	Location	Type of ownership	Leasable area (m <sup>2</sup> ) (Note 1)	Appraisal value (Million yen)	Book value (Million yen)
GLP Tokyo	2-1-2, Tokai, Ota-ku, Tokyo	Beneficiary right in trust	56,105.95	22,800	22,784
GLP Higashi-Ogishima	23-9, Higashi-Ogishima, Kawasaki-ku, Kawasaki, Kanagawa		34,582.00	5,150	5,037
GLP Akishima	4-13-41, Mihori-cho, Akishima, Tokyo 4-13-42, Mihori-cho, Akishima, Tokyo		27,356.63	7,180	7,205
GLP Tomisato	3-1, Misawa, Tomisato, Chiba		27,042.59	4,990	5,011
GLP Narashino II	3-6-3, Akanehama, Narashino, Chiba		104,543.59	17,900	15,299
GLP Funabashi	1-1389-2, Kaijincho-minami, Funabashi, Chiba		12,017.00	1,780	1,741
GLP Kazo	1-5-1, Minamishinozaki, Kazo, Saitama		76,532.71	12,100	11,528
GLP Fukaya	1900-2, Mizugahara, Orinokuchi, Fukaya, Saitama		19,706.00	2,490	2,413
GLP Sugito II	398-2, Fuwaka, Sugito-machi, Kita-Katsushika, Saitama		101,262.00	19,100	19,060
GLP Iwatsuki	2-9-10, Kokaba, Iwatsuki-ku, Saitama, Saitama		31,839.99	6,960	6,977
GLP Kasukabe	1155, Anzai, Suikaku, Kasukabe, Saitama		18,460.72	4,240	4,250
GLP Koshigaya II	2-2-1, Ryutsu-Danchi, Koshigaya, Saitama		43,537.47	9,800	9,812
GLP Misato II	3-2-1, Lala-city, Shinmisato, Misato, Saitama		59,208.59	14,700	14,644
GLP Tatsumi	3-11-10, Tatsumi, Koto-ku, Tokyo		12,925.58	4,980	4,983
GLP Hirakata	3-2-27, Minami-nakaburi, Hirakata, Osaka 3-2-7, Minami-nakaburi, Hirakata, Osaka		29,829.56	4,890	4,792
GLP Hirakata II	3-3-1, Minami-nakaburi, Hirakata, Osaka		43,283.01	7,940	8,000
GLP Maishima II	2-1-92, Hokukoryokuchi, Konohana-ku, Osaka, Osaka		56,511.10	9,640	9,007
GLP Tsumori	2-1-30, Minami-tsumori, Nishinari-ku, Osaka, Osaka		16,080.14	2,060	2,020
GLP Rokko	3-10, Koyochi-higashi, Higashinada-ku, Kobe, Hyogo		39,339.00	5,320	5,198
GLP Amagasaki	231-2, Nishimukojima-cho, Amagasaki, Hyogo		110,314.00	24,500	24,608
GLP Amagasaki II	16, Nishitakas-cho, Amagasaki, Hyogo		12,342.95	2,050	2,055
GLP Nara	6-4, Imago-cho, Yamatokoriyama, Nara		19,545.35	2,560	2,415
GLP Sakai	1-63, Chikkouyawatamachi, Sakai-ku, Sakai, Osaka		10,372.10	2,020	2,018
GLP Morioka	59, Urata, Sakuramachi, Shiwa-cho, Shiwa, Iwate		10,253.80	833	823
GLP Tomiya	9-1-2, Narita, Tomiyama-machi, Kurokawa, Miyagi		20,466.98	2,820	2,831
GLP Koriyama I	3-2-2, Oroshi, Kikuta-cho, Koriyama, Fukushima		24,335.96	4,110	4,109
GLP Koriyama III	5-12, Mukaihara, Horinouchi, Kikuta-machi, Koriyama, Fukushima		27,671.50	2,630	2,647
GLP Tokai	2-47, Asayama, Tokai, Aichi		32,343.30	6,240	6,238
GLP Hayashima	823, Yao, Hayashima-cho, Tsukubo, Okayama		13,574.58	1,240	1,207
GLP Hayashima II	4507-40, Hayashima, Hayashima-cho, Tsukubo, Okayama		14,447.48	2,460	2,470
GLP Kiyama	2950-1, Urata, Sonobe, Kiyama-cho, Miyaki, Saga		23,455.96	4,760	4,770
GLP Tosu III	1-2, Wakasa, Fujinokimachi, Tosu, Saga		11,918.00	818	820
GLP Sendai	12-1, Niinuma, Nakano, Miyagino-ku, Sendai, Miyagi		37,256.23	5,620	5,637
Total			1,178,461.83	226,681	222,424

(Note 1) "Location" represents the indication of residential address. If no indication of residential address exists, the location of the building (one of those if there are multiple buildings) shown on the registry is stated.

(Note 2) "Leasable area" is the area of property or property in trust that is available for lease in accordance with the relevant lease agreement or architectural drawing, and rounded down to the second decimal place.

(Note 3) "Appraisal value" represents the appraisal value or research price as set forth on the relevant study reports by real estate appraisers as of the balance sheet date in accordance with the policy prescribed in the Articles of Incorporation of GLP J-REIT and the rules of the Investment Trust Association.

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

Name of property	1st Period				2nd Period			
	From September 16, 2011 To June 30, 2012				From July 1, 2012 To February 28, 2013			
	At Period End		Rental revenues (Million yen)	Ratio to total rental revenues (%) (Note 2)	At Period End		Rental revenues (Million yen)	Ratio to total rental revenues (%) (Note 2)
	Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)			Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)		
GLP Tokyo	—	—	—	—	5	100.0	219	9.8
GLP Higashi-Ogishima	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Akishima	—	—	—	—	3	100.0	(Note 3)	(Note 3)
GLP Tomisato	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Narashino II	—	—	—	—	2	100.0	(Note 3)	(Note 3)
GLP Funabashi	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Kazo	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Fukaya	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Sugito II	—	—	—	—	4	99.1	206	9.2
GLP Iwatsuki	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Kasukabe	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Koshigaya II	—	—	—	—	2	100.0	(Note 3)	(Note 3)
GLP Misato II	—	—	—	—	2	100.0	(Note 3)	(Note 3)
GLP Tatsumi	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Hirakata	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Hirakata II	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Maishima II	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Tsumori	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Rokko	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Amagasaki	—	—	—	—	6	100.0	250	11.2
GLP Amagasaki II	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Nara	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Sakai	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Morioka	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Tomiya	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Koriyama I	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Koriyama III	—	—	—	—	4	100.0	41	1.9
GLP Tokai	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Hayashima	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Hayashima II	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Kiyama	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Tosu III	—	—	—	—	1	100.0	(Note 3)	(Note 3)
GLP Sendai	—	—	—	—	1	100.0	(Note 3)	(Note 3)
Total	—	—	—	—	53	99.9	2,236	100.0

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

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

(Note 3) Not disclosed because tenant’s consent is not obtained.

## 4. Specified Transaction

As of February 28, 2013, the contract amount and fair value of the outstanding transaction under the specified transaction account of GLP J-REIT are as follows.

	Type	Contract amount (Million yen) (Note 1)		Fair value (Million yen) (Note 2)
			Due after one year	
OTC	Interest rate swaps: Receive floating/ Pay fix	72,150	72,150	(625)
Total		72,150	72,150	(625)

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

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

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

## 5. Investments and Other Assets

(1) Investment securities – Equity securities

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

(Note 1) The book value is used as its fair value of the unlisted equity securities.

(2) Details of other specified assets

Beneficiary rights of property in trust held by GLP J-REIT are disclosed in aforementioned “3. Summary of Portfolio Properties”

GLP J-REIT has no other specified assets.

## [Capital Expenditures for Properties Owned]

### 1. Future Plan of Capital Expenditures

The following table summarizes the major capital expenditure plan in connection with scheduled renovation and others for properties owned as of February 28, 2013. Estimated construction cost includes the amounts to be expensed for accounting purpose.

Name of property	Location	Purpose	Planned period	Estimated construction cost (Million yen)		
				Total amount	Paid during the period	Total amount paid
GLP Narashino II	Narashino, Chiba	Renewal of central monitor system	From June 2013 to December 2013	300	—	—
GLP Narashino II	Narashino, Chiba	Exterior wall waterproofing	From May 2013 to August 2013	35	—	—
GLP Narashino II	Narashino, Chiba	Renewal of fire extinguishing system	From June 2013 to July 2013	22	—	—

### 2. Capital Expenditures During the 2nd Period

The following table summarizes the major constructions to holding properties that resulted in capital expenditures for the current period. Capital expenditures for the current period was 59 million yen. The total construction cost amounted to 62 million yen, including repair and maintenance of 3 million yen that was accounted for as expenses.

Name of property	Location	Purpose	Period	Construction cost (Million yen)
GLP Tosu III	Tosu, Saga	Renewal of air conditioning system	From February 2013 to February 2013	8
GLP Amagasaki	Amagasaki, Hyogo	Renewal of emergency exit signs	From January 2013 to February 2013	8
GLP Morioka	Shiwa-gun, Iwate	Repair of air conditioning system	From February 2013 to February 2013	7
Other	—	—	—	34
Total				59

### 3. Funds Reserved for Long-Term Repair Plans

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

(Unit: Million yen)

Operating period	1st Period	2nd Period
	From September 16, 2011 To June 30, 2012	From July 1, 2012 To February 28, 2013
Balance brought forward from the previous period	—	—
Amount reserved during the period	—	—
Amount used during the period	—	—
Balance brought forward to the next period	—	—

(Note 1) GLP J-REIT intends not to account for reserves if the estimated amount of capital expenditures of the following period does not exceed the amount equivalent to 70% of the estimated depreciation expenses for the same period. GLP J-REIT estimates the amount of capital expenditures for the 3rd period (for the period ending August 2013) to be 236 million yen, which does not exceed 1,114 million yen, the amount equivalent to 70% of 1,592 million yen that is the estimated depreciation expenses for the same period.

(Note 2) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings, which do not exceed the amount obtained by deducting an amount of capital expenditures for the calculation 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 59 million yen of capital expenditures for the current fiscal period from 515 million yen of depreciation expense for the period is 455 million yen.

For the time being, GLP J-REIT intends to make OPD in an amount equal to approximately 30% of depreciation expenses for the calculation 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 plan or financial conditions in light of the estimated amount of capital expenditures for each fiscal term based on the long-term repair plan of GLP J-REIT.

With respect to all 33 properties held as of February 28, 2013, the six-month period average of total amount of the short-term emergency repair costs and the medium- to long-term repair costs, which are set out in the Engineering Report dated September 19, 2012 for each property prepared by Property Risk Solution Corporation, is 306 million yen. Please refer to the “Summary of Engineering Due Diligence Report” below for short-term emergency repair costs and mid-to-long term repair costs for each asset. Additional acquisitions of properties have been completed and GLP J-REIT has ownership of all 33 properties effective February 1, 2013. Since then, the actual amount accounted for as depreciation expense with respect to all properties held (33 properties) for a month is 264 million yen, thus, the amount for the six-month period is estimated to be 1,586 million yen.

In addition, the amount of OPD is deducted from unitholders' capital upon its payment.

(Reference) Summary of Engineering Due Diligence Report

Property number	Name of property	Engineering due diligence company	Date of report	Short-term emergency repair costs (Thousand yen) (Note 1)	Mid-to-Long term repair costs (Thousand yen) (Note2)
Tokyo-1	GLP Tokyo	Property Risk Solution Corporation	September 19, 2012	—	219,100
Tokyo-2	GLP Higashi-Ogishima			—	561,650
Tokyo-3	GLP Akishima			—	168,950
Tokyo-4	GLP Tomisato			—	75,700
Tokyo-5	GLP Narashino II			—	1,292,600
Tokyo-6	GLP Funabashi			—	240,050
Tokyo-7	GLP Kazo			—	303,800
Tokyo-8	GLP Fukaya			—	410,950
Tokyo-9	GLP Sugito II			—	365,100
Tokyo-10	GLP Iwatsuki			—	50,120
Tokyo-11	GLP Kasukabe			—	170,650
Tokyo-12	GLP Koshigaya II			—	136,530
Tokyo-13	GLP Misato II			—	78,600
Tokyo-14	GLP Tatsumi			—	43,100
Osaka-1	GLP Hirakata			—	315,300
Osaka-2	GLP Hirakata II			—	305,900
Osaka-3	GLP Maishima II			—	152,100
Osaka-4	GLP Tsumori			—	142,750
Osaka-5	GLP Rokko			—	476,400
Osaka-6	GLP Amagasaki			—	307,700
Osaka-7	GLP Amagasaki II			—	142,500
Osaka-8	GLP Nara			—	102,910
Osaka-9	GLP Sakai			—	42,200
Other-1	GLP Morioka			—	59,600
Other-2	GLP Tomiya			—	61,800

Other-3	GLP Koriyama I		—	28,650
Other-4	GLP Koriyama III		—	350,300
Other-5	GLP Tokai		—	123,880
Other-6	GLP Hayashima		—	126,880
Other-7	GLP Hayashima II		—	33,150
Other-8	GLP Kiyama		—	95,190
Other-9	GLP Tosu III		—	201,000
Other-10	GLP Sendai		—	159,450
Total			—	7,344,560

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

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

## [Expenses and Liabilities]

### 1. Status of Expenses related to Asset Management

(Unit: Thousand yen)

	1st Period From September 16, 2011 To June 30, 2012	2nd Period From July 1, 2012 To February 28, 2013
Asset management fee	—	209,385
Asset custody fee	446	1,121
Administrative service fees	904	3,910
Directors' remuneration	1,200	2,660
Audit fee	1,500	14,100
Taxes and dues	3,423	208
Other operating expenses	594	11,851
Total	8,068	243,236

## 2. Status of Borrowings

The following summarizes the outstanding loans payable by financial institutions as of February 28, 2013.

	Category	Date of borrowing	As of June 30, 2012 (Million yen)	As of February 28, 2013 (Million yen)	Average rate (Note 1)	Due date (Note 2)	Repayment	Use	Remarks
	Name of financial institution								
Short-term loans payable	Sumitomo Mitsui Banking Corporation	January 4, 2013	—	4,000	0.49%	January 4, 2014	Lump-sum	(Note 4)	Unsecured
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	4,000					
	Mizuho Corporate Bank, Ltd.		—	4,000					
	Mitsubishi UFJ Trust and Banking Corporation		—	1,800					
	Citibank Japan Ltd.		—	1,300					
	The Bank of Fukuoka, Ltd.		—	1,300					
	The Norinchukin Bank		—	1,000					
	Resona Bank, Limited.		—	1,000					
	Subtotal		—	18,400					
Long-term loans payable	Sumitomo Mitsui Banking Corporation	January 4, 2013	—	5,400	0.59%	January 4, 2015	Lump-sum	(Note 4)	Unsecured
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	4,500					
	Mizuho Corporate Bank, Ltd.		—	4,000					
	Mitsubishi UFJ Trust and Banking Corporation		—	1,800					
	Citibank Japan Ltd.		—	1,800					
	The Bank of Fukuoka, Ltd.		—	1,300					
	The Norinchukin Bank		—	900					
	Resona Bank, Limited.		—	900					
	Sumitomo Mitsui Banking Corporation	January 4, 2013	—	6,300	0.85% (Note 3)	January 4, 2016	Lump-sum	(Note 4)	Unsecured
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	5,900					
	Mizuho Corporate Bank, Ltd.		—	4,000					
	Mitsubishi UFJ Trust and Banking Corporation		—	1,800					
	Citibank Japan Ltd.		—	1,800					
	The Bank of Fukuoka, Ltd.		—	1,400					
	The Norinchukin Bank		—	1,300					
	Resona Bank, Limited.		—	1,300					
	Sumitomo Mitsui Banking Corporation	January 4, 2013	—	6,400	1.13% (Note 3)	January 4, 2018	Lump-sum	(Note 4)	Unsecured
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	5,900					
	Mizuho Corporate Bank, Ltd.		—	4,000					
	Mitsubishi UFJ Trust and Banking Corporation		—	1,800					
	Citibank Japan Ltd.		—	1,800					
	The Bank of Fukuoka, Ltd.		—	1,800					
	The Norinchukin Bank		—	1,300					
	Resona Bank, Limited.		—	1,300					
	Sumitomo Mitsui Banking Corporation	January 4, 2013	—	5,000	1.41% (Note 3)	January 4, 2020	Lump-sum	(Note 4)	Unsecured
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		—	4,600					
	Mizuho Corporate Bank, Ltd.		—	4,000					
	Mitsubishi UFJ Trust and Banking Corporation		—	1,800					
	The Bank of Fukuoka, Ltd.		—	900					
	Development Bank of Japan Inc.		—	4,500					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	February 1, 2013	—	3,250	1.03%	January 31, 2020	Lump-sum	(Note 4)	Unsecured
	Sumitomo Mitsui Banking Corporation	February 1, 2013	—	3,250	1.30% (Note 3)	February 1, 2021	Lump-sum	(Note 4)	Unsecured
	Subtotal		—	96,000					
	Total		—	114,400					

(Note 1) "Average rate" represents the weighted average interest rate during the fiscal period and is rounded off to the second decimal place.

(Note 2) When the due date falls on a day other than a business day, it shall be the next business day.

(Note 3) GLP J-REIT uses interest rate swaps to hedge the interest rate risk exposure. The rate stated above is the effective rate of interest after interest rate swaps.

(Note 4) The fund procurement was made for the purpose of acquiring properties or beneficiary rights of real estate in trust.

### **3. Status of Investment Corporation Bonds**

None

### **4. Status of Short-Term Investment Corporation Bonds**

None

## [Acquisition and Disposition]

### 1. Acquisition and Disposition of Real Estate Properties and Asset-Backed Securities

Type of asset	Name of property	Acquisition	
		Date	Acquisition price (Million yen) (Note)
Beneficiary right in trust	GLP Tokyo	January 4, 2013	22,700
Beneficiary right in trust	GLP Higashi-Ogishima	January 4, 2013	4,980
Beneficiary right in trust	GLP Akishima	January 4, 2013	7,160
Beneficiary right in trust	GLP Tomisato	January 4, 2013	4,990
Beneficiary right in trust	GLP Narashino II	January 4, 2013	15,220
Beneficiary right in trust	GLP Funabashi	January 4, 2013	1,720
Beneficiary right in trust	GLP Kazo	January 4, 2013	11,500
Beneficiary right in trust	GLP Fukaya	January 4, 2013	2,380
Beneficiary right in trust	GLP Sugito II	January 4, 2013	19,000
Beneficiary right in trust	GLP Iwatsuki	January 4, 2013	6,940
Beneficiary right in trust	GLP Kasukabe	January 4, 2013	4,240
Beneficiary right in trust	GLP Koshigaya II	January 4, 2013	9,780
Beneficiary right in trust	GLP Misato II	January 4, 2013	14,600
Beneficiary right in trust	GLP Tatsumi	February 1, 2013	4,960
Beneficiary right in trust	GLP Hirakata	January 4, 2013	4,750
Beneficiary right in trust	GLP Hirakata II	January 4, 2013	7,940
Beneficiary right in trust	GLP Maishima II	January 4, 2013	8,970
Beneficiary right in trust	GLP Tsumori	January 4, 2013	1,990
Beneficiary right in trust	GLP Rokko	January 4, 2013	5,160
Beneficiary right in trust	GLP Amagasaki	January 4, 2013	24,500
Beneficiary right in trust	GLP Amagasaki II	January 4, 2013	2,040
Beneficiary right in trust	GLP Nara	January 4, 2013	2,410
Beneficiary right in trust	GLP Sakai	February 1, 2013	2,000
Beneficiary right in trust	GLP Morioka	January 4, 2013	808
Beneficiary right in trust	GLP Tomiya	January 4, 2013	2,820
Beneficiary right in trust	GLP Koriyama I	January 4, 2013	4,100
Beneficiary right in trust	GLP Koriyama III	January 4, 2013	2,620
Beneficiary right in trust	GLP Tokai	January 4, 2013	6,210
Beneficiary right in trust	GLP Hayashima	January 4, 2013	1,190
Beneficiary right in trust	GLP Hayashima II	January 4, 2013	2,460
Beneficiary right in trust	GLP Kiyama	January 4, 2013	4,760
Beneficiary right in trust	GLP Tosu III	January 4, 2013	793
Beneficiary right in trust	GLP Sendai	February 1, 2013	5,620
Total			221,311

(Note) “Acquisition price” represents the purchase price (excluding incidental costs and consumption taxes) of each property or beneficiary right in trust stated in the purchase agreement.

### 2. Acquisition and Disposition of Investments and Other Assets

Type of asset	Acquisition		Balance as of February 28, 2013	
	No. of shares	Amount	No. of shares	Amount
Stock	16 shares	1,600 thousand yen	16 shares	1,600 thousand yen
Total	16 shares	1,600 thousand yen	16 shares	1,600 thousand yen

(Note 1) “Amount” represents the settlement amount excluding interests and various costs such as sales commissions.

(Note 2) Other assets besides the above are mostly bank deposits or bank deposits in trust.

### 3. Appraisal Values of Specific Assets

#### (1) Real Estate Properties

Acquisition or disposition	Name of properties	Acquisition date	Acquisition price (Million yen) (Note 1)	Appraisal Value (Million yen)	Appraiser	Appraisal date
Acquisition	GLP Tokyo	January 4, 2013	22,700	22,700	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Higashi-Ogishima	January 4, 2013	4,980	5,130	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Akishima	January 4, 2013	7,160	7,160	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Tomisato	January 4, 2013	4,990	4,990	The Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2012
Acquisition	GLP Narashino II	January 4, 2013	15,220	17,900	The Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2012
Acquisition	GLP Funabashi	January 4, 2013	1,720	1,770	The Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2012
Acquisition	GLP Kazo	January 4, 2013	11,500	12,100	The Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2012
Acquisition	GLP Fukaya	January 4, 2013	2,380	2,450	The Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2012
Acquisition	GLP Sugito II	January 4, 2013	19,000	19,000	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Iwatsuki	January 4, 2013	6,940	6,940	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Kasukabe	January 4, 2013	4,240	4,240	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Koshigaya II	January 4, 2013	9,780	9,780	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Misato II	January 4, 2013	14,600	14,600	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Tatsumi	February 1, 2013	4,960	4,960	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Hirakata	January 4, 2013	4,750	4,890	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Hirakata II	January 4, 2013	7,940	7,940	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Maishima II	January 4, 2013	8,970	9,640	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Tsumori	January 4, 2013	1,990	2,050	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Rokko	January 4, 2013	5,160	5,310	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Amagasaki	January 4, 2013	24,500	24,500	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Amagasaki II	January 4, 2013	2,040	2,040	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Nara	January 4, 2013	2,410	2,560	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Sakai	February 1, 2013	2,000	2,000	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Morioka	January 4, 2013	808	832	The Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2012
Acquisition	GLP Tomiya	January 4, 2013	2,820	2,820	The Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2012
Acquisition	GLP Koriyama I	January 4, 2013	4,100	4,100	The Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2012
Acquisition	GLP Koriyama III	January 4, 2013	2,620	2,620	The Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2012
Acquisition	GLP Tokai	January 4, 2013	6,210	6,210	Morii Appraisal & Investment Consulting, Inc.	August 31, 2012
Acquisition	GLP Hayashima	January 4, 2013	1,190	1,220	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Hayashima II	January 4, 2013	2,460	2,460	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Kiyama	January 4, 2013	4,760	4,760	Japan Real Estate Institute	August 31, 2012

Acquisition or disposition	Name of properties	Acquisition date	Acquisition price (Million yen) (Note 1)	Appraisal Value (Million yen)	Appraiser	Appraisal date
Acquisition	GLP Tosu III	January 4, 2013	793	793	Japan Real Estate Institute	August 31, 2012
Acquisition	GLP Sendai	February 1, 2013	5,620	5,620	The Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2012

(Note 1) “Acquisition price” represents the purchase price (excluding incidental costs and consumption taxes) of each property or beneficial right of property in trust stated on the purchase agreement.

(Note 2) The “Real Estate Appraisal Standard, Chapter 3, Appraisal on Value of Real Estate Subject to Securitization” is applied for the above appraisal of the specific assets.

## (2)Securities transactions

Acquisition or disposition	Transaction date	Type	Name of security	Quantity	Amount (Thousand yen)	Appraisal values of specific assets (Thousand yen)
Acquisition	January 4, 2013	Stocks	Okayama General Distribution Center Co., Ltd.	16 shares	1,600	1,600

## (3) Other

The examination of value is required for GLP J-REIT’s certain transactions based on the regulation stipulated in Article 201 of Act on Investment Trusts and Investment Corporations. GLP J-REIT entrusts such examination to KPMG AZSA except for the items stated above “(1) Real Estate Properties.” For the fiscal period from July 1, 2012 to February 28, 2013, GLP J-REIT entered into four interest rate swap transactions subject to the examination, in addition to the transactions stated above “(2) Securities.”

For these interest rate swap transactions, GLP J-REIT obtained the examination report from KPMG AZSA, which includes the name of counterparties, contract amounts, maturities and other terms and conditions.

## 4. Transactions with Interested Parties and Major Shareholders

### (1) Transactions

(Unit: Thousand yen)

	Transaction price	
	Purchases	Sales
Total	221,311,000	—
	Of which total amount purchased from interested parties and major shareholders	Of which total amount sold to interested parties and major shareholders
	221,311,000 (100.0%)	— ( —%)
Name of interested parties and major shareholders and the amounts of transactions		
Tokyo Logistic Special Purpose Company	22,700,000 ( 10.3%)	— ( —%)
Cosmos Special Purpose Company	13,313,000 ( 6.0%)	— ( —%)
Akishima Logistic Special Purpose Company	7,160,000 ( 3.2%)	— ( —%)
Tomisato Logistic Special Purpose Company	4,990,000 ( 2.3%)	— ( —%)
Narashino 2 Logistic Special Purpose Company	15,220,000 ( 6.9%)	— ( —%)
Funabashi Logistic Special Purpose Company	1,720,000 ( 0.8%)	— ( —%)
Kazo Logistic Special Purpose Company	11,500,000 ( 5.2%)	— ( —%)
Sugito 2 Logistic Special Purpose Company	19,000,000 ( 8.6%)	— ( —%)
Iwatsuki Logistic Special Purpose Company	6,940,000 ( 3.1%)	— ( —%)
Kasukabe Logistic Special Purpose Company	4,240,000 ( 1.9%)	— ( —%)
Koshigaya 2 Logistic Special Purpose Company	9,780,000 ( 4.4%)	— ( —%)
Misato 2 Logistic Special Purpose Company	14,600,000 ( 6.6%)	— ( —%)
Tatsumi Logistic Special Purpose Company	4,960,000 ( 2.2%)	— ( —%)
Hirakata Logistic Special Purpose Company	4,750,000 ( 2.1%)	— ( —%)
Hirakata 2 Logistic Special Purpose Company	7,940,000 ( 3.6%)	— ( —%)
Maishima 2 Logistic Special Purpose Company	8,970,000 ( 4.1%)	— ( —%)
Tsumori Logistic Special Purpose Company	1,990,000 ( 0.9%)	— ( —%)
Amagasaki Logistic Special Purpose Company	24,500,000 ( 11.1%)	— ( —%)
Amagasaki 2 Logistic Special Purpose Company	2,040,000 ( 0.9%)	— ( —%)
Azalea Special Purpose Company	5,838,000 ( 2.6%)	— ( —%)
Sakai Logistic Special Purpose Company	2,000,000 ( 0.9%)	— ( —%)
Tomiya Logistic Special Purpose Company	2,820,000 ( 1.3%)	— ( —%)
Koriyama1 Logistic Special Purpose Company	4,100,000 ( 1.9%)	— ( —%)
Tokai Logistic Special Purpose Company	6,210,000 ( 2.8%)	— ( —%)
Hayashima Logistic Special Purpose Company	1,190,000 ( 0.5%)	— ( —%)
Hayashima 2 Logistic Special Purpose Company	2,460,000 ( 1.1%)	— ( —%)
Kiyama Logistic Special Purpose Company	4,760,000 ( 2.2%)	— ( —%)
Sendai Logistic Special Purpose Company	5,620,000 ( 2.5%)	— ( —%)
Total	221,311,000 (100.0%)	— ( —%)

(2) Amounts of fees paid

	Total fees (A) (Thousand yen)	Name of interested parties and major shareholders and the amounts of transactions		(B)/(A) (%)
		Paid to	Amount paid (B) (Thousand yen)	
Property management fee	45,073	Global Logistic Properties Inc. (Note 1)	45,073	100.0
Royalty fee	2,900	Global Logistic Properties Inc. (Note 1)	2,900	100.0

(Note 1) Effective April 1, 2013, Global Logistic Properties Inc. has changed its Japanese trade name from GL Properties KK to Global Logistic Properties KK.

(Note 2) The term “interested parties” refers to interested parties of Asset Management Company (Asset Manager) as stipulated by Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations and Article 26, Item 27 of the Regulations Concerning Investment Reports of Investment Trusts and Investment Corporations issued by The Investment Trust Association of Japan. The term “major shareholder” refers to major shareholders of Asset Management Company as defined by Article 29-4, Paragraph 2 of the Financial Instruments and Exchange Act.

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

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

## [Accounting]

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

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

### 2. Change in Calculation of Depreciation

None

### 3. Change in Valuation of Real Estate Properties

None

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

None

## [Other information]

### 1. Notice

The Board of Directors of GLP J-REIT has approved the following conclusions and modifications of major contracts during the period ended February 28, 2013.

Date of approval	Title	Summary
October 30, 2012	Conclusion on the trademark license agreement	It has been approved to conclude the trademark license agreement with Global Logistic Properties Holdings Limited and Global Logistic Properties Inc.(Note) effective November 13, 2012.
November 14, 2012	Underwriting agreement of new investment units	<p>It has been approved to conclude the following contracts regarding the underwriting of new investment units effective December 12, 2012.</p> <p>(1) Underwriting Agreement among the following parties regarding issuance of new investment units through domestic public offering in Japan: GLP Japan Advisors Inc., Nomura Securities Co., Ltd., Citigroup Global Markets Japan, Inc., The Goldman Sachs Group, Inc., SMBC Nikko Securities Inc., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and Mizuho Securities Co., Ltd.</p> <p>(2) Memorandum signed with Nomura Securities Co., Ltd. regarding the issuance of new investment units through a third party allotment in connection with domestic public offering.</p> <p>(3) International Purchase Agreement among GLP Japan Advisors Inc., Goldman Sachs International, Citigroup Global Markets Limited, Nomura International plc, J.P. Morgan Securities plc and UBS Limited regarding public offering outside Japan.</p>

(Note) Effective April 1, 2013, Global Logistic Properties Inc. has changed its Japanese trade name from GL Properties KK to Global Logistic Properties KK.

### 2. Other

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

## Balance Sheets

(Unit: Thousand yen)

	1st Period (Reference) As of June 30, 2012	2nd Period As of February 28, 2013
Assets		
Current assets		
Cash and deposits	22,374	710,652
Cash and deposits in trust	—	2,049,745
Operating accounts receivable	—	29,582
Prepaid expenses	5,250	354,239
Deferred tax assets	—	143
Consumption taxes receivable	4,459	4,606,628
Other current assets *1	263,608	—
Total current assets	295,692	7,750,992
Noncurrent assets		
Property and equipment		
Buildings in trust	—	90,360,351
Accumulated depreciation	—	(482,557)
Buildings in trust, net	—	89,877,794
Structures in trust	—	1,929,388
Accumulated depreciation	—	(29,128)
Structures in trust, net	—	1,900,260
Machinery and equipment in trust	—	51,909
Accumulated depreciation	—	(1,368)
Machinery and equipment in trust, net	—	50,541
Tools, furniture and fixtures in trust	—	72,595
Accumulated depreciation	—	(1,949)
Tools, furniture and fixtures in trust, net	—	70,646
Land in trust	—	130,525,023
Construction in progress	151,117	—
Total property and equipment	151,117	222,424,265
Investments and other assets		
Investment securities	—	1,600
Long term prepaid expenses	—	871,156
Security deposit	10,000	10,000
Total investments and other assets	10,000	882,756
Total noncurrent assets	161,117	223,307,022
Deferred assets		
Investment unit issuance expenses	—	295,637
Total deferred assets	—	295,637
Total assets	456,810	231,353,652

(Unit: Thousand yen)

	1st Period (Reference) As of June 30, 2012	2nd Period As of February 28, 2013
Liabilities		
Current liabilities		
Operating accounts payable	—	102,595
Short-term loans payable	—	18,400,000
Accounts payable	342,192	533,675
Accrued expenses	144	5,400
Income taxes payable	217	2,701
Advances received	—	1,237,595
Deposits received	—	1,302,913
Total current liabilities	342,553	21,584,882
Noncurrent liabilities		
Long-term loans payable	—	96,000,000
Tenant leasehold and security deposits	—	5,266,920
Tenant leasehold and security deposits in trust	—	178,019
Total noncurrent liabilities	—	101,444,939
Total liabilities	342,553	123,029,822
Net assets		
Unitholders' equity		
Unitholders' capital	200,000	107,501,739
Surplus		
Unappropriated retained earnings (accumulated deficit)*3	(85,743)	822,090
Total surplus	(85,743)	822,090
Total unitholders' equity	114,256	108,323,829
Total net assets *2	114,256	108,323,829
Total liabilities and net assets	456,810	231,353,652

## Statements of Operations

	(Unit: Thousand yen)	
	1st Period (Reference)	2nd Period
	From September 16, 2011	From July 1, 2012
	To June 30, 2012	To February 28, 2013
Operating revenues		
Rental revenues *1	—	2,170,336
Other rental revenues *1	—	66,620
Total operating revenues	—	2,236,957
Operating expenses		
Rental expenses *1	—	665,590
Asset management fee	—	209,385
Asset custody fee	446	1,121
Administrative service fees	904	3,910
Directors' remuneration	1,200	2,660
Audit fee	1,500	14,100
Taxes and dues	3,423	208
Other operating expenses	594	11,851
Total operating expenses	8,068	908,827
Operating income (loss)	(8,068)	1,328,129
Non-operating income		
Interest income	7	2,230
Other	—	17
Total non-operating income	7	2,247
Non-operating expenses		
Interest expenses	—	156,177
Borrowing related expenses	—	66,510
Organization costs	50,000	—
Amortization of investment unit issuance expenses	—	26,876
Other offering costs associated with the issuance of investment units	27,224	168,482
Other	240	1,486
Total non-operating expenses	77,464	419,533
Ordinary income (loss)	(85,525)	910,844
Income (Loss) before income taxes	(85,525)	910,844
Income taxes-current	217	3,154
Income taxes-deferred	—	(143)
Total income taxes	217	3,010
Net income (loss)	(85,743)	907,833
Deficit brought forward	—	(85,743)
Unappropriated retained earnings (accumulated deficit)	(85,743)	822,090

## Statements of Changes in Net Assets

(Unit: Thousand yen)

	1st Period (Reference) From September 16, 2011 To June 30, 2012	2nd Period From July 1, 2012 To February 28, 2013
Unitholders' equity		
Unitholders' capital		
Balance at the beginning of the period	—	200,000
Changes of items during the period		
Issuance of new investment units	200,000	107,301,739
Total changes of items during the period	200,000	107,301,739
Balance at the end of the period *1	200,000	107,501,739
Surplus		
Unappropriated retained earnings (accumulated deficit)		
Balance at the beginning of the period	—	(85,743)
Changes of items during the period		
Net income (loss)	(85,743)	907,833
Total changes of items during the period	(85,743)	907,833
Balance at the end of the period	(85,743)	822,090
Total surplus		
Balance at the beginning of the period	—	(85,743)
Changes of items during the period		
Net income (loss)	(85,743)	907,833
Total changes of items during the period	(85,743)	907,833
Balance at the end of the period	(85,743)	822,090
Total unitholders' equity		
Balance at the beginning of the period	—	114,256
Changes of items during the period		
Issuance of new investment units	200,000	107,301,739
Net income (loss)	(85,743)	907,833
Total changes of items during the period	114,256	108,209,573
Balance at the end of the period	114,256	108,323,829
Total net assets		
Balance at the beginning of the period	—	114,256
Changes of items during the period		
Issuance of new investment units	200,000	107,301,739
Net income (loss)	(85,743)	907,833
Total changes of items during the period	114,256	108,209,573
Balance at the end of the period	114,256	108,323,829

## Notes to Financial Statements

### (Notes Concerning Significant Accounting Policies)

By period Item	1st Period (Reference) From September 16, 2011 To June 30, 2012	2nd Period From July 1, 2012 To February 28, 2013
1. Basis and method of valuation of assets	—	Securities Available-for-sale securities with no readily determinable market price are stated at cost. Cost of securities sold is determined by the moving-average method.
2. Depreciation of noncurrent assets	—	Property and equipment (including property and equipment in trust) The straight-line method is adopted. The useful lives of major property and equipment are as follows: <div style="display: flex; justify-content: space-between;"> <div>Buildings</div> <div>2 to 55 years</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Structures</div> <div>2 to 57 years</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Machinery and equipment</div> <div>6 to 12 years</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Tools, furniture and fixtures</div> <div>2 to 15 years</div> </div>
3. Accounting treatment for deferred assets	Organization costs are expensed when incurred.	Investment unit issuance expenses are amortized over three years using the straight-line method.
4. Revenue and expense recognition	—	Accounting treatment of fixed asset taxes and others With respect to fixed asset tax, city planning tax and depreciable asset tax on real estate and others held by GLP J-REIT, of the tax amount assessed and determined, the amount corresponding to the relevant calculation period is accounted for as rental expenses. Of the amounts paid for the acquisition of real estate property or beneficiary right of real estate in trust, the amounts equivalent to fixed asset tax are capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses. Capitalized fixed asset tax amounted to 1,287,785 thousand yen for the current period.
5. Hedge accounting	—	<p>(1) Hedge accounting method For interest rate swaps which qualify for hedge accounting and meet specific matching criteria, the special accounting treatment is adopted.</p> <p>(2) Hedge instruments and hedged items Hedge instruments – Interest rate swaps Hedged items – Interests on loans payable</p> <p>(3) Hedging policy GLP J-REIT uses interest rate swaps for the purpose of hedging risks defined in its Articles of Incorporation of GLPJ-REIT based on the general risk management policy.</p> <p>(4) Hedge effectiveness test Hedge effectiveness test is omitted since all interest rate swaps meet specific matching criteria for the special accounting treatment.</p>

6. Other significant matters which constitute the basis for preparation of financial statements	<p>(1) Accounting treatment for consumption taxes</p> <p>National and local consumption taxes are excluded from transaction amount.</p>	<p>(1) Accounting treatment of beneficiary right of real estate in trust</p> <p>As to beneficiary right of real estate in trust, all accounts of assets and liabilities within assets in trust, as well as all income generated and expenses incurred from assets in trust, are recorded in the relevant balance sheets and income statement accounts.</p> <p>Of which, the following significant trust assets are shown separately on the balance sheets.</p> <p>(a) Cash and deposits in trust</p> <p>(b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust</p> <p>(c) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment for consumption taxes</p> <p>National and local consumption taxes are excluded from transaction amount.</p>
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**(Notes to Balance Sheets)**

1st Period (Reference) (As of June 30, 2012)	2nd Period (As of February 28, 2013)
<p>*1. Other current assets include 260,510 thousand yen of estimated costs for the issuance of new investment units.</p> <p>*2. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations: 50,000 thousand yen.</p> <p>*3. Accumulated deficit: The balance of total unitholders' equity on the balance sheet is less than the balance of unitholders' capital by 85,743 thousand yen.</p>	<p>*2. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations: 50,000 thousand yen.</p>

**(Notes to Statements of Operations)**

(Unit: Thousand yen)

	1st Period (Reference) From September 16, 2011 To June 30, 2012	2nd Period From July 1, 2012 To February 28, 2013
*1. Breakdown of operating income from property leasing are as follows:		
A. Property-related revenues		
Rental revenues:		
Rental revenues	—	2,102,434
Common area charges	—	67,902
Total	—	2,170,336
Other revenues related to property leasing		
Utility charge		51,519
Parking lots	—	7,797
Other miscellaneous revenues	—	7,303
Total	—	66,620
Total property-related revenues	—	2,236,957
B. Property-related expenses		
Rental expenses:		
Property and facility management fees	—	84,929
Utility expenses	—	52,489
Repair and maintenance	—	3,004
Casualty insurance	—	4,189
Depreciation	—	515,002
Other rental expenses	—	5,974
Total property-related expenses	—	665,590
C. Operating income from property leasing (A—B)	—	1,571,366

**(Notes to Statements of Changes in Net Assets)**

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

	1st Period (Reference) From September 16, 2011 To June 30, 2012	2nd Period From July 1, 2012 To February 28, 2013
Number of investment units authorized	2,000,000 units	16,000,000 units
Number of investment units issued and outstanding	400 units	1,837,700 units

**(Deferred Tax Accounting)**

### 1. Significant components of deferred tax assets and liabilities

			(Unit: Thousand yen)
	1st Period (Reference) As of June 30, 2012		2nd Period As of February 28, 2013
Deferred tax assets		Deferred tax assets	
Tax loss carryforwards	26,305	Enterprise tax payable	143
Accounts payable	4,549	Total	143
Sub Total	30,854	Net deferred tax assets	143
Valuation allowance	(30,854)		
Total	—		
Net deferred tax assets	—		

2. A reconciliation between the normal effective statutory tax rates and the actual effective tax rates after applying deferred tax accounting

		(Unit: %)
	1st Period (Reference)	2nd Period
	As of June 30, 2012	As of February 28, 2013
Normal effective statutory tax rate	—	36.59
(Adjustments)		
Distributions deductible for tax purpose	—	(33.00)
Valuation allowance	—	(3.39)
Other	—	0.13
Effective tax rate after applying deferred tax accounting	—	0.33

(Note: A reconciliation as of June 30, 2012 is not shown due to loss before income tax.)

**(Capital Lease)**

1st Period (Reference) From September 16, 2011 To June 30, 2012	2nd Period From July 1, 2012 To February 28, 2013
—	—

## (Financial Instruments)

### 1st Period (from September 16, 2011 to June 30, 2012) (Reference)

#### 1. Status of Financial Instruments

##### (1) Policy for Financial Instruments

GLP J-REIT procures funds for acquisition of assets 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 purpose. GLP J-REIT is not engaged in any derivative transaction for this period.

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

##### (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 institutions. GLP J-REIT limits credit risk by using only short-term deposits in financial institutions with high credit ratings.

##### (3) Supplemental Explanation regarding Fair Values of Financial Instruments

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

#### 2. Estimated Fair Value of Financial Instruments

Book value, fair value and difference between the two as of June 30, 2012 are as follows. The financial instruments for which fair value is very 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	22,374	22,374	—
Total assets	22,374	22,374	—
(2) Accounts payable	342,192	342,192	—
Total Liabilities	342,192	342,192	—

##### (Note 1) Methods to Estimate Fair Value of Financial Instruments

###### (1) Cash and deposits

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) Accounts 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.

##### (Note 2) Financial Instruments for which Fair Value is Very Difficult to Estimate.

(Unit: Thousand yen)

	Amount on the balance sheets
Security deposit	10,000
Total	10,000

The fair value of security deposit is not disclosed since it is very difficult to estimate due to the following reasons: (1) no observable market price is available and (2) it is impracticable to reasonably estimate their future cash flow.

##### (Note 3) Redemption Schedule for Monetary Claims

(Unit: Thousand yen)

	Due within one year
Cash and deposits	22,374
Total	22,374

## 2nd Period (from July 1, 2012 to February 28, 2013)

### 1. Status of Financial Instruments

#### (1) Policy for Financial Instruments

GLP J-REIT procures funds for acquisition of assets 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 purpose.

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

#### (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 institutions. GLP J-REIT limits credit risk by using only short-term deposits in financial institutions with high credit ratings.

Bank loans are mainly made to procure funds for acquisition of properties. 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 cash flows projection.

Besides, some of loans bear floating rates and they are exposed to the risk of rising interest rates. GLP J-REIT mitigates such risk by maintaining a sound loan-to-value ratio and stabilizing financial costs with the use of derivative transactions (interest rate swaps) as a hedge. As all interest rate swaps meet specific matching criteria for the special accounting treatment, hedge effectiveness test is omitted based on the fact that all interest rate swaps meet such matching criteria. Derivative transactions are executed and managed based on the Management Guidelines of 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 make repayments upon tenant move-out, thus, exposed to the liquidity risk. GLP J-REIT generally minimizes the risk by holding sufficient funds to make repayments and manages the risk by preparing and monitoring cash flows projection.

#### (3) Supplemental Explanation regarding Fair Values of Financial Instruments

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

### 2. Estimated Fair Value of Financial Instruments

Book value, fair value and difference between the two as of February 28, 2013 are as follows. The financial instruments for which fair value is very 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	710,652	710,652	—
(2) Cash and deposits in trust	2,049,745	2,049,745	—
Total assets	2,760,397	2,760,397	—
(1) Short-term loans payable	18,400,000	18,400,000	—
(2) Long-term loans payable	96,000,000	96,657,739	657,739
Total liabilities	114,400,000	115,057,739	657,739
Derivative transactions	—	—	—

#### (Note 1) Methods to Estimate Fair Value of Financial Instruments

##### Assets:

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

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

##### Liabilities:

##### (1) 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) Long-term loans payable

Of long-term loans payable, interest rates of floating-rate loans are to be periodically renewed by contracts, 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.

The fair value of fixed-rate loans is measured by discounting the total amount of principle and interests at an assumed rate for

similar new loans with the corresponding maturity. The fair value of interest rate swaps under special accounting treatment is included in that of long-term loans payable designated as the hedged item.

#### Derivative transactions

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

None

(2) Derivative transactions for which hedge accounting is applied

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

(Unit: Thousand yen)

Hedge accounting method	Type of derivative transactions	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	72,150,000	72,150,000	*	—

\*Interest rate swaps under special accounting treatment are accounted for as the integral part 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 “2. Estimated Fair Value of Financial Instruments, (Note 1) Methods to Estimate Fair Value of Financial Instruments , Liabilities: (2) Long-term loans payable.”

(Note 2) Financial Instruments for which Fair Value is Very Difficult to Estimate.

(Unit: Thousand yen)

	Amount on the balance sheets
Tenant leasehold and security deposits	5,266,920
Tenant leasehold and security deposits in trust	178,019
Total	5,444,939

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

(Note 3) Redemption Schedule for Monetary Claims

(Unit: Thousand yen)

	Due within one year
Cash and deposits	710,652
Cash and deposits in trust	2,049,745
Total	2,760,397

(Note 4) Redemption Schedule for Long-term Loans Payable and Other Interest-Bearing Debts

(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
Long-term loans payable	—	20,600,000	23,800,000	—	24,300,000	27,300,000
Total	—	20,600,000	23,800,000	—	24,300,000	27,300,000

**(Investment and Rental Properties)**

1st Period (from September 16, 2011 to June 30, 2012) (Reference)

None

2nd Period (from July 1, 2012 to February 28, 2013)

GLP J-REIT owns leasable logistics facilities for the purpose of earning rental revenues. The book value, amount changed during the period and fair value of these rental properties is as follows:

(Unit: Thousand yen)

Amount on the balance sheets			Fair value at the end of the period
At the beginning of the period	Increase (decrease)	At the end of the period	
—	222,424,265	222,424,265	226,681,000

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

(Note 2) Of changes in leasable properties during the period, the major increase for the current period, in the total amount of 222,879,564 thousand yen, is due to the acquisition of the following 33 properties: GLP Tokyo, GLP Higashi-Ogishima, GLP Akishima, GLP Tomisato, GLP Narashino II, GLP Funabashi, GLP Kazo, GLP Fukaya, GLP Sugito II, GLP Iwatsuki, GLP Kasukabe, GLP Koshigaya II, GLP Misato II, GLP Tatsumi, GLP Hirakata, GLP Hirakata II, GLP Maishima II, GLP Tsumori, GLP Rokko, GLP Amagasaki, GLP Amagasaki II, GLP Nara, GLP Sakai, GLP Morioka, GLP Tomiya, GLP Koriyama I, GLP Koriyama III, GLP Tokai, GLP Hayashima, GLP Hayashima II, GLP Kiyama, GLP Tosu III and GLP Sendai, where the major decrease in the amount of 515,002 thousand yen is due to depreciation.

(Note 3) The fair value at the end of the period is determined based on the third-party appraisal value or research price.

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

**(Related Party Transactions)**

1st Period (from September 16, 2011 to June 30, 2012) (Reference)

Attribute	Name of party	Type of business	Ownership ratio	Transaction	Amount of transaction (Thousand yen)	Account title	Balance at period end (Thousand yen)
Asset management company	GLP Japan Advisors Inc.	Asset management	—	Fees for an organizer at establishment (Note 1)	50,000	—	—
Asset custody company	Mitsubishi UFJ Trust and Banking Corporation	Trust and banking	—	Administrative service fees (Note 1)	904	Accrued expense	92
Interested party	Global Logistic Properties Limited	Investment advisory/agency	—	Establishment through private placement (Note 2)	100,000	—	—
				Issuance of units through allocation to a third party (Note 3)	10,000	—	—
Controlling unitholder	GLP Capital GK	Holding company	100.0%	Issuance of units through allocation to a third party (Note 3)	90,000	—	—

(Note 1) Terms and conditions are determined based on market.

(Note 2) GLP J-REIT was established through private placement at 500,000 yen per unit.

(Note 3) The party subscribed the new issuance of units through allocation to a third party at 500,000 yen per unit.

(Note 4) Consumption taxes are not included in the transaction amount but included in related balance at the end of the period.

2nd Period (from July 1, 2012 to February 28, 2013)

Attribute	Name of party	Type of business	Ownership ratio	Detail of transaction	Amount of transaction (Thousand yen)	Account title	Balance at period end (Thousand yen)
Interested party	Global Logistic Properties Inc. (Note 1)	Investment advisory/agency	-	Property management fee	45,073	Operating accounts payable	47,326
				Royalty fee	2,900	-	-
Interested party	Tokyo Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	22,700,000	-	-
				Receipt of deposits	114,641	Deposits received	114,641
				Acceptance of tenant leasehold and security deposit	267,201	-	-
Interested party	Cosmos Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	13,313,000	-	-
				Receipt of deposit	113,648	Deposits received	113,648
				Acceptance of tenant leasehold and security deposit	252,751	-	-
Interested party	Akishima Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	7,160,000	-	-
				Receipt of deposit	40,043	Deposits received	40,043
				Acceptance of tenant leasehold and security deposit	293,166	-	-
Interested party	Tomisato Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	4,990,000	-	-
				Receipt of deposit	29,372	Deposits received	29,372
				Acceptance of tenant leasehold and security deposit	88,365	-	-
Interested party	Narashino2 Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	15,220,000	-	-
				Receipt of deposit	143,773	Deposits received	115,036
				Acceptance of tenant leasehold and security deposit	455,574	-	-
Interested party	Funabashi Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	1,720,000	-	-
				Receipt of deposit	19,700	Deposits received	19,700
Interested party	Kazo Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	11,500,000	-	-
				Receipt of deposit	58,487	Deposits received	58,487
				Acceptance of tenant leasehold and security deposit	158,768	-	-
Interested party	Sugito 2 Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	19,000,000	-	-
				Receipt of deposit	101,994	Deposits received	101,994
				Acceptance of tenant leasehold and security deposit	390,223	-	-
Interested party	Iwatsuki Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	6,940,000	-	-
				Receipt of deposit	38,751	Deposits received	38,751
				Acceptance of tenant leasehold and security deposit	104,019	-	-

Attribute	Name of party	Type of business	Ownership ratio	Detail of transaction	Amount of transaction (Thousand yen)	Account title	Balance at period end (Thousand yen)
Interested party	Kasukabe Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	4,240,000	-	-
				Receipt of deposit	13,238	Deposits received	13,238
				Acceptance of tenant leasehold and security deposit	600,000	-	-
Interested party	Koshigaya 2 Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	9,780,000	-	-
				Receipt of deposit	57,110	Deposits received	45,660
				Acceptance of tenant leasehold and security deposit	280,380	-	-
Interested party	Misato 2 Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	14,600,000	-	-
				Receipt of deposit	81,682	Deposits received	65,294
				Acceptance of tenant leasehold and security deposit	210,505	-	-
Interested party	Tatsumi Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	4,960,000	-	-
				Receipt of deposit	22,405	Deposits received	22,405
				Acceptance of tenant leasehold and security deposit	138,414	-	-
Interested party	Hirakata Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	4,750,000	-	-
				Receipt of deposit	35,705	Deposits received	35,705
				Acceptance of tenant leasehold and security deposit	165,195	-	-
Interested party	Hirakata 2 Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	7,940,000	-	-
				Receipt of deposit	58,773	Deposits received	58,773
				Acceptance of tenant leasehold and security deposit	254,788	-	-
Interested party	Maishima 2 Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	8,970,000	-	-
				Receipt of deposit	79,877	Deposits received	63,842
				Acceptance of tenant leasehold and security deposit	135,270	-	-
Interested party	Tsumori Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	1,990,000	-	-
				Receipt of deposit	20,827	Deposits received	20,827
Interested party	Amagasaki Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	24,500,000	-	-
				Receipt of deposit	183,671	Deposits received	146,835
				Acceptance of tenant leasehold and security deposit	554,750	-	-
Interested party	Amagasaki 2 Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	2,040,000	-	-
				Receipt of deposit	10,941	Deposits received	10,941
				Acceptance of tenant leasehold and security deposit	72,000	-	-
Interested party	Azalea Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	5,838,000	-	-
				Receipt of deposit	36,426	Deposits received	36,426
				Acceptance of tenant leasehold and security deposit	120,869	-	-
Interested party	Sakai Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	2,000,000	-	-
				Receipt of deposit	13,694	Deposits received	13,694
				Acceptance of tenant leasehold and security deposit	133,944	-	-
Interested party	Tomiya Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	2,820,000	-	-
				Receipt of deposit	13,761	Deposits received	13,761
				Acceptance of tenant leasehold and security deposit	45,000	-	-
Interested party	Koriyama 1 Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	4,100,000	-	-
				Receipt of deposit	26,017	Deposits received	20,787
				Acceptance of tenant leasehold and security deposit	139,020	-	-
Interested party	Tokai Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	6,210,000	-	-
				Receipt of deposit	45,805	Deposits received	36,615
				Acceptance of tenant leasehold and security deposit	186,720	-	-
Interested party	Hayashima Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	1,190,000	-	-
				Receipt of deposit	7,986	Deposits received	7,986
				Acceptance of tenant leasehold and security deposit	48,000	-	-
Interested party	Hayashima 2 Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	2,460,000	-	-
				Receipt of deposit	16,748	Deposits received	13,384
				Acceptance of tenant leasehold and security deposit	81,660	-	-
Interested party	Kiyama Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	4,760,000	-	-
				Receipt of deposit	29,509	Deposits received	23,545
				Acceptance of tenant leasehold and security deposit	76,941	-	-
Interested party	Sendai Logistic Special Purpose Company	Real estate	-	Purchase of beneficiary right in trust	5,620,000	-	-
				Receipt of deposit	21,511	Deposits received	21,511
				Acceptance of tenant leasehold and security deposit	194,066	-	-

Attribute	Name of party	Type of business	Ownership ratio	Detail of transaction	Amount of transaction (Thousand yen)	Account title	Balance at period end (Thousand yen)
Asset custody company	Mitsubishi UFJ Trust and Banking Corporation	Trust and Banking	-	Borrowing of short-term loans	1,800,000	Short-term loans payable	1,800,000
				Borrowing of long-term loans	7,200,000	Long-term loans payable	7,200,000
				Interest payment	12,323	Accrued expenses	222
				Financing cost	32,400	-	-
				Trust fee	2,857	Operating accounts payable	2,265
				Administrative service fees	3,910	Accounts payable	2,486

(Note 1) Effective April 1, 2013, Global Logistic Properties Inc. has changed its Japanese trade name from GL Properties KK to Global Logistic Properties KK.

(Note 2) Terms and conditions are determined based on market.

(Note 3) Consumption taxes are not included in the transaction amount but included in related balance at the end of the period.

**(Per Unit Information)**

1st Period (Reference) From September 16, 2011 To June 30, 2012		2nd Period From July 1, 2012 To February 28, 2013	
Net assets per unit	35,705 yen	Net assets per unit	58,945 yen
Net loss per unit	(48,856) yen	Net income per unit	1,720 yen
Net income or loss per unit is calculated by dividing net income or loss for the period by the weighted average number of investment units issued and outstanding.		Net income or loss per unit is calculated by dividing net income or loss for the period by the weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated as there are no diluted units.	
Diluted net income per unit is not stated due to net loss.			

(Note 1) GLP J-REIT executed an 8-for-1 unit split on October 31, 2012. Net assets per unit and net income or loss per unit are calculated based on the assumption that the unit split was executed on September 16, 2011.

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

	1st Period (Reference) From September 16, 2011 To June 30, 2012	2nd Period From July 1, 2012 To February 28, 2013
Net income (loss)	(85,743) thousand yen	907,833 thousand yen
Amount not attributable to ordinary unitholders	— thousand yen	— thousand yen
Net income (loss) attributable to ordinary unitholders	(85,743) thousand yen	907,833 thousand yen
Average number of investment units during the period	1,755 units	527,696 units

## (Significant Subsequent Events)

### 1st Period (from September 16, 2011 to June 30, 2012) (Reference)

#### 1. Acquisition of Investment Properties

At the investment committee of the asset management company for GLP J-REIT held on October 30, 2012, it was decided to purchase 30 trust beneficiary rights of investment properties under the following terms. The decision was reported at GLP J-REIT's management meeting held on the same day.

##### (1) Name of property, type of assets, location, anticipated acquisition prices and counterparties

Name of property	Type of assets	Location	Anticipated acquisition prices (Million yen)	Counterparties
GLP Tokyo	Beneficiary right in trust	Ota, Tokyo	22,700	Tokyo Logistic Special Purpose Company
GLP Higashi-Ogishima		Kawasaki, Kanagawa	4,980	Cosmos Special Purpose Company
GLP Akishima		Akishima, Tokyo	7,160	Akishima Logistic Special Purpose Company
GLP Tomisato		Tomisato, Chiba	4,990	Tomisato Logistic Special Purpose Company
GLP Narashino II		Narashino, Chiba	15,220	Narashino Two Logistic Special Purpose Company
GLP Funabashi		Funabashi, Chiba	1,720	Funabashi Logistic Special Purpose Company
GLP Kazo		Kazo, Saitama	11,500	Kazo Logistic Special Purpose Company
GLP Fukaya		Fukaya, Saitama	2,380	Cosmos Special Purpose Company
GLP Sugito II		Kita-katsushika, Saitama	19,000	Sugito Two Logistic Special Purpose Company
GLP Iwatsuki		Saitama, Saitama	6,940	Iwatsuki Logistic Special Purpose Company
GLP Kasukabe		Kasukabe, Saitama	4,240	Kasukabe Logistic Special Purpose Company
GLP Koshigaya II		Koshigaya, Saitama	9,780	Koshigaya Two Logistic Special Purpose Company
GLP Misato II		Misato, Saitama	14,600	Misato Two Logistic Special Purpose Company
GLP Hirakata		Hirakata, Osaka	4,750	Hirakata Logistic Special Purpose Company
GLP Hirakata II		Hirakata, Osaka	7,940	Hirakata Two Logistic Special Purpose Company
GLP Maishima II		Osaka, Osaka	8,970	Maishima Two Logistic Special Purpose Company
GLP Tsumori		Osaka, Osaka	1,990	Tsumori Logistic Special Purpose Company
GLP Rokko		Kobe, Hyogo	5,160	Cosmos Special Purpose Company
GLP Amagasaki		Amagasaki, Hyogo	24,500	Amagasaki Logistic Special Purpose Company
GLP Amagasaki II		Amagasaki, Hyogo	2,040	Amagasaki Two Logistic Special Purpose Company
GLP Nara		Yamato-koriyama, Nara	2,410	Azalea Special Purpose Company
GLP Morioka		Shiwa, Iwate	808	Azalea Special Purpose Company
GLP Tomiya		Kurokawa, Miyagi	2,820	Tomiya Logistic Special Purpose Company
GLP Koriyama I		Koriyama, Fukushima	4,100	Koriyama One Logistic Special Purpose Company
GLP Koriyama III		Koriyama, Fukushima	2,620	Azalea Special Purpose Company
GLP Tokai		Tokai, Aichi	6,210	Tokai Logistic Special Purpose Company
GLP Hayashima		Tsukubo, Okayama	1,190	Hayashima Logistic Special Purpose Company
GLP Hayashima II		Tsukubo, Okayama	2,460	Hayashima Two Logistic Special Purpose Company
GLP Kiyama		Miyaki, Saga	4,760	Kiyama Logistic Special Purpose Company
GLP Tosu III		Tosu, Saga	793	Cosmos Special Purpose Company
Total			208,731	

Notes: Anticipated acquisition prices are equal to the trading value (excluding consumption taxes) of trust beneficiary rights, described in each purchase and sales agreement of trust beneficiary right, pertaining to investment properties to be contracted.

##### (2) Scheduled transfer date: January 4, 2013

##### (3) Conditions of termination:

If the entrustment agreement between GLP J-REIT and the asset management company terminates before the scheduled transfer date, or the investment units issued by GLP J-REIT are not listed on the Tokyo Stock Exchange before December 21, 2012, the sales agreements shall be terminated.

## 2. Execution of Purchase Option Agreements

At the investment committee of the asset management company for GLP J-REIT held on October 30, 2012, it was decided to execute purchase option agreements (the “Agreements”) pertaining to 3 trust beneficiary rights of investment properties under the following terms. The decision was reported at the company’s management meeting held on the same day.

### (1) Name of property, type of assets, location, exercise prices of the option and counterparties

Name of property	Type of assets	Location	Option, exercise prices (million yen)	Counterparties
GLP Tatsumi	Beneficiary right in trust	Koto, Tokyo	4,960	Tatsumi Logistic Special Purpose Company
GLP Sakai		Sakai, Osaka	2,000	Sakai Logistic Special Purpose Company
GLP Sendai		Sendai, Miyagi	5,620	Sendai Logistic Special Purpose Company
Total			12,580	

Notes: Exercise prices are equal to the exercise prices (excluding consumption taxes) of trust beneficiary rights, described in each purchase and sales option agreement of trust beneficiary right, pertaining to investment properties to be agreed.

(2) Total amount of deposits: 12 million yen

(3) Expiry date of the options: November 12, 2015

(4) Scheduled transfer date:

The transfer date will be agreed with the counterparties within 90 days from the execution date of the option.

(5) Summary of the Agreement:

If the transfer is executed as a result of exercising the option, the deposits will be appropriated to a part of the contract amount. Whereas, if GLP J-REIT does not execute the option before expiry, the deposits will not be returned.

GLP J-REIT has the right to terminate the Agreements, by notifying the appropriate counterparties and waiving the right to the deposits. Whereas, the counterparties are not allowed to terminate the Agreements, except in the case that GLP J-REIT materially breaches the contract.

(6) Conditions of termination:

If the entrustment agreement between GLP J-REIT and the asset management company terminate before the scheduled transfer date, or the investment units issued by GLP J-REIT are not listed on the Tokyo Stock Exchange before December 21, 2012, the purchase option agreements shall be terminated.

### 2nd Period (from July 1, 2012 to February 28, 2013)

None

## Statements of Distributions

(Unit: Yen)

	1st Period (Reference) From September 16, 2011 To June 30, 2012	2nd Period From July 1, 2012 To February 28, 2013
I Unappropriated retained earnings (accumulated deficit)	(85,743,458)	822,090,380
II Distributions in excess of retained earnings		
Deduction from unitholders' capital	—	154,366,800
III Distributions	—	975,818,700
(Distributions per unit)	(—)	(531)
Of which, distributions of earnings	—	821,451,900
(Of which, distributions of earnings per unit)	—	(447)
Of which, distributions in excess of retained earnings	—	154,366,800
(Of which, distributions in excess of retained earnings per unit)	(—)	(84)
IV Retained earnings (deficit) carried forward	(85,743,458)	638,480

Calculation method of distribution amount

Pursuant to the “Policy on the Distribution of Funds” as defined in Article 34, Paragraph 1 of Articles of Incorporation of GLP J-REIT, the amount of distributions shall be the amount which does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act. However, the distributions were not made for the period due to accumulated deficit position.

Pursuant to the “Policy on the Distribution of Funds” as defined in Article 34, Paragraph 1 of Articles of Incorporation of GLP J-REIT, the amount of distributions shall be the amount which does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act.

Based on the policy, GLP J-REIT declared the distribution amount of 821,451,900 yen which was the amount equivalent to the maximum integral multiples of number of investment units issued and outstanding as of February 28, 2013.

Besides, based on the distribution policy as defined in Article 34, Paragraph 2 of Article of Incorporation, GLP J-REIT shall make Optimal Payable Distribution (the “OPD”), that means distributions in excess of retained earnings, as a refund of investment, each fiscal period on a continuing basis.

Thus, GLP J-REIT declared the OPD of 154,366,800 yen, as a refund of investment, which was the amount almost equivalent to 30% of depreciation expense of 515,002,884 yen for the period. As a result, surplus decreased at a rate of 0.002

This rate of decrease in surplus is calculated based on Article 23, Paragraph 1 (3) of the Order for Enforcement of the Corporation Tax Act.

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(Note) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings, which do not exceed the amount obtained by deducting an amount of capital expenditures for the calculation 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 59 million yen of capital expenditures for the current fiscal period from 515 million yen of depreciation expense for the period is 455 million yen.

For the time being, GLP J-REIT intends to make an OPD in an amount equal to approximately 30% of depreciation expenses for the calculation 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 plan or financial conditions in light of the estimated amount of capital expenditures for each fiscal term based on the long-term repair plan of GLP J-REIT.

With respect to all 33 properties held as of February 28, 2013, the six-month period average of total amount of the short-term emergency repair costs and the medium- to long-term repair costs, which are set out in the Engineering Report dated September 19, 2012 for each property prepared by Property Risk Solution Corporation, is 306 million yen. Additional acquisitions of properties have been completed and GLP J-REIT has ownership of all 33 properties effective February 1, 2013. Since then, the actual amount accounted for as depreciation expense with respect to all properties held (33 properties) for a month is 264 million yen, thus, the amount for the six-month period is estimated to be 1,586 million yen.

In addition, the amount of OPD is deducted from unitholders' capital upon its payment.

## Statements of Cash Flows (Reference information)

(Unit: Thousand yen)

	1st Period (Reference)	2nd Period
	From September 16, 2011	From July 1, 2012
	To June 30, 2012	To February 28, 2013
Operating activities:		
Income (loss) before income taxes	(85,525)	910,844
Depreciation	—	515,002
Amortization of investment unit issuance expenses	—	26,876
Interest income	(7)	(2,230)
Interest expenses	—	156,177
Decrease (increase) in operating accounts receivable	—	(29,582)
Decrease (increase) in prepaid expenses	(5,250)	(348,989)
Decrease (increase) in consumption taxes receivables	(4,459)	(4,602,169)
Decrease (increase) in other current assets	(1)	1
Decrease (increase) in long-term prepaid expenses	—	(871,156)
Increase (decrease) in operating accounts payable	—	102,595
Increase (decrease) in other accounts payable	16,656	308,323
Increase (decrease) in accrued expenses	144	(144)
Increase (decrease) in advances received	—	1,237,595
Increase (decrease) in deposits received	—	1,302,913
Sub Total	(78,443)	(1,293,940)
Interest received	7	2,230
Interest paid	—	(150,777)
Income taxes paid	—	(670)
Net cash provided by (used in) operating activities	(78,436)	(1,443,158)
Investing activities:		
Purchase of property and equipment	(89,188)	—
Purchase of property and equipment in trust	—	(222,790,376)
Payments for security deposit	(10,000)	—
Proceeds from tenant leasehold and security deposits	—	5,269,585
Proceeds from tenant leasehold and security deposits in trust	—	178,019
Repayments of tenant leasehold and security deposits	—	(2,664)
Purchase of investment securities	—	(1,600)
Net cash provided by (used in) investing activities	(99,188)	(217,347,036)
Financing activities:		
Increase in short-term loans payable	—	18,400,000
Proceeds from long-term loans payable	—	96,000,000
Proceeds from issuance of investment units	200,000	107,128,217
Net cash provided by (used in) financing activities	200,000	221,528,217
Net increase (decrease) in cash and cash equivalents	22,374	2,738,023
Cash and cash equivalents at the beginning of the period	—	22,374
Cash and cash equivalents at the end of the period *1	22,374	2,760,397

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

**(Notes Concerning Significant Accounting Policies)**

	1st Period (Reference) From September 16, 2011 To June 30, 2012	2nd Period From July 1, 2012 To February 28, 2013
Cash and cash equivalents as stated in the Statements of Cash Flows	Cash and cash equivalents consist of cash on hand and cash in trust, floating deposits, deposits in trust and short-term investments that are very liquid and realizable with a maturity of three months or less when purchased to be cash equivalents and that are subject to an insignificant risk of changes in value.	Cash and cash equivalents consist of cash on hand and cash in trust, floating deposits, deposits in trust and short-term investments that are very liquid and realizable with a maturity of three months or less when purchased to be cash equivalents and that are subject to an insignificant risk of changes in value.

**(Notes to Statements of Cash Flows)**

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

(Unit: Thousand yen)

	1st Period (Reference) As of June 30, 2012	2nd Period As of February 28, 2013
Cash and deposits	22,374	710,652
Cash and deposits in trust	—	2,049,745
Cash and cash equivalents	22,374	2,760,397