

Asset Management Report

Feb 2020 Fiscal Period

from September 1, 2019 to February 29, 2020



To Our Unitholders

On behalf of GLP J-REIT, I am pleased to present the financial results for the 16th fiscal period, ended in February 2020.

Although the outlook for the economy is uncertain due to the impact of the outbreak of the novel coronavirus, demand for modern logistics facilities remains strong due to further expansion of e-commerce, and GLP J-REIT continues to grow steadily.

The GLP Group continued to achieve a high rate of increase in rents for the 16th period, backed by its strong network of tenants and solid demand for its highly competitive logistics facilities. As a result, rents have risen for the 15th consecutive period since the listing, and strong internal growth has been maintained.

In addition, in terms of external growth, GLP J-REIT added a total of six new properties subject to RoFL (Rights-of-First-Look), including four properties developed by GLP Japan Inc. and two properties acquired from third parties, into its bridge SPC. As a result, GLP J-REIT now holds 13 properties subject to RoFL in total, securing flexible external growth opportunities in the future.

On the financial front, through a refinancing (3,250 million yen, for seven years) in January 2020, GLP J-REIT took advantage of its high credit rating to lower interest rate costs by 0.71% with the same tenure as the previous loan and reduce annual interest expenses by 23 million yen.

In ESG-related initiatives, GLP J-REIT promoted various activities, which include acquiring its fourth consecutive 4 Star rating in the GRESB Real Estate Assessment in 2019, issuing new green bonds (GLP J-REIT 14th bonds, total issue amount: 5,000 million yen), obtaining CASBEE for Real Estate Certifications for three properties including GLP Noda-Yoshiharu, and enhancing cooperation with tenants through the concluding of green lease contracts. In addition, it has been decided to establish an Employee Stock Ownership Plan (ESOP) targeting officers and employees of GLP Japan Inc. and GLP J-REIT's asset management company in May 2020 (tentative schedule), under a policy of further enhancing the alignment of interests with our unitholders.

As a result of the above, the 16th period ended with an operating revenue of 18,841 million yen and a net income of 8,875 million yen. The total dividend is 2,609 yen per unit, comprising a dividend of 2,315 yen per unit and an optimal payable distribution per unit of 294 yen, which exceeded our initial forecast for the February 2020 period by 39 yen (1.5%).

The dividend per unit for the 17th period (August 2020 period) is expected to be 2,624 yen, which will exceed our initial forecast for the February 2020 period by 35 yen. Our forecasts have been revised upward since an increase in rental revenues is expected as a result of the rise in anticipated occupancy rate.

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, by continuing to harness the GLP Group's extensive experience in operating logistics facilities in the future.

I thank you for your ongoing support.

Yoshiyuki Miura
Executive Director, GLP J-REIT
President, GLP Japan Advisors Inc.



Yoshiyuki Miura
Executive Director, GLP J-REIT



Financial Highlights

	Feb 2020 Initial Forecast (in Oct 2019)	Feb 2020 Actual	Aug 2020 Forecast
Dividend per unit	2,570 yen	2,609 yen	2,624 yen
Property-related revenues	15,755 mm. yen	15,872 mm. yen	16,077 mm. yen
Average occupancy rate	99.5%	99.7%	99.8%

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Overview of GLP

Investment in Modern Logistics Facilities

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

2 Continuous commitment from GLP Group,
which is the largest logistics operator in Japan

3 Largest pipeline (Note 2)
among logistics J-REITs

Number of properties **49**
Gross floor area **4.01** mm sqm

4 Growth and stability

3 Years (6 fiscal periods)
Average Annual Rent Increase (Note 3) **+3.6%**
Occupancy (Note 4) **99.7%**

5 Financial soundness

JCR credit rating **AA** (Stable)
Net asset LTV **44.6%**

(Note 1) "Asset size" is based on the acquisition price as of the end of February 2020.

(Note 2) "Pipeline" is the total gross floor area for RoFL properties and properties owned by JV funds as of April 15, 2020.

(Note 3) "Average annual rent increase" is a rounded number calculated at weighted average method among renewed or replaced tenants with increased rents over the three-year period ended February 29, 2020 (based on leased area). Also, it is calculated based on only warehouse area for multi type properties, while for BTS type properties, it is calculated based on total leasable area including office space. The calculation is based on monthly rent and common-area charge stipulated in the lease contract excluding free rent arrangements.

(Note 4) "Occupancy" is calculated by rounding off the average occupancy at the end of each month. Occupancy at the end of each month refers to the ratio of "total leased area" to "total leasable area" of each asset as of the end of the relevant month.

Investment Target

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

In addition, from the perspective of achieving further income and growing the portfolio of GLP J-REIT, we will also invest in land with leasehold interest, if a logistics facility currently exists on the land or if building a logistics facility on the land in the future is expected to be possible by carrying out redevelopment.

(Note) Third-party logistics ("3PL") operators provide partial or complete supply chain management services for corporate clients. Typically, 3PL companies provide unified services for operational, storage and transportation processes that can be adjusted and customized to fit the needs of individual clients in response to relevant market trends, including regarding user demand and delivery service requests.

State-of-the-art Modern Logistics Facility



Investment Areas

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

► Investment percentage by location (based on acquisition price)

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

Initiatives for ESG

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

Environment

► Continued the issuance of green bonds and obtainment of GRESB and CASBEE certifications

Issuance of green bonds

In November 2019, GLP J-REIT issued green bonds of 5.0 billion yen.



GRESB Real Estate Assessment (Sep 2019)

- Obtained "Green Star" rating in the 2019 GRESB Real Estate Assessment in five consecutive years
- "4 Star" rating in GRESB rating in four consecutive years



Examples of CASBEE certification (Dec 2019)

Obtained CASBEE for Real Estate Certifications (S Rank) on GLP Noda-Yoshiharu on December 2019, resulting in the increase to 28 properties with CASBEE certification



Examples of properties with Rating ★★★★★ (Rank 5)



Green Lease (Note) Contracts: 100% (as of Feb 2020)

All leases signed since September 2019 met Green Lease Requirements

Rate of Green Leases

100%

(As of Feb 2020)

Examples of properties with BELS Assessment



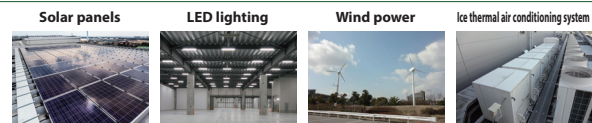
Evaluation ★★★★★



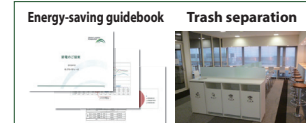
Evaluation ★★★



► Environmental-friendly buildings



► Promote reduction of environmental impact



(Note) A lease agreement with clauses requiring to cooperate for obtaining environmental certification and share the data on energy consumption, etc.

Society

► GLP Group's CSR activities

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

Japan

Sports events children for foster homes



Provision of work experience opportunities



Delivering picture books to children in developing countries



Picking up trash at the coast



Overseas (China)

Founded GLP Hope Schools and provided educational opportunities to around 10,000 students



► Initiatives taken by GLP Group at its facilities

Safety measures

Seismic isolation structure



24-hour security



Teamed up with local governments to use GLP's facilities at times of natural disasters



GLP Suita



Service to the surrounding environment/community

Planting trees



Photocatalyst pavement



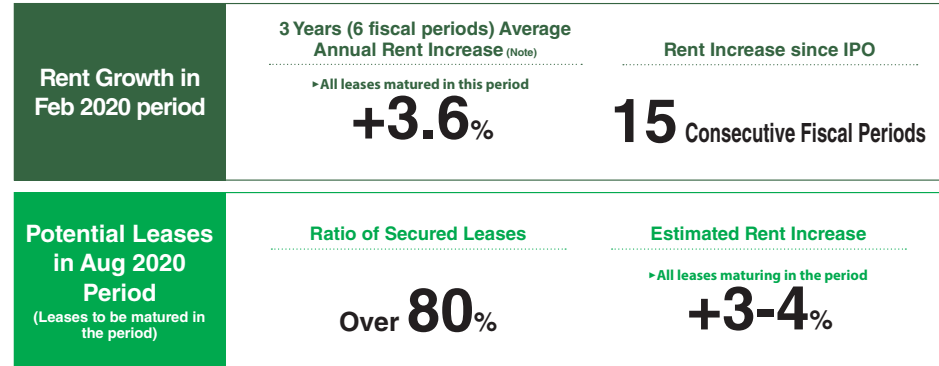
Governance

Since their listing, GLP J-REIT and GLP Japan Advisors, Inc., have pursued the maximization of unitholders' interest by continuing to enhance their governance systems through various measures including the "adoption of performance-linked asset management fee to meet unitholders' interest" and "introduction of strict governance systems against transactions with stakeholders." Recently, it has been decided to establish an Employee Stock Ownership Plan (ESOP) targeting officers and employees of GLP Japan Inc. and GLP J-REIT's asset management company in May 2020 (tentative schedule), with a policy to further enhance the alignment of interests with our unitholders.

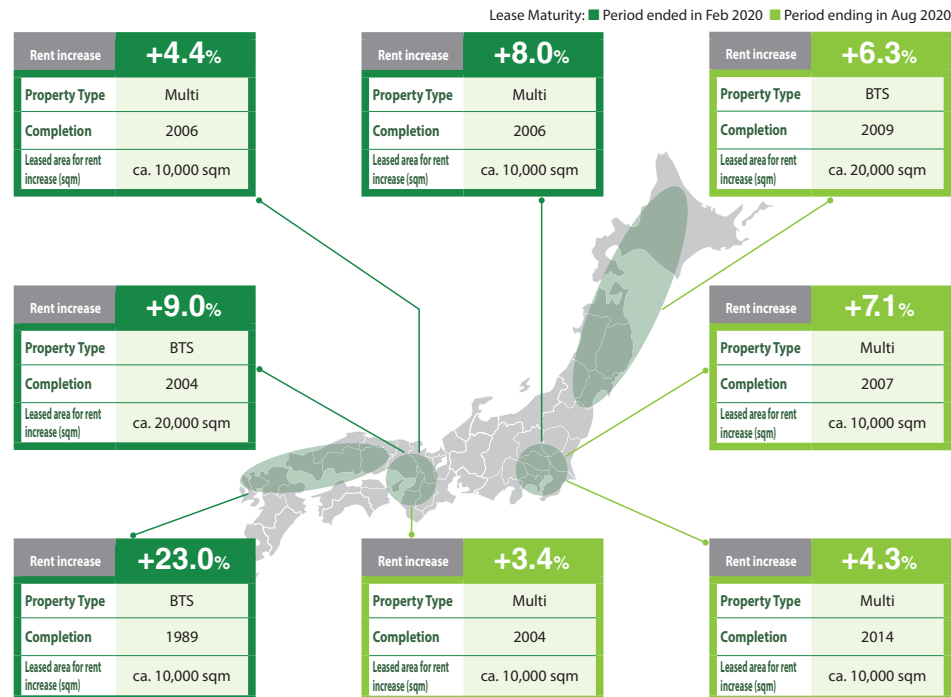
Initiatives to Enhance Unitholder Value

Internal Growth: Continuous Internal Growth Driven by Strong Rent Growth

The GLP Group's professional leasing team continued to deliver strong rent increases for the February 2020 period. More than 80% of the leases maturing during the August 2020 period (number of leases to be matured: 14, size of: 137,000 sqm) has been secured, with +3-4% rent increase on average.

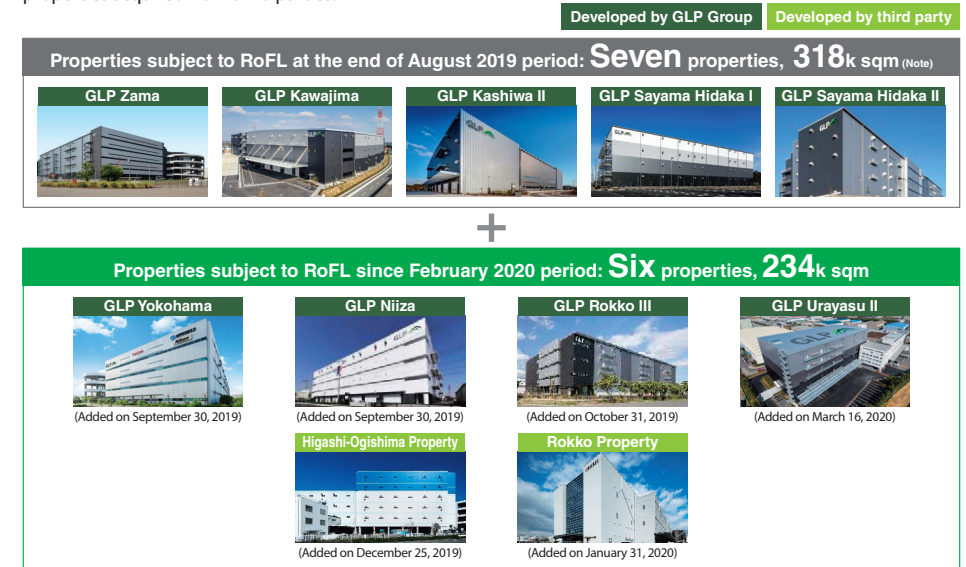


(Note) Rent increase is calculated based on only warehouse area for multi type properties, while for BTS type properties, it is calculated based on total leasable area including office space.



External Growth: Increase in Number of Properties Subject to RoFL

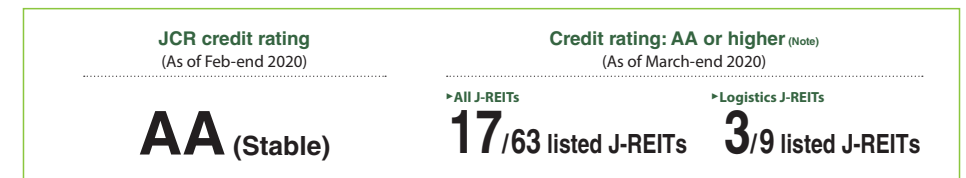
GLP J-REIT has continued to expand its pipeline, looking ahead of external growth opportunities in the future by newly obtaining RoFL for six properties in total, including four properties developed by the GLP Group and two properties acquired from third parties.



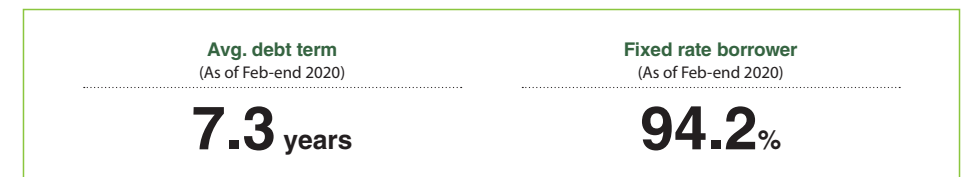
(Note) Excluding two undisclosed properties from total area and pictures

Financial Strategy: Top-tier Financial Profile

▶ Maintaining high credit rating



▶ Long-term funding with conservative fixed rate borrower



(Note) The number of J-REITs with credit ratings of AA or higher integrated by either JCR or R&I as of the end of March 2020

Stability of GLP J-REIT

Best-in-class Portfolio

Top-tier asset size
among logistics J-REITs

607.9 bn yen

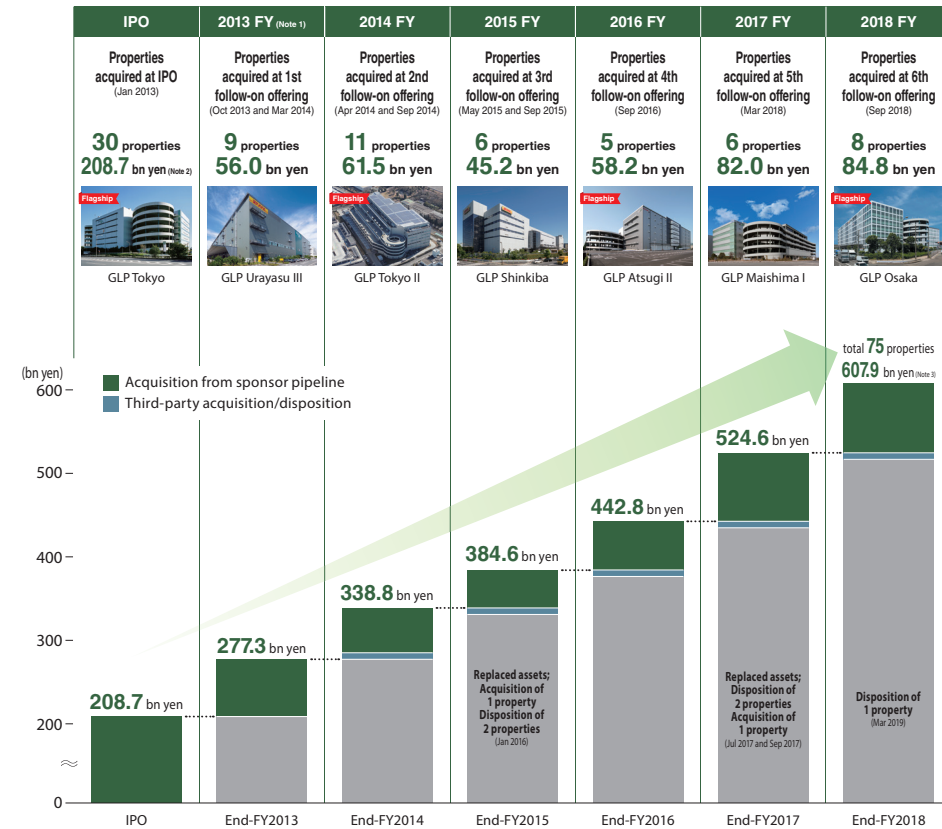
Top-tier logistics J-REIT in
terms of no. of properties

75 properties

Total number of tenants

136 companies

Expanding Portfolio through Consistent Sponsor Support



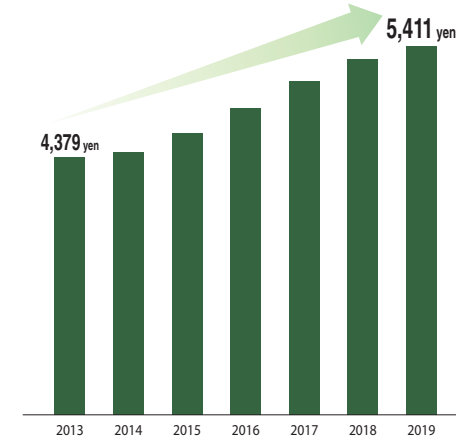
(Note 1) FY runs from April 1 till March 31 in the following year

(Note 2) All prices are based on acquisition

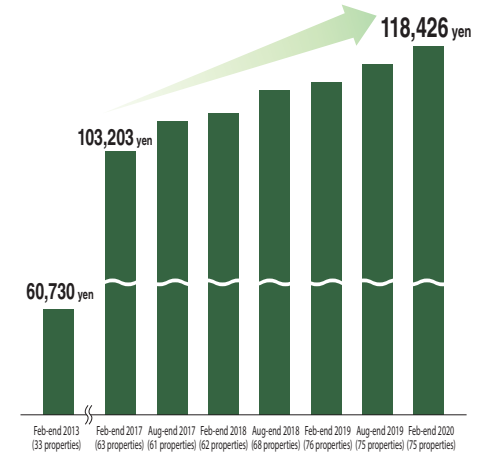
(Note 3) 13 solar panels (4.9 bn yen) acquired on March 1, 2018 as 5th public offering are included in the acquisition price and asset size

Solid trend of Dividend per Unit and NAV per Unit

► Dividend per unit (annual amount) (Note)



► NAV per unit

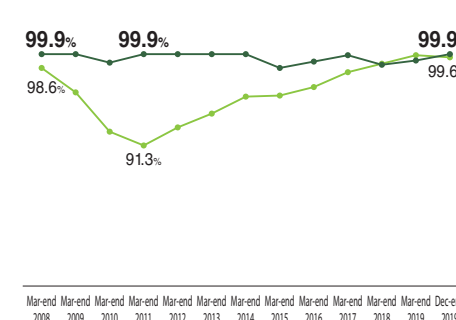


(Note) Figures for each year are the sum of distributions for the fiscal periods ended August and ended February of the each year.

Stable High Occupancy Rates

► Trend of occupancy rates (Note 1) (Note 2)

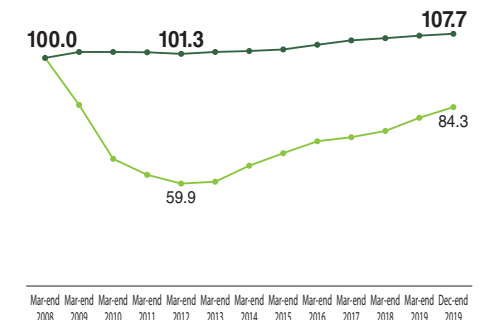
◆ Portfolio of GLP J-REIT ◆ Office (5 Wards of Tokyo)



Solid Trend of Rent Levels

► Trend of rent levels (Note 1) (Note 3)

◆ Portfolio of GLP J-REIT ◆ Office (5 Wards of Tokyo)



Source: GLP, CBRE K.K.

(Note 1) "Office (5 wards of Tokyo)" generally represents office buildings located in 5 wards (Chiyoda, Chuo, Minato, Shinjuku, and Shibuya) with GFAs of between 2,000 and 7,000 tsubo and standard floor areas of 200 or more tsubo and are calculated as such for both occupancy and rent level.

(Note 2) "GLP J-REIT" represents, for the period from Mar 2008 to Mar 2012, the average occupancy of, amongst 33 properties held by GLP J-REIT, those held by GLP Group as of the end of the Feb 2013 period (including properties that were indirectly owned by significant shareholders of GLP Limited as of the end of Mar 2008 and were subsequently acquired by GLP Limited) and, for the period from the end of Mar 2013 to the end of Dec 2019, that for properties held by GLP J-REIT at each point in time.

(Note 3) "GLP J-REIT" represents, for the period from the end of Mar 2008 to the end of Mar 2012, the rent level of, amongst 33 properties held by GLP J-REIT, 23 properties continuously held by GLP Group from Mar-end 2008 onwards (including properties that were indirectly owned by significant shareholders of GLP Limited as of the end of Mar 2008 and were subsequently acquired by GLP Limited) and, for the period from the end of Mar 2013 to the end of Dec 2019, that for 32 properties held by GLP Group as of the end of Jun 2019 amongst 33 properties held by GLP J-REIT as of the end of Feb 2013. For the period up until the end of Mar 2013, a 100 point index as of Mar-end 2008 is used and, for the period from the end of Mar 2013 onwards, a 101.9 point index is used.

Financial Highlights

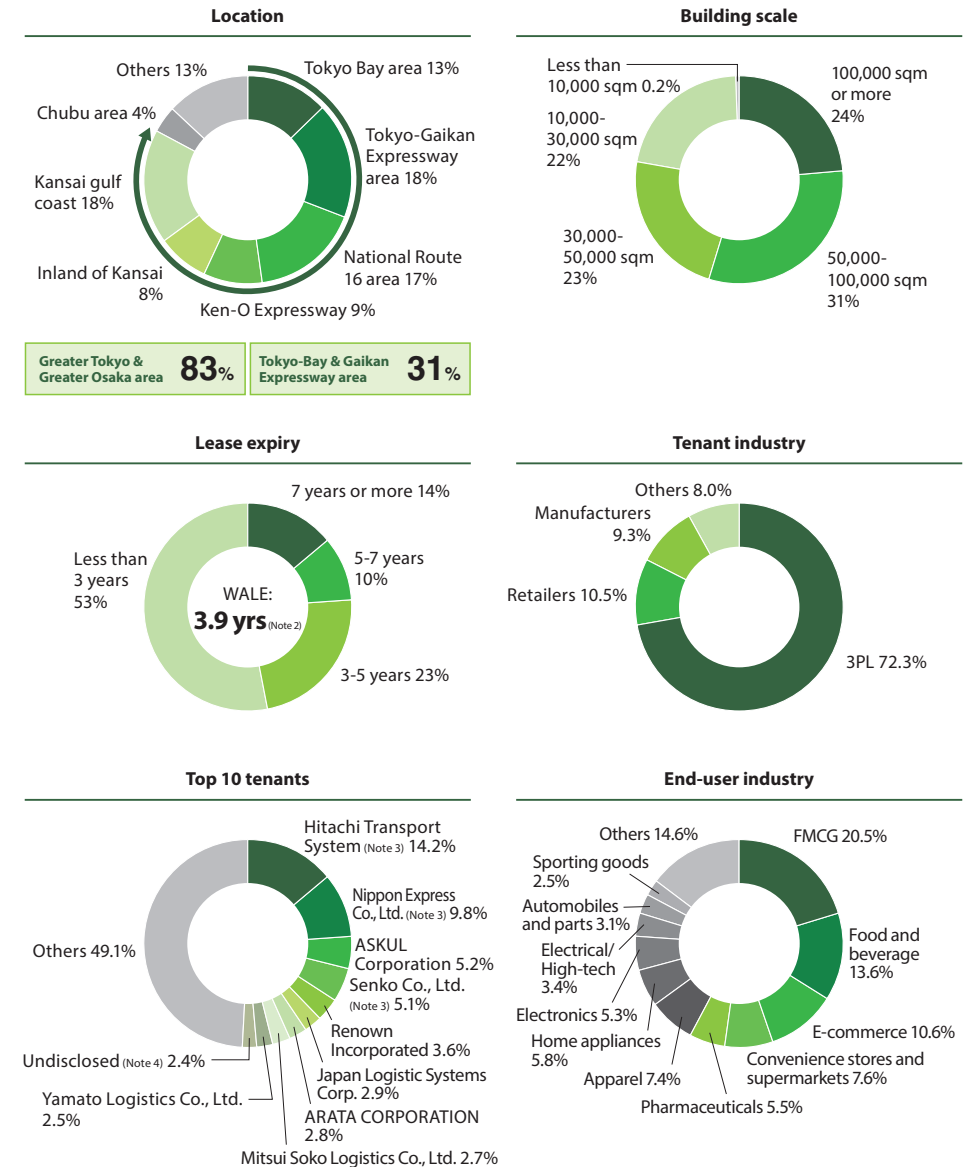
Financials

	Feb 2020 (from September 1, 2019 to February 29, 2020)	Aug 2020 (forecast) (from March 1, 2020 to August 31, 2020)
Operating revenue (mm yen)	18,841	19,078
Operating income (mm yen)	9,920	10,121
Ordinary income (mm yen)	8,841	8,942
Net income (mm yen)	8,875	8,941
No. of properties at fiscal end	75	75

Dividend per Unit

	Feb 2020 (from September 1, 2019 to February 29, 2020)	Aug 2020 (forecast) (from March 1, 2020 to August 31, 2020)
Dividend per unit (total) (yen)	2,609	2,624
Dividend per unit (excl. OPD) (yen)	2,315	2,332
Optimal payable distribution per unit (yen)	294	292

Portfolio Data



(Note 1) The above data is current as of February 29, 2020 (based on 75 properties). Data for location and building scale is based on acquisition price. Other data is based on leased area excluding vacant area.

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

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

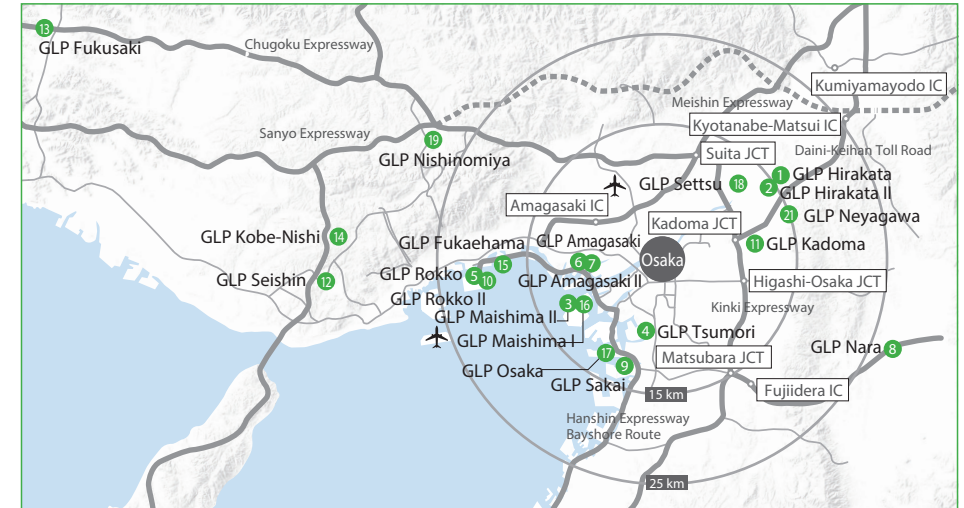
(Note 4) We have not obtained permission to disclose the name of the tenant group, an international courier and third-party logistics provider.

Portfolio Map

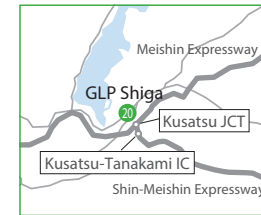
Tokyo Metropolitan Area



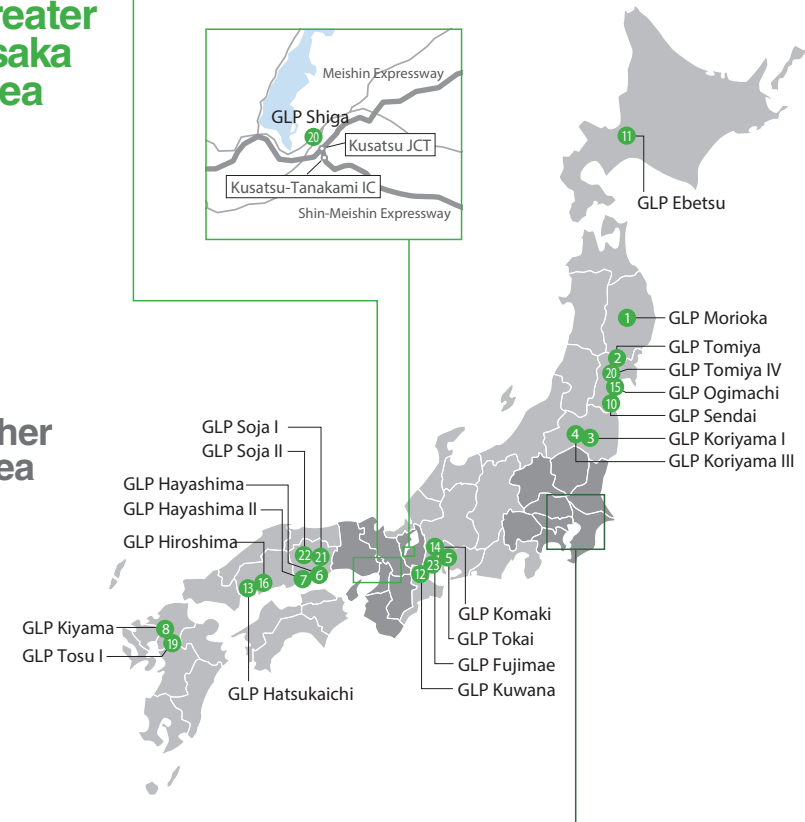
●: Properties owned by GLP J-REIT (75 properties)



Greater Osaka Area



Other Area



Portfolio Introduction Tokyo Metropolitan Area



1 GLP Tokyo Ota, Tokyo



21 GLP Tokyo II Koto, Tokyo



2 GLP Higashi-Ogishima Kawasaki, Kanagawa



3 GLP Akishima Akishima, Tokyo



4 GLP Tomisato Tomisato, Chiba



10 GLP Iwatsuki Saitama, Saitama



12 GLP Koshigaya II Koshigaya, Saitama



15 GLP Hamura Hamura, Tokyo



24 GLP Narashino Narashino, Chiba



5 GLP Narashino II Narashino, Chiba



6 GLP Funabashi Funabashi, Chiba



33 GLP Funabashi II Funabashi, Chiba



7 GLP Kazo Kazo, Saitama



8 GLP Fukaya Fukaya, Saitama



11 GLP Kasukabe Kasukabe, Saitama



16 GLP Funabashi III Funabashi, Chiba



17 GLP Sodegaura Sodegaura, Chiba



23 GLP Shinkiba Koto, Tokyo



34 GLP Misato Misato, Saitama



13 GLP Misato II Misato, Saitama



14 GLP Tatsumi Koto, Tokyo



26 GLP Sugito Kita-Katsushika, Saitama



9 GLP Sugito II Kita-katsushika, Saitama



19 GLP Tatsumi Ila Koto, Tokyo



28 GLP-MFLP Ichikawa Shiohama Ichikawa, Chiba



29 GLP Atsugi II Aiko, Kanagawa



22 GLP Okegawa Okegawa, Saitama



32 GLP Urayasu Urayasu, Chiba



18 GLP Urayasu III Urayasu, Chiba



30 GLP Yoshimi Hiki, Saitama



35 GLP Shinsuna Koto, Tokyo



27 GLP Matsudo Matsudo, Chiba



31 GLP Noda-Yoshiharu Noda, Chiba



36 GLP Shonan Fujisawa, Kanagawa

Greater **Osaka** Area



1 GLP Hirakata Hirakata, Osaka



2 GLP Hirakata II Hirakata, Osaka



4 GLP Tsumori Osaka, Osaka



16 GLP Maishima I Osaka, Osaka



5 GLP Rokko Kobe, Hyogo



10 GLP Rokko II Kobe, Hyogo



3 GLP Maishima II Osaka, Osaka



8 GLP Nara Yamato koriyama, Nara



9 GLP Sakai Sakai, Osaka



7 GLP Amagasaki II Amagasaki, Hyogo



6 GLP Amagasaki Amagasaki, Hyogo



11 GLP Kadoma Kadoma, Osaka



13 GLP Fukusaki Kanzaki, Hyogo



18 GLP Settsu Settsu, Osaka



12 GLP Seishin Kobe, Hyogo



15 GLP Fukaehama Kobe, Hyogo



14 GLP Kobe-Nishi Kobe, Hyogo



19 GLP Nishinomiya Nishinomiya, Hyogo



20 GLP Shiga Kusatsu, Shiga



17 GLP Osaka Osaka, Osaka



21 GLP Neyagawa Neyagawa, Osaka

Other^{Area}



1 GLP Morioka Shiwa, Iwate



5 GLP Tokai Tokai, Aichi



3 GLP Koriyama I Koriyama, Fukushima



2 GLP Tomiya Tomiya, Miyagi



20 GLP Tomiya IV Tomiya, Miyagi



4 GLP Koriyama III Koriyama, Fukushima



6 GLP Hayashima Tsukubo, Okayama



7 GLP Hayashima II Tsukubo, Okayama



8 GLP Kiyama Miyaki, Saga



11 GLP Ebetsu Ebetsu, Hokkaido



10 GLP Sendai Sendai, Miyagi



14 GLP Komaki Komaki, Aichi



15 GLP Ogimachi Sendai, Miyagi



12 GLP Kuwana Kuwana, Mie



13 GLP Hatsukaichi Hatsukaichi, Hiroshima



16 GLP Hiroshima Hiroshima, Hiroshima



23 GLP Fujimae Nagoya, Aichi



19 GLP Tosu I Tosu, Saga



21 GLP Soja I Soja, Okayama

22 GLP Soja II Soja, Okayama

ASSET MANAGEMENT REPORT

[Overview of Asset Management]

1. Trends in Key Indicators

		12th Period	13th Period	14th Period	15th Period	16th Period
		Sept. 1, 2017 to Feb. 28, 2018	Mar. 1, 2018 to Aug. 31, 2018	Sept. 1, 2018 to Feb. 28, 2019	Mar. 1, 2019 to Aug. 31, 2019	Sept. 1, 2019 to Feb. 29, 2020
Operating revenues	Million yen	14,181	16,896	18,691	19,891	18,841
Of which, Property-related revenues	Million yen	14,181	16,896	18,691	19,105	18,841
Operating expenses	Million yen	6,718	7,796	8,506	9,039	8,920
Of which, Property-related expenses	Million yen	5,125	5,936	6,389	6,765	6,747
Operating income	Million yen	7,463	9,100	10,185	10,852	9,920
Ordinary income	Million yen	6,388	7,944	8,946	9,575	8,841
Net income	Million yen	6,387	7,944	9,052	9,612	8,875
Total assets	Million yen	441,944	528,614	610,861	610,494	606,486
[Period-on-period changes]	%	[(0.1)]	[19.6]	[15.6]	[(0.1)]	[(0.7)]
Total net assets	Million yen	215,055	273,931	318,687	318,114	316,248
[Period-on-period changes]	%	[(0.4)]	[27.4]	[16.3]	[(0.2)]	[(0.6)]
Unitholders' capital, net (Note 3)	Million yen	208,665	265,985	309,633	308,499	307,372
Number of investment units issued and outstanding	Unit	2,853,078	3,402,681	3,833,420	3,833,420	3,833,420
Net assets per unit	Yen	75,376	80,504	83,134	82,984	82,497
Distributions	Million yen	7,246	8,962	10,185	10,741	10,001
Of which, Distributions of earnings	Million yen	6,388	7,945	9,050	9,614	8,874
Of which, Distributions in excess of retained earnings	Million yen	858	1,017	1,134	1,127	1,127
Distributions per unit	Yen	2,540	2,634	2,657	2,802	2,609
Of which, Distributions of earnings per unit	Yen	2,239	2,335	2,361	2,508	2,315
Of which, Distributions in excess of retained earnings per unit	Yen	301	299	296	294	294
Ordinary income to total assets (Note 4)	%	1.4	1.6	1.6	1.6	1.5
[Annualized ordinary income to total assets]	%	[2.9]	[3.2]	[3.2]	[3.1]	[2.9]
Return on unitholders' equity (Note 4)	%	3.0	3.2	3.1	3.0	2.8
[Annualized return on unitholders' equity]	%	[6.0]	[6.4]	[6.2]	[6.0]	[5.6]
Unitholders' equity to total assets (Note 4)	%	48.7	51.8	52.2	52.1	52.1
[Period-on-period changes]	%	[(0.1)]	[3.2]	[0.3]	[(0.1)]	[0.0]
Payout ratio (Note 4)	%	100.0	100.0	99.9	100.0	100.0
【Other Information】						
Number of operating days		181	184	181	184	182
Number of investment properties		62	68	76	75	75
Occupancy ratio	%	99.9	99.4	99.2	99.9	99.4
Depreciation expenses	Million yen	2,864	3,400	3,788	3,769	3,766
Capital expenditures	Million yen	675	658	962	762	804
Rental NOI (Net Operating Income) (Note 4)	Million yen	11,920	14,360	16,090	16,109	15,872
FFO (Funds From Operation) (Note 4)	Million yen	9,252	11,345	12,840	12,595	12,654
FFO per unit (Note 4)	Yen	3,243	3,334	3,349	3,285	3,301
Total distributions / FFO ratio (Note 4)	%	78.3	79.0	79.3	85.3	79.0
Debt service coverage ratio (Note 4)		8.8	10.6	11.1	11.9	12.1
The ratio of interest bearing liabilities to total assets	%	48.4	45.1	44.9	44.7	44.6

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

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

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

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

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

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

2. Performance Review for the 15th Period

(1) Brief Background of GLP J-REIT

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

Having GLP Group (Note) as sponsor and investing in highly functional modern logistics facilities while taking advantage of the wealth of experience and management resources, GLP J-REIT aims to earn stable income and achieve steady growth in assets under management over the medium and long term. Since starting its operation as a listed J-REIT with 30 properties (total acquisition price of 208,731 million yen) in January 2013, GLP J-REIT has been steadily expanding its assets through the continuous acquisition of properties. As of the end of the current fiscal period, GLP J-REIT owns 75 properties (total acquisition price of 607,974 million yen).

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

(2) Investment Environment and Business Performance

During the current fiscal period, Japan’s economy shrank mainly due to a deceleration in private consumption driven by a consumption tax hike, major typhoons and a warm winter. This resulted in a real GDP growth rate of negative 1.8% (negative 7.1% at an annual rate) (Note 1) in the October-through-December period of 2019, according to the Quarterly Estimate of GDP (seasonally adjusted, quarter-on-quarter; Second Preliminary Estimates). The global economic outlook is very unclear because of the outbreak of the novel coronavirus, which will put downward pressure on the economy, in addition to U.S.-China trade dispute, Brexit and the situation in the Middle-East.

The logistics facilities leasing market remains strong, with a ravenous demand for modern logistics facilities which will help to solve the logistics industry’s business issues, such as labor shortage and supply chain optimization. In addition, there is a trend of new expansion, consolidation and integration of logistics facilities among e-commerce companies and third-party logistics (3PL) companies. Thus, the vacancy rate of medium and large facilities in Japan hit an all-time low of 1.8% (Note 2) as of the end of December 2019. In addition, the pre-leased ratio (Note 3) for large multi-tenant logistics facilities newly supplied in 2019 reached the record high level of 95% in the Tokyo metropolitan area and 100% for the greater Osaka area as of the end of December 2019.

In the logistics real estate market, backed by a favorable financing environment, steady demand for properties, and the prospect of stable rental income, institutional investors such as pension funds and insurance companies remain highly interested in the market and their funds continue to flow in. As a result, capitalization rates are trending low while real estate prices stay high.

Under these conditions, GLP J-REIT maintained a portfolio occupancy rate at a favorable level of 99.4% as of February 29, 2020 by properly managing and operating 75 properties (total acquisition price of 607,974 million yen) with strong support from GLP Group that provides modern logistic facilities on a global basis. In addition, the total appraisal value is 728,987 million yen with unrealized gains of 147,730 million yen and an unrealized gain ratio of 25.4% (Note 4) as of February 29, 2020.

(Note 1) Source: Cabinet Office, Government of Japan

(Note 2) Source: CBRE K.K.

(Note 3) “The pre-leased ratio” represents the ratio of lease contracts signed or granted as of each survey date; in other words, the ratio of the total floor area for which it is possible to assume no further need to seek tenants as of each survey date to the total floor area of each new logistics facility constructed and planned to be supplied in each year.

(Note 4) $\text{Unrealized gain ratio} = \frac{\text{Unrealized gain (Appraisal value or research price at the fiscal period end - Book value)}}{\text{Book value}}$.

(3) Overview of Financing

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

In the current fiscal period, on November 27, 2019, GLP J-REIT issued the Green Bond (GLP J-REIT 14th Unsecured Bonds, total amount issued: 5,000 million yen) with an aim to promote ESG activities and expand financing channels by broadening the investor base with active ESG investments. The funds raised, together with cash on hand of 1,900 million yen, were used to redeem GLP J-REIT 7th Unsecured Bonds (total amount issued: 6,900 million yen) on November 28, 2019. In addition, GLP J-REIT newly borrowed 3,250 million yen to refinance an existing borrowing of 3,250 million yen with the repayment date of January 31, 2020. While maintaining borrowing terms, GLP J-REIT successfully decreased financing costs and thus improved profitability.

As a result of the above, outstanding interest-bearing liabilities as of the end of the current fiscal period totaled 270,700 million yen (outstanding loans 235,000 million yen, outstanding investment corporation bonds 35,700 million yen) and the ratio of interest-bearing liabilities to total assets (LTV) was 44.6 %.

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

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

(Note) It is the rating for the 2nd to the 6th and the 8th to the 14th Investment Corporation Bonds.

(4) Overview of Financial Results and Cash Distribution

As a result of these management efforts, GLP J-REIT reported total operating revenues of 18,841 million yen, operating income of 9,920 million yen, ordinary income of 8,841 million yen and net income of 8,875 million yen for the current fiscal period.

As for cash distribution for the current fiscal period, in accordance with the distribution policy set forth in its Articles of Incorporation, GLP J-REIT decided to distribute 8,874,367,300 yen. This cash distribution is eligible for the special tax treatment on investment corporations (Section 67.15 of the Special Taxation Measures Act) and represents the multiple of the number of investment units issued and outstanding (3,833,420 units) from unappropriated retained earnings. Accordingly, distribution per unit for the current fiscal period was 2,315 yen.

In addition, GLP J-REIT intends to distribute funds in excess of the amount of retained earnings (OPD) for each fiscal period

on a continuous basis, in accordance with the distribution policy set forth in the Articles of Incorporation (Note). Based on this, GLP J-REIT decided to distribute 1,127,025,480 yen, an amount almost equivalent to 30% of depreciation (3,766 million yen) for the current fiscal period, as a refund of investment categorized as a distribution from unitholders' capital for tax purposes. As a result, the amount of OPD per unit was 294 yen.

(Note) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings that do not exceed the amount obtained by deducting capital expenditure for the operating period immediately before the period in which the distribution is made from an amount equal to depreciation expenses for the corresponding period. The amount obtained by deducting 804 million yen of capital expenditure for the current fiscal period from 3,766 million yen of depreciation expenses for the period is 2,961 million yen.

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

With respect to all 75 properties held as of the end of the current fiscal period, the six-month period average of the total amount of the emergency repair and maintenance expenses and the medium- to long-term repair and maintenance expenses, which are set forth in the Engineering Reports, is 650 million yen.

3. Changes in Number of Investment Units Issued and Outstanding

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

Date	Type of issue	Number of investment units issued and outstanding (Unit)		Unitholders' capital, net (Note 1) (Million yen)		Note
		Increase (decrease)	Total	Increase (decrease)	Total	
May 19, 2015	Distributions in excess of retained earnings (a refund of investment)	—	2,390,731	(698)	160,342	(Note 2)
September 1, 2015	Public offering	197,594	2,588,325	21,784	182,126	(Note 3)
September 25, 2015	Issuance of new units through allocation to a third party	5,459	2,593,784	601	182,728	(Note 4)
November 17, 2015	Distributions in excess of retained earnings (a refund of investment)	—	2,593,784	(707)	182,020	(Note 5)
May 17, 2016	Distributions in excess of retained earnings (a refund of investment)	—	2,593,784	(778)	181,242	(Note 6)
September 1, 2016	Public offering	247,507	2,841,291	28,561	209,804	(Note 7)
September 27, 2016	Issuance of new units through allocation to a third party	11,787	2,853,078	1,360	211,164	(Note 8)
November 16, 2016	Distributions in excess of retained earnings (a refund of investment)	—	2,853,078	(770)	210,393	(Note 9)
May 16, 2017	Distributions in excess of retained earnings (a refund of investment)	—	2,853,078	(867)	209,526	(Note 10)
November 14, 2017	Distributions in excess of retained earnings (a refund of investment)	—	2,853,078	(861)	208,665	(Note 11)

Date	Type of issue	Number of investment units issued and outstanding (Unit)		Unitholders' capital, net (Note 1) (Million yen)		Note
		Increase (decrease)	Total	Increase (decrease)	Total	
March 1, 2018	Public offering	529,922	3,383,000	56,095	264,760	(Note 12)
March 20, 2018	Issuance of new units through allocation to a third party	19,681	3,402,681	2,083	266,843	(Note 13)
May 15, 2018	Distributions in excess of retained earnings (a refund of investment)	—	3,402,681	(858)	265,985	(Note 14)
September 3, 2018	Public offering	411,013	3,813,694	42,620	308,605	(Note 15)
September 26, 2018	Issuance of new units through allocation to a third party	19,726	3,833,420	2,045	310,651	(Note 16)
November 14, 2018	Distributions in excess of retained earnings (a refund of investment)	—	3,833,420	(1,017)	309,633	(Note 17)
May 21, 2019	Distributions in excess of retained earnings (a refund of investment)	—	3,833,420	(1,134)	308,499	(Note 18)
November 18, 2019	Distributions in excess of retained earnings (a refund of investment)	—	3,833,420	(1,127)	307,372	(Note 19)

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

(Note 2) At the Board of Directors’ Meeting held on April 14, 2015, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment) of 292 yen per unit for the 6th Fiscal Period (the period ended February 28, 2015). The payment of distributions was commenced on May 19, 2015.

(Note 3) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 110,247 yen or the offer price of 114,174 yen per unit.

(Note 4) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 110,247 yen.

(Note 5) At the Board of Directors’ Meeting held on October 14, 2015, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders’ capital for tax purposes) of 296 yen per unit for the 7th Fiscal Period (the period ended August 31, 2015). The payment of distributions was commenced on November 17, 2015.

(Note 6) At the Board of Directors’ Meeting held on April 13, 2016, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders’ capital for tax purposes) of 300 yen per unit for the 8th Fiscal Period (the period ended February 29, 2016). The payment of distributions was commenced on May 17, 2016.

(Note 7) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 115,398 yen or the offer price of 119,357 yen per unit.

(Note 8) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 115,398 yen.

(Note 9) At the Board of Directors’ Meeting held on October 13, 2016, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders’ capital for tax purposes) of 297 yen per unit for the 9th Fiscal Period (the period ended August 31, 2016). The payment of distributions was commenced on November 16, 2016.

(Note 10) At the Board of Directors’ Meeting held on April 13, 2017, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders’ capital for tax purposes) of 304 yen per unit for the 10th Fiscal Period (the period ended February 28, 2017). The payment of distributions was commenced on May 16, 2017.

- (Note 11) At the Board of Directors' Meeting held on October 13, 2017, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 302 yen per unit for the 11th Fiscal Period (the period ended August 31, 2017). The payment of distributions was commenced on November 14, 2017.
- (Note 12) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 105,856 yen or the offer price of 109,372 yen per unit.
- (Note 13) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 105,856 yen.
- (Note 14) At the Board of Directors' Meeting held on April 13, 2018, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 301 yen per unit for the 12th Fiscal Period (the period ended February 28, 2018). The payment of distributions was commenced on May 15, 2018.
- (Note 15) In order to obtain funds to acquire new properties, GLP J-REIT issued new investment units through a public offering at the issue price of 103,697 yen or the offer price of 107,130 yen per unit.
- (Note 16) In connection with the public offering, GLP J-REIT issued new investment units through a third party allocation at the issue price of 103,697 yen.
- (Note 17) At the Board of Directors' Meeting held on October 15, 2018, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 299 yen per unit for the 13th Fiscal Period (the period ended August 31, 2018). The payment of distributions was commenced on November 14, 2018.
- (Note 18) At the Board of Directors' Meeting held on April 15, 2019, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 296 yen per unit for the 14th Fiscal Period (the period ended February 28, 2019). The payment of distributions was commenced on May 21, 2019.
- (Note 19) At the Board of Directors' Meeting held on October 16, 2019, it was resolved that GLP J-REIT would make distributions in excess of retained earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) of 294 yen per unit for the 15th Fiscal Period (the period ended August 31, 2019). The payment of distributions was commenced on November 18, 2019.

[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	12th Period	13th Period	14th Period	15th Period	16th Period
For the period ended	February 28, 2018	August 31, 2018	February 28, 2019	August 31, 2019	February 29, 2020
Highest	128,400	122,600	120,500	137,400	153,800
Lowest	111,500	110,800	107,100	115,600	131,400

4. Distributions

Actual amount of distributions is as follows:

(Unit: Thousand yen, unless otherwise stated)

	12th Period Sept. 1, 2017 to Feb. 28, 2018	13th Period Mar. 1, 2018 to Aug. 31, 2018	14th Period Sept. 1, 2018 to Feb. 28, 2019	15th Period Mar. 1, 2019 to Aug. 31, 2019	16th Period Sept. 1, 2019 to Feb. 29, 2020
Unappropriated retained earnings	6,390,448	7,946,714	9,053,764	9,615,220	8,876,762
Retained earnings carried forward	2,406	1,454	3,059	1,003	2,395
Total distributions	7,246,818	8,962,661	10,185,396	10,741,242	10,001,392
[Distributions per unit]	[2,540 yen]	[2,634 yen]	[2,657 yen]	[2,802 yen]	[2,609 yen]
Of which, distributions of earnings	6,388,041	7,945,260	9,050,704	9,614,217	8,874,367
[Distributions of earnings per unit]	[2,239 yen]	[2,335 yen]	[2,361 yen]	[2,508 yen]	[2,315 yen]
Of which, total refund of investments	858,776	1,017,401	1,134,692	1,127,025	1,127,025
[Total refund of investments per unit]	[301 yen]	[299 yen]	[296 yen]	[294 yen]	[294 yen]
Of total refund of investments, total distributions from reserve for temporary difference adjustments	—	—	—	—	—
[Of total refund of investments per unit, distributions from reserve for temporary difference adjustments per unit]	[—yen]	[—yen]	[—yen]	[—yen]	[—yen]
Of total refund of investments, total distributions from the unitholders' capital for tax purposes	858,776	1,017,401	1,134,692	1,127,025	1,127,025
[Of total refund of investments per unit, total distributions from the unitholders' capital for tax purposes per unit]	[301 yen]	[299 yen]	[296 yen]	[294 yen]	[294 yen]

(Note) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings that do not exceed the amount obtained by deducting capital expenditure for the operating period immediately before the period in which the distribution is made from an amount equal to depreciation expenses for the corresponding period. The amount obtained by deducting 804 million yen of capital expenditure for the current fiscal period from 3,766 million yen of depreciation expenses for the period is 2,961 million yen.

For the time being, GLP J-REIT intends to make an OPD distribution (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) in the amount equal to approximately 30% of depreciation

expenses for the operating period immediately before the period in which the distribution is made, unless GLP J-REIT determines that the OPD payment would have a negative impact on its long-term repair and maintenance plan or financial conditions in light of the estimated amount of capital expenditure for each fiscal period based on the plan.

With respect to all 75 properties held as of the end of the current fiscal period, the six-month period average of the total amount of the emergency repair and maintenance expenses and the medium- to long-term repair and maintenance expenses, which are set forth in the Engineering Reports, is 650 million yen.

5. Future Management Policy and Matters to be Addressed

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

- (1) In terms of its internal growth strategy, while enjoying the stable cash flows that characterize its portfolio of assets, GLP J-REIT will aim to keep high occupancy rate of facilities regardless the fluctuation of vacancy rate in the market as a whole, and negotiate for higher rents for lease agreements subject to renewal upon the expirations of lease periods with consideration of market rents. At the same time, GLP J-REIT will seek to enhance the value of existing assets through appropriate maintenance of such assets and capital expenditures.
- (2) With regard to its external growth strategy, while utilizing the Optimal Takeout Arrangement (“OTA”) (Note 1), GLP J-REIT will pursue further expansion of its portfolio focusing on both the improvement of profitability and portfolio quality by acquiring properties developed by GLP Group as well as third-party properties. Specifically, GLP J-REIT will take advantage of 13 properties under Rights-of-First-Look agreement (floor area: approximately 0.59 million m²) (Note 2), which is held by GLP J-REIT as a specific and flexible pipeline, and seek future opportunities to acquire some of the 36 properties (floor area: approximately 3.42 million m²) (the figures include properties under construction or planned for construction) (Note 2) held by a joint venture formed by GLP Group with a third party.
- (3) As to 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 of units, while closely monitoring the trends in the financing environment. By doing so, GLP J-REIT will work to achieve an optimal balance of financing methods and financing costs.

(Note 1) Optimal Takeout Arrangement (“OTA”) refers to the arrangement under which GLP J-REIT acquires an asset at the timing designated by GLP J-REIT within the scheduled acquisition period, and with the acquisition price which may be reduced to some degree depending on the timing of acquisition.

(Note 2) Figures as of April 15, 2020 are stated.

6. Significant Subsequent Events

None to report.

[Profile of GLP J-REIT]

1. Status of Unitholders' Capital

	12th Period As of February 28, 2018	13th Period As of August 31, 2018	14th Period As of February 28, 2019	15th Period As of August 31, 2019	16th Period As of February 29, 2020
Number of investment units authorized (Units)	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Number of investment units issued and outstanding (Units)	2,853,078	3,402,681	3,833,420	3,833,420	3,833,420
Unitholders' capital, net (Million yen) (Note)	208,665	265,985	309,633	308,499	307,372
Number of unitholders	14,310	17,820	18,961	17,779	16,031

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

2. Matters Concerning Investment Units

The following is a list of major unitholders as of February 29, 2020.

Name	Location	Number of units held (Units)	Ratio to total number of units issued and outstanding (%) (Note)
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11, Harumi, Chuo-ku, Tokyo	645,552	16.84
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3, Hamamatsucho, Minato-ku, Tokyo	546,467	14.25
J.P. MORGAN BANK LUXEMBOURG S.A. 384500 Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department	Building A, Shinagawa Intercity, 2-15-1, Konan, Minato-ku, Tokyo	321,481	8.38
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2-2-2, Otemachi, Chiyoda-ku, Tokyo	168,330	4.39
GLP CAPITAL JAPAN 2 PRIVATE LIMITED Standing proxy: Mizuho Securities Co., Ltd. Retail Operations Department (Note 2)	Otemachi First Square, 1-5-1, Otemachi, Chiyoda-ku, Tokyo	132,240	3.44
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	Office Tower Z, Harumi Island Triton Square, 1-8-12, Harumi, Chuo-ku, Tokyo	101,621	2.65
SSBTC CLIENT OMNIBUS ACCOUNT Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody Department	3-11-1, Nihonbashi, Chuo-ku, Tokyo	77,545	2.02
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	2-5-2, Marunouchi, Chiyoda-ku, Tokyo	48,324	1.26
STATE STREET BANK AND TRUST COMPANY 505223 Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department	Building A, Shinagawa Intercity, 2-15-1, Konan, Minato-ku, Tokyo	48,259	1.25

Name	Location	Number of units held (Units)	Ratio to total number of units issued and outstanding (%) (Note)
STATE STREET BANK WEST CLIENT – TREATY 505234 Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department	Building A, Shinagawa Intercity, 2-15-1, Konan, Minato-ku, Tokyo	47,671	1.24
Total		2,137,490	55.75

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

(Note 2) GLP CAPITAL JAPAN 2 PRIVATE LIMITED is a group company of GLP, the Sponsor of GLP J-REIT, and holds 34,000 units in addition to the above. Thus, GLP CAPITAL JAPAN 2 PRIVATE LIMITED holds 166,240 units in total (ratio to total number of units issued and outstanding as of February 29, 2020: 4.33%).

3. Matters Concerning Directors and Auditors

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

Title	Name	Other concurrent title	Total amount of fees paid during the Period (Thousand yen)
Executive Director (Notes 1 and 2)	Yoji Tatsumi (Note 3)	Director, GLP Japan Advisors Inc. (Note 4)	—
	Yoshiyuki Miura (Note 3)	President, GLP Japan Advisors Inc. (Note 4)	—
Supervisory Director (Note 2)	Toraki Inoue	Representative CPA, Toraki Inoue CPA Firm President, Accounting Advisory Co., Ltd.	1,980
	Kota Yamaguchi	Partner, Kimura Takushima & Yamaguchi Law Firm Outside Director, Heiwa Corporation	1,980
Independent Auditor (Note 5)	KPMG AZSA LLC	—	14,500

(Note 1) Yoji Tatsumi owns 82 investment units of GLP J-REIT under his own name. Yoshiyuki Miura does not own investment units of GLP J-REIT under his own name nor the name of another person.

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

(Note 3) Yoji Tatsumi resigned as Executive Director of GLP J-REIT effective December 19, 2019. Yoshiyuki Miura was appointed as Executive Director of GLP J-REIT effective December 19, 2019.

(Note 4) Yoji Tatsumi resigned as President of GLP Japan Advisors Inc. effective October 31, 2019. Yoshiyuki Miura was appointed as President of GLP Japan Advisors Inc. effective November 1, 2019.

(Note 5) The amount of fees paid to Independent Auditor includes the fees for the preparation of a comfort letter (Total 1,500 thousand yen).

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

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

4. Asset Management Company, Custodian and General Administrators

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

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

[Status on Investment Properties]

1. Investment Status

Type of asset	Use of asset	Area (Note 1)	15th Period As of August 31, 2019		16th Period As of February 29, 2020	
			Total amount held (Million yen) (Note 2)	Ratio to total assets (%) (Note 3)	Total amount held (Million yen) (Note 2)	Ratio to total assets (%) (Note 3)
Property and equipment in trust (Note 4)	Logistics facility	Tokyo metropolitan area	335,729	55.0	334,250	55.1
		Greater Osaka area	155,648	25.5	154,778	25.5
		Other	92,852	15.2	92,227	15.2
Subtotal			584,230	95.7	581,256	95.8
Deposits and other assets			26,264	4.3	25,230	4.2
Total assets (Note 5)			610,494 [584,230]	100.0 [95.7]	606,486 [581,256]	100.0 [95.8]

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

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

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

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

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

2. Major Properties Owned

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

Name of properties	Book value (Million yen)	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy ratio (%) (Note 3)	Ratio to total rental revenues (%) (Note 3)	Primary use
GLP Osaka	35,626	128,504.34	127,642.38	99.3	4.9	Logistics facility
GLP Tokyo II	34,784	79,073.21	79,073.21	100.0	5.9	Logistics facility
GLP Amagasaki	23,088	110,224.41	110,224.41	100.0	4.6	Logistics facility
GLP Tokyo	21,427	56,757.92	56,757.92	100.0	3.8	Logistics facility
GLP Atsugi II	20,413	74,176.27	74,176.27	100.0	(Note 4)	Logistics facility
GLP Maishima I	18,986	72,948.78	72,948.78	100.0	(Note 4)	Logistics facility
GLP Shinsuna	18,314	44,355.46	44,355.46	100.0	2.5	Logistics facility
GLP Urayasu III	17,867	64,198.11	64,198.11	100.0	(Note 4)	Logistics facility
GLP Sugito II	17,329	101,272.40	100,345.84	99.1	3.6	Logistics facility
GLP Misato	16,824	46,892.00	46,892.00	100.0	(Note 4)	Logistics facility
Total	224,662	778,402.90	776,614.38	99.8	36.2	

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

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

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

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

3. Summary of Portfolio Properties

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

Name of property	Location (Note 1)	Type of ownership	Leasable area (m ²) (Note 2)	Appraisal value (Million yen) (Note 3)	Book value (Million yen)
GLP Tokyo	2-1-2, Tokai, Ota-ku, Tokyo	Beneficiary right of real estate in trust	56,757.92	31,300	21,427
GLP Higashi-Ogishima	23-9, Higashi-Ogishima, Kawasaki-ku, Kawasaki, Kanagawa		34,582.00	6,830	4,873
GLP Akishima	4-13-41, Mihori-cho, Akishima, Tokyo 4-13-42, Mihori-cho, Akishima, Tokyo		27,356.63	9,920	7,344
GLP Tomisato	3-1, Misawa, Tomisato, Chiba		27,042.59	6,090	4,494
GLP Narashino II	3-6-3, Akanehama, Narashino, Chiba		101,623.59	20,100	14,276
GLP Funabashi	1-1389-2, Kaijincho-Minami, Funabashi, Chiba		10,465.03	2,090	1,894
GLP Kazo	1-5-1, Minami-shinozaki, Kazo, Saitama		76,532.71	14,400	10,387
GLP Fukaya	1900-2, Mizugahara, Orinokuchi, Fukaya, Saitama		19,706.00	2,890	2,173
GLP Sugito II	398-2, Fukawa, Sugito-machi, Kita-Katsushika, Saitama		101,272.40	26,200	17,329
GLP Iwatsuki	2-9-10, Kokaba, Iwatsuki-ku, Saitama, Saitama		31,839.99	9,990	6,411
GLP Kasukabe	1155, Anzai, Suikaku, Kasukabe, Saitama		18,460.73	5,390	3,838
GLP Koshigaya II	2-2-1, Ryutsu-Danchi, Koshigaya, Saitama		43,533.28	14,100	9,141
GLP Misato II	3-2-1, Lala-city, Shinmisato, Misato, Saitama		59,208.59	22,000	14,014
GLP Tatsumi	3-11-10, Tatsumi, Koto-ku, Tokyo		12,925.58	6,770	4,805
GLP Hamura	4-9-8, Shinmeidai, Hamura, Tokyo		40,277.93	10,000	7,283
GLP Funabashi III	2-15-1, Nishiura, Funabashi, Chiba		18,281.84	4,340	2,958
GLP Sodegaura	385-18, Shiinomori, Sodegaura, Chiba		45,582.06	8,070	5,662
GLP Urayasu III	15-27, Chidori, Urayasu, Chiba		64,198.11	22,800	17,867
GLP Tatsumi Ila	3-8-10, Tatsumi, Koto-ku, Tokyo		17,108.52	8,580	6,582
GLP Tokyo II	3-4-11 Shinsuna, Koto-ku, Tokyo		79,073.21	47,400	34,784
GLP Okegawa	2-6 Akabori, Okegawa, Saitama		17,062.92	3,140	2,358
GLP Shinkiba	1-10-9, Shinkiba, Koto-ku, Tokyo		18,341.73	12,800	11,430
GLP Narashino	2-6-6, Shibazono, Narashino, Chiba		23,548.03	5,570	5,283
GLP Sugito	398-13, Fukawa, Sugito-machi, Kita-Katsushika, Saitama		58,918.12	10,600	8,222
GLP Matsudo	520-1, Kamihongo, Matsudo, Chiba		14,904.60	2,950	2,399
GLP-MFLP Ichikawa Shiohama (Note 4)	1-6-3, Shiohama, Ichikawa, Chiba		50,813.07	17,900	15,151
GLP Atsugi II	4022-2, Sakurada, Nakatsu, Aikawa-machi, Aiko, Kanagawa		74,176.27	24,200	20,413
GLP Yoshimi	603-1, Nishi-Yoshimi, Yoshimi-machi, Hiki, Saitama		62,362.89	11,800	10,758
GLP Noda-Yoshiharu	722-2, Aza Tameshita, Yoshiharu, Noda, Chiba		26,631.40	5,370	4,442
GLP Urayasu	76-4, Minato, Urayasu, Chiba		25,839.60	7,910	7,460
GLP Funabashi II	6-1, Shiomi-cho, Funabashi, Chiba		34,699.09	8,480	7,751
GLP Misato	3-1-3, Izumi, Misato, Saitama		46,892.00	19,000	16,824
GLP Shinsuna	2-5-20, Shinsuna, Koto-ku, Tokyo		44,355.46	18,900	18,314
GLP Shonan	16, Kirihara-cho, Fujisawa, Kanagawa		23,832.60	6,200	5,887
GLP Hirakata	3-2-27, Minami-Nakaburi, Hirakata, Osaka 3-2-7, Minami-Nakaburi, Hirakata, Osaka		29,829.56	6,390	4,533
GLP Hirakata II	3-3-1, Minami-Nakaburi, Hirakata, Osaka		43,283.01	9,420	7,431
GLP Maishima II	2-1-92, Hokuokoryokuchi, Konohana-ku, Osaka, Osaka		56,511.10	12,200	8,035
GLP Tsumori	2-1-30, Minami-Tsumori, Nishinari-ku, Osaka, Osaka		16,080.14	2,790	2,025
GLP Rokko	3-10, Koyochi-Higashi, Higashinada-ku, Kobe, Hyogo		39,339.00	6,130	4,979

Name of property	Location (Note 1)	Type of ownership	Leasable area (m ²) (Note 2)	Appraisal value (Million yen) (Note 3)	Book value (Million yen)
GLP Amagasaki	231-2, Nishi-Mukojima-cho, Amagasaki, Hyogo	Beneficiary right of real estate in trust	110,224.41	30,500	23,088
GLP Amagasaki II	16, Nishi-Takasu-cho, Amagasaki, Hyogo		12,342.95	2,380	1,930
GLP Nara	6-4, Imago-cho, Yamatokoriyama, Nara		19,545.35	2,990	2,036
GLP Sakai	1-63, Chikkoyawatamachi, Sakai-ku, Sakai, Osaka		10,372.10	2,260	1,791
GLP Rokko II	4-15-1, Koyocho-Higashi, Higashinada-ku, Kobe, Hyogo		20,407.30	4,340	3,098
GLP Kadoma	4-2-1, Shinomiya, Kadoma, Osaka		12,211.73	3,290	2,425
GLP Seishin	2-5-1, Yasakadai, Suma-ku, Kobe, Hyogo		9,533.88	1,640	1,405
GLP Fukusaki	1714-14, Saiji, Fukusaki-cho, Kanzaki, Hyogo		24,167.83	4,870	3,513
GLP Kobe-Nishi	7-1-1, Mitsugaoka, Nishi-ku, Kobe, Hyogo		35,417.31	7,610	6,622
GLP Fukaehama	34-1, Fukaehama-cho, Higashinada-ku, Kobe, Hyogo		19,386.00	4,880	4,598
GLP Maishima I	2-1-66, Hokuokoryokuchi, Konohana-ku, Osaka, Osaka		72,948.78	19,400	18,986
GLP Osaka	2-4-43, Nanko Minami, Suminoe, Osaka, Osaka		128,504.34	37,200	35,626
GLP Settsu	2-1-62, Torikainaka, Settsu, Osaka		38,997.24	7,630	7,343
GLP Nishinomiya	1-52, Hanshin Ryutsu Center, Yamaguchi-cho, Nishinomiya, Hyogo		19,766.00	2,810	2,741
GLP Shiga	2-6-56, Noji Higashi, Kusatsu, Shiga 2-6-50, Noji Higashi, Kusatsu, Shiga 2-6-55, Noji Higashi, Kusatsu, Shiga 2-2349-24, Azakamegaya, Noji Higashi, Kusatsu, Shiga		29,848.70	4,720	4,547
GLP Neyagawa	10-10, Shoji Minami-machi, Neyagawa, Osaka		26,938.02	8,660	8,015
GLP Morioka	59, Urata, Sakuramachi, Shiwa-cho, Shiwa, Iwate		10,253.80	867	735
GLP Tomiya	9-1-2, Narita, Tomiya, Miyagi		20,466.98	3,890	2,895
GLP Koriyama I	3-2-2, Oroshi, Kikuta-machi, Koriyama, Fukushima		24,335.96	4,590	3,628
GLP Koriyama III	5-12, Mukaihara, Horinouchi, Kikuta-machi, Koriyama, Fukushima		27,671.51	2,810	2,605
GLP Tokai	2-47, Asayama, Tokai, Aichi		32,343.31	8,360	5,851
GLP Hayashima	823, Yao, Hayashima-cho, Tsukubo, Okayama		13,527.76	1,690	1,194
GLP Hayashima II	4507-40, Hayashima, Hayashima-cho, Tsukubo, Okayama		14,447.48	2,880	2,140
GLP Kiyama	2950-1, Urata, Sonobe, Kiyama-cho, Miyaki, Saga		23,455.96	5,930	4,510
GLP Sendai	2-5-2, Sendaikou Kita, Miyagino-ku, Sendai, Miyagi		37,256.23	6,940	5,216
GLP Ebetsu	69-3, Kakuyama, Ebetsu, Hokkaido		18,489.25	2,380	1,397
GLP Kuwana	3646-1, Kanegaya, Mizono, Tado-cho, Kuwana, Mie		20,402.12	4,310	3,291
GLP Hatsukaichi	14-2, Mokuzaiko-Kita, Hatsukaichi, Hiroshima		10,981.89	2,360	1,807
GLP Komaki	1-31, Shinkoki, Komaki, Aichi		52,709.97	14,300	10,065
GLP Ogimachi	1-8-5, Ogimachi, Miyagino-ku, Sendai, Miyagi		13,155.28	1,650	1,414
GLP Hiroshima	2-7-11, Kusatsukou, Nishi-ku, Hiroshima, Hiroshima 2-7-4, Kusatsukou, Nishi-ku, Hiroshima, Hiroshima		21,003.04	4,420	3,554
GLP Tosu I	1715, Hirata, Hatazaki-machi, Tosu, Saga		74,860.38	11,000	9,203
GLP Tomiya IV	9-7-3, Narita, Tomiya, Miyagi 9-7-7, Narita, Tomiya, Miyagi		32,562.60	6,480	5,724
GLP Soja I	4-10, Nagara, Soja, Okayama		63,015.53	13,100	12,545
GLP Soja II	4-1, Nagara, Soja, Okayama		63,234.98	12,800	12,448
GLP Fujimae	2-201-8, Fujimae, Minato, Nagoya, Aichi		12,609.00	2,040	1,997
Total			2,770,644.28	728,987	581,256

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

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

Name of property	15th Period From March 1, 2019 To August 31, 2019				16th Period From September 1, 2019 To February 29, 2020			
	At Period End		Rental revenues (Million yen)	Ratio to total rental revenues (%) (Note 2)	At Period End		Rental revenues (Million yen)	Ratio to total rental revenue (%) (Note 2)
	Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)			Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)		
GLP Tokyo	3	100.0	717	3.8	3	100.0	716	3.8
GLP Higashi-Ogishima	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Akishima	3	100.0	(Note 3)	(Note 3)	3	100.0	(Note 3)	(Note 3)
GLP Tomisato	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Narashino II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Funabashi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kazo	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Fukaya	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sugito II	5	99.1	688	3.6	5	99.1	686	3.6
GLP Iwatsuki	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kasukabe	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Koshigaya II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Misato II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Tatsumi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hamura	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Funabashi III	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sodegaura	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Urayasu III	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Tatsumi Iia	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tokyo II	6	100.0	1,115	5.8	6	100.0	1,105	5.9
GLP Okegawa	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Shinkiba	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Narashino	3	100.0	172	0.9	3	100.0	171	0.9
GLP Sugito	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Matsudo	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP-MFLP Ichikawa Shiohama	5	100.0	486	2.5	5	87.6	426	2.3
GLP Atsugi II	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Yoshimi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Noda-Yoshiharu	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Urayasu	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Funabashi II	1	99.0	(Note 3)	(Note 3)	1	99.0	(Note 3)	(Note 3)
GLP Misato	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Shinsuna	5	100.0	460	2.4	5	100.0	469	2.5
GLP Shonan	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hirakata	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hirakata II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Maishima II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tsumori	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Rokko	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Amagasaki	7	100.0	879	4.6	7	100.0	861	4.6

Name of property	15th Period From March 1, 2019 To August 31, 2019				16th Period From September 1, 2019 To February 29, 2020			
	At Period End		Rental revenues (Million yen)	Ratio to total rental revenues (%) (Note 2)	At Period End		Rental revenues (Million yen)	Ratio to total rental revenue (%) (Note 2)
	Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)			Number of tenants (Note 1)	Occupancy ratio (%) (Note 2)		
GLP Amagasaki II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Nara	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sakai	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Rokko II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kadoma	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Seishin	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Fukusaki	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kobe-Nishi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Fukaehama	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Maishima I	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Osaka	13	99.3	917	4.8	12	99.3	925	4.9
GLP Settsu	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Nishinomiya	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Shiga	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Neyagawa	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Morioka	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tomiya	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Koriyama I	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Koriyama III	4	100.0	125	0.7	4	100.0	126	0.7
GLP Tokai	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hayashima	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hayashima II	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kiyama	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Sendai	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Ebetsu	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Kuwana	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hatsukaichi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Komaki	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Ogimachi	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Hiroshima	2	100.0	(Note 3)	(Note 3)	2	100.0	(Note 3)	(Note 3)
GLP Fukuoka (Note 4)	—	—	(Note 3)	(Note 3)	—	—	—	—
GLP Tosu I	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Tomiya IV	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
GLP Soja I	5	100.0	445	2.3	7	88.8	422	2.2
GLP Soja II	7	99.6	407	2.1	6	99.6	386	2.1
GLP Fujimae	1	100.0	(Note 3)	(Note 3)	1	100.0	(Note 3)	(Note 3)
Total	136	99.9	19,105	100.0	136	99.4	18,841	100.0

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

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

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

(Note 4) GLP Fukuoka was sold to a third party on March 29, 2019.

4. Specified Transaction

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

	Type	Contract amount (Million yen) (Note 1)		Fair value (Million yen) (Note 2)
			Due after one year	
OTC	Interest rate swaps: Receive floating/ Pay fix	184,830	172,680	(3,158)
Total		184,830	172,680	(3,158)

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

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

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

5. Investments and Other Assets

(1) Investment securities – Equity securities

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

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

(2) Details of other specified assets

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

[Capital Expenditure for Properties Owned]

1. Future Plan for Capital Expenditure

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

Property name	Location	Purpose	Planned period	Estimated construction cost (Million yen)		
				Total amount	Amount paid during the period	Total amount paid
GLP Shiga	Kusatsu, Shiga	Renewal of fire alarm receivers	From April 2020 to August 2020	40	—	—
GLP Settsu	Settsu, Osaka	Asphalt repaving work in the facility yard	From June 2020 to August 2020	26	—	—
GLP Settsu	Settsu, Osaka	Renewal of freight elevators, Building No.4	From April 2020 to August 2020	25	—	—
GLP Funabashi III	Funabashi, Chiba	Roofing work of West-side exterior walls	From June 2020 to August 2020	25	—	—
GLP Tokyo	Ota, Tokyo	FRP waterproofing work on roofs (Phase III)	From July 2020 to August 2020	20	—	—
GLP Fukaya	Fukaya, Saitama	Renewal of drain pipes	From March 2020 to April 2020	20	—	—

2. Capital Expenditure Incurred for the Period

The following table summarizes the major constructions to holding properties that resulted in capital expenditure for the current period. Capital expenditure for the current period was 804 million yen. The total construction cost amounted to 892 million yen, including repair and maintenance of 88 million yen that was accounted for as expenses.

Property name	Location	Purpose	Period	Construction cost (Million yen)
GLP Sugito II	Kita-Katsushika, Saitama	FRP waterproofing work on roofs (Phase II)	From November 2019 to January 2020	22
GLP Soja I	Soja, Okayama	Restoration of fireproof compartment on the fifth floor	From November 2019 to February 2020	22
GLP Kadoma	Kadoma, Osaka	Reinforcement of concrete-block walls	From October 2019 to November 2019	20
GLP Maishima I	Osaka, Osaka	Thermal insulation coating on roofs	From July 2019 to September 2019	20
GLP Tokai	Tokai, Aichi	Thermal insulation coating on roofs	From September 2019 to November 2019	20
Other	—	—	—	699
Total				804

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	12th Period Sept. 1, 2017 to Feb. 28, 2018	13th Period Mar. 1, 2018 to Aug. 31, 2018	14th Period Sept. 1, 2018 to Feb 28, 2019	15th Period Mar. 1, 2019 to Aug. 31 2019	16th Period Sept. 1, 2019 to Feb 29, 2020
Balance brought forward from the previous period	—	—	—	—	—
Amount reserved during the period	—	—	—	—	—
Amount used during the period	—	—	—	—	—
Balance to be carried forward to the next period	—	—	—	—	—

(Note 1) GLP J-REIT intends not to account for reserves if the estimated amount of capital expenditure of the following period does not exceed the amount equivalent to 70% of the estimated depreciation expenses for the same period. GLP J-REIT estimates the amount of capital expenditure for the 17th period (for the period ending August 31, 2020) to be 1,066 million yen, which does not exceed 2,617 million yen, the amount equivalent to 70% of 3,738 million yen, which is the estimated depreciation expenses for the same period.

(Note 2) GLP J-REIT intends to distribute funds in excess of the amount of retained earnings that do not exceed the amount obtained by deducting capital expenditure for the operating period immediately before the period in which the distribution is made from an amount equal to depreciation expenses for the corresponding period. The amount obtained by deducting 804 million yen of capital expenditure for the current fiscal period from 3,766 million yen of depreciation expenses for the period is 2,961 million yen.

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

With respect to all 75 properties held as of the end of the current fiscal period, the six-month period average of the total amount of the emergency repair and maintenance expenses and the medium- to long-term repair and maintenance expenses, which are set forth in the Engineering Reports, is 650 million yen. Please refer to the "Summary of Engineering Due Diligence Report" below for the emergency repair and maintenance expenses and the mid-to-long term repair and maintenance expenses for each asset.

(Reference) Summary of Engineering Due Diligence Report

Property number	Name of property	Engineering due diligence company	Date of report	Emergency repair and maintenance expenses (Thousand yen) (Note 1)	Mid-to-Long term repair and maintenance expenses (Thousand yen) (Note2)
Tokyo-1	GLP Tokyo	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 31, 2017	—	446,000
Tokyo-2	GLP Higashi-Ogishima			—	337,520
Tokyo-3	GLP Akishima (Note 3)			—	206,370
Tokyo-4	GLP Tomisato			—	90,060
Tokyo-5	GLP Narashino II			—	1,117,350
Tokyo-6	GLP Funabashi			—	167,750
Tokyo-7	GLP Kazo			—	392,050
Tokyo-8	GLP Fukaya			—	307,300
Tokyo-9	GLP Sugito II			—	406,640
Tokyo-10	GLP Iwatsuki			—	71,950
Tokyo-11	GLP Kasukabe			—	167,980
Tokyo-12	GLP Koshigaya II			—	139,890
Tokyo-13	GLP Misato II (Note 3)			—	168,620
Tokyo-14	GLP Tatsumi			—	54,520
Tokyo-15	GLP Hamura		August 31, 2018	—	61,540
Tokyo-16	GLP Funabashi III			—	127,980
Tokyo-17	GLP Sodegaura			—	63,000
Tokyo-18	GLP Urayasu III			—	296,600
Tokyo-19	GLP Tatsumi Ila		January 31, 2020	—	143,790
Tokyo-21	GLP Tokyo II (Note 3)			—	368,030
Tokyo-22	GLP Okegawa		July 27, 2015	—	208,380
Tokyo-23	GLP Shinkiba			—	243,980
Tokyo-24	GLP Narashino		July 27, 2015	—	230,950
Tokyo-26	GLP Sugito (Note 3)			—	276,775
Tokyo-27	GLP Matsudo	Tokio Marine & Nichido Risk Consulting Co., Ltd.	December 14, 2015	—	142,870
Tokyo-28	GLP-MFLP Ichikawa Shiohama (Note 4)		April 12, 2016	—	220,644
Tokyo-29	GLP Atsugi II		August 3, 2016	—	180,143
Tokyo-30	GLP Yoshimi			—	142,536
Tokyo-31	GLP Noda-Yoshiharu	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	July 1, 2015	—	62,226
Tokyo-32	GLP Urayasu	Tokio Marine & Nichido Risk Consulting Co., Ltd.	August 18, 2017	—	82,849
Tokyo-33	GLP Funabashi II			—	262,847
Tokyo-34	GLP Misato			—	211,734
Tokyo-35	GLP Shinsuna		July 30, 2018	—	298,639
Tokyo-36	GLP Shonan			—	142,715
Osaka-1	GLP Hirakata	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 31, 2017	—	376,400
Osaka-2	GLP Hirakata II			—	236,350
Osaka-3	GLP Maishima II (Note 3)			—	271,900
Osaka-4	GLP Tsumori			—	143,330
Osaka-5	GLP Rokko			—	406,840
Osaka-6	GLP Amagasaki (Note 3)			—	204,430
Osaka-7	GLP Amagasaki II			—	136,600
Osaka-8	GLP Nara			—	146,790
Osaka-9	GLP Sakai			—	39,800
Osaka-10	GLP Rokko II		August 31, 2018	—	353,530
Osaka-11	GLP Kadoma		July 25, 2014	—	114,160
Osaka-12	GLP Seishin			—	186,900

Property number	Name of property	Engineering due diligence company	Date of report	Emergency repair and maintenance expenses (Thousand yen) (Note 1)	Mid-to-Long term repair and maintenance expenses (Thousand yen) (Note2)	
Osaka-13	GLP Fukusaki (Note 3)	Deloitte Tohmatsu Property Risk Solution Co., Ltd.	July 25, 2014	—	160,500	
Osaka-14	GLP Kobe-Nishi		January 28, 2015	—	57,340	
Osaka-15	GLP Fukaeahama (Note 3)	Tokio Marine & Nichido Risk Consulting Co., Ltd.	August 3, 2016	—	219,979	
Osaka-16	GLP Maishima I		August 18, 2017	—	407,302	
Osaka-17	GLP Osaka		July 30, 2018	—	459,059	
Osaka-18	GLP Settsu			—	413,785	
Osaka-19	GLP Nishinomiya			—	227,195	
Osaka-20	GLP Shiga			—	215,421	
Osaka-21	GLP Neyagawa			—	63,718	
Other-1	GLP Morioka		Deloitte Tohmatsu Property Risk Solution Co., Ltd.	August 31, 2017	—	52,660
Other-2	GLP Tomiya (Note 3)				—	84,040
Other-3	GLP Koriyama I	—			56,400	
Other-4	GLP Koriyama III	—			315,200	
Other-5	GLP Tokai	—			151,530	
Other-6	GLP Hayashima	—			144,200	
Other-7	GLP Hayashima II	—			51,550	
Other-8	GLP Kiyama (Note 3)	—			233,920	
Other-10	GLP Sendai	—		134,980		
Other-11	GLP Ebetsu	August 31, 2018		—	74,540	
Other-12	GLP Kuwana			—	126,470	
Other-13	GLP Hatsukaichi			—	83,530	
Other-14	GLP Komaki			—	227,250	
Other-15	GLP Ogimachi			July 25, 2014	—	110,170
Other-16	GLP Hiroshima				—	198,660
Other-19	GLP Tosu I (Note 3)	Tokio Marine & Nichido Risk Consulting Co., Ltd.		July 27, 2015	—	187,234
Other-20	GLP Tomiya IV		August 3, 2016	—	233,500	
Other-21	GLP Soja I		January 15, 2018	—	161,102	
Other-22	GLP Soja II			—	161,224	
Other-23	GLP Fujimae		July 30, 2018	—	143,851	
Total				—	15,615,569	

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

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

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

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

[Expenses and Liabilities]

1. Status of Expenses related to Asset Management

(Unit: Thousand yen)

	15th Period From March 1, 2019 To August 31, 2019	16th Period From September 1, 2019 To February 29, 2020
Asset management fee	2,140,433	2,034,963
Asset custody fee	8,287	8,284
Administrative service fees	25,481	26,783
Directors' remuneration	3,960	3,960
Audit fee	13,000	13,000
Taxes and dues	11,589	137
Other operating expenses	71,967	85,423
Total	2,274,720	2,172,553

(Note) In addition to above, the amount of asset management fee included in the calculation of gain on sales of property and equipment was 11,500 thousand yen for the 15th Period.

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2. Status of Borrowings

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

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Long-term loans payable	MUFG Bank, Ltd.	February 1, 2013	3,250	—	1.03%	January 31, 2020	Lump-sum	(Note 6)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	February 1, 2013	3,250	3,250	1.30% (Note 4)	February 1, 2021	Lump-sum	(Note 6)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	March 3, 2014	2,000	2,000	1.09% (Note 4)	February 26, 2021	Lump-sum	(Note 6)	Unsecured not guaranteed
	MUFG Bank, Ltd.		2,400	2,400					
	Mizuho Bank, Ltd.		1,250	1,250					
	Development Bank of Japan Inc.		450	450					
	Sumitomo Mitsui Banking Corporation	March 3, 2014	1,470	1,470	1.56% (Note 4)	February 29, 2024	Lump-sum	(Note 6)	Unsecured not guaranteed
	MUFG Bank, Ltd.		1,170	1,170					
	Development Bank of Japan Inc.		500	500					
	MUFG Bank, Ltd.	March 3, 2014	3,800	3,800	0.92%	February 26, 2021	Lump-sum	(Note 5)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	June 30, 2014	500	500	1.48% (Note 4)	June 30, 2026	Lump-sum	(Note 5)	Unsecured not guaranteed
	MUFG Bank, Ltd.		500	500					
	Sumitomo Mitsui Banking Corporation	September 2, 2014	3,890	3,890	0.86% (Note 4)	September 2, 2022	Lump-sum	(Note 6)	Unsecured not guaranteed
	MUFG Bank, Ltd.		4,440	4,440					
	Mizuho Bank, Ltd.		2,830	2,830					
	The Bank of Fukuoka, Ltd.		610	610					
	Development Bank of Japan Inc.		650	650					
	The Norinchukin Bank		350	350					
	Resona Bank, Limited.		270	270					
	Sumitomo Mitsui Trust Bank, Limited		560	560					
	Sumitomo Mitsui Banking Corporation	September 2, 2014	1,530	1,530	1.85% (Note 4)	September 2, 2027	Lump-sum	(Note 6)	Unsecured not guaranteed
	MUFG Bank, Ltd.		1,170	1,170					
	Sumitomo Mitsui Banking Corporation	May 1, 2015	2,700	2,700	0.52% (Note 4)	April 30, 2021	Lump-sum	(Note 6)	Unsecured not guaranteed
	Mizuho Bank, Ltd.	May 1, 2015	700	700	0.52% (Note 4)	April 30, 2021	Lump-sum	(Note 6)	Unsecured not guaranteed
	The Norinchukin Bank	May 1, 2015	400	400	0.52% (Note 4)	April 30, 2021	Lump-sum	(Note 6)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	September 1, 2015	2,922	2,922	0.61% (Note 4)	February 28, 2022	Lump-sum	(Note 6)	Unsecured not guaranteed
	MUFG Bank, Ltd.		3,028	3,028					
	Mizuho Bank, Ltd.		1,640	1,640					
	Citibank, N.A., Tokyo Branch		320	320					
	The Bank of Fukuoka, Ltd.		480	480					
	Development Bank of Japan Inc.		320	320					
	The Norinchukin Bank		320	320					
	Resona Bank, Limited.		320	320					
	Sumitomo Mitsui Trust Bank, Limited		440	440					
	Shinsei Bank, Limited		130	130					
	The 77 Bank, Ltd.		130	130					

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Long-term loans payable	MUFG Bank, Ltd.	September 1, 2015	1,300	1,300	0.96% (Note 4)	September 1, 2025	Lump-sum	(Note 6)	Unsecured not guaranteed
	The Bank of Fukuoka, Ltd.	January 4, 2016	1,400	1,400	0.35% (Note 4)	February 26, 2021	Lump-sum	(Note 5)	Unsecured not guaranteed
	The Norinchukin Bank		1,400	1,400					
	MUFG Bank, Ltd.	January 4, 2016	1,900	1,900	0.61% (Note 4)	February 29, 2024	Lump-sum	(Note 5)	Unsecured not guaranteed
	Resona Bank, Limited.		1,400	1,400					
	Mizuho Bank, Ltd.	January 4, 2016	1,500	1,500	0.93% (Note 4)	February 27, 2026	Lump-sum	(Note 5)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	January 4, 2016	5,600	5,600	1.22% (Note 4)	December 21, 2026	Lump-sum	(Note 5)	Unsecured not guaranteed
	MUFG Bank, Ltd.		5,100	5,100					
	Sumitomo Mitsui Banking Corporation	January 4, 2016	500	500	1.31% (Note 4)	December 20, 2027	Lump-sum	(Note 5)	Unsecured not guaranteed
	MUFG Bank, Ltd.		400	400					
	Sumitomo Mitsui Banking Corporation	January 4, 2016	600	600	1.57% (Note 4)	December 20, 2028	Lump-sum	(Note 5)	Unsecured not guaranteed
	MUFG Bank, Ltd.		400	400					
	Sumitomo Mitsui Banking Corporation	January 15, 2016	980	980	0.42% (Note 4)	January 14, 2022	Lump-sum	(Note 6)	Unsecured not guaranteed
	MUFG Bank, Ltd.	January 15, 2016	850	850	0.42%	January 14, 2022	Lump-sum	(Note 6)	Unsecured not guaranteed
	MUFG Bank, Ltd.	January 15, 2016	610	610	0.42% (Note 4)	January 14, 2022	Lump-sum	(Note 6)	Unsecured not guaranteed
	MUFG Bank, Ltd.	September 1, 2016	3,780	3,780	0.29%	September 1, 2023	Lump-sum	(Note 6)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	September 1, 2016	4,100	4,100	0.32%	September 1, 2024	Lump-sum	(Note 6)	Unsecured not guaranteed
	MUFG Bank, Ltd.	September 1, 2016	1,250	1,250	0.26%	September 1, 2020	Lump-sum	(Notes 5 and 6)	Unsecured not guaranteed
	Mizuho Bank, Ltd.		1,570	1,570					
	Citibank, N.A., Tokyo Branch		270	270					
	The 77 Bank, Ltd.		60	60					
	Sumitomo Mitsui Banking Corporation	September 1, 2016	790	790	0.44%	March 1, 2024	Lump-sum	(Notes 5 and 6)	Unsecured not guaranteed
	MUFG Bank, Ltd.		2,000	2,000					
	Mizuho Bank, Ltd.		1,280	1,280					
	Citibank, N.A., Tokyo Branch		780	780					
	The Bank of Fukuoka, Ltd.		500	500					
	Development Bank of Japan Inc.		230	230					
	The Norinchukin Bank		1,060	1,060					
	Resona Bank, Limited.		490	490					
	Aozora Bank, Ltd.		180	180					
	Shinsei Bank, Limited		180	180					
	Sumitomo Mitsui Trust Bank, Limited		480	480					
	The 77 Bank, Ltd.		180	180					

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Long-term loans payable	Sumitomo Mitsui Banking Corporation	September 1, 2016	2,170	2,170	0.57%	March 3, 2025	Lump-sum	(Notes 5 and 6)	Unsecured not guaranteed
	MUFG Bank, Ltd.		2,310	2,310					
	Mizuho Bank, Ltd.		1,110	1,110					
	The Bank of Fukuoka, Ltd.		740	740					
	Development Bank of Japan Inc.		550	550					
	Resona Bank, Limited.		650	650					
	Aozora Bank, Ltd.		370	370					
	Shinsei Bank, Limited		370	370					
	Sumitomo Mitsui Trust Bank, Limited		920	920					
	Mizuho Bank, Ltd.	December 20, 2016	1,150	1,150	0.26%	December 21, 2020	Lump-sum	(Note 5)	Unsecured not guaranteed
	The Bank of Fukuoka, Ltd.	December 20, 2016	500	500	0.53%	December 20, 2022	Lump-sum	(Note 5)	Unsecured not guaranteed
	Sumitomo Mitsui Trust Bank, Limited	December 20, 2016	1,150	1,150	0.56%	December 20, 2023	Lump-sum	(Note 5)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	December 20, 2016	5,700	5,700	0.79%	September 1, 2025	Lump-sum	(Note 5)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	September 1, 2017	870	870	0.46%	September 1, 2023	Lump-sum	(Note 6)	Unsecured not guaranteed
	MUFG Bank, Ltd.	September 1, 2017	580	580	0.46%	September 1, 2023	Lump-sum	(Note 6)	Unsecured not guaranteed
	Mizuho Bank, Ltd.	January 4, 2018	1,500	1,500	0.19%	December 21, 2020	Lump-sum	(Note 5)	Unsecured not guaranteed
	MUFG Bank, Ltd.		800	800					
	Citibank, N.A., Tokyo Branch		1,800	1,800					
	The Bank of Fukuoka, Ltd.		1,800	1,800					
	The Norinchukin Bank		1,300	1,300					
	Sumitomo Mitsui Banking Corporation	January 4, 2018	5,100	5,100	0.28% (Note 4)	December 20, 2021	Lump-sum	(Note 5)	Unsecured not guaranteed
	MUFG Bank, Ltd.		3,600	3,600					
	Mizuho Bank, Ltd.		500	500					
	Resona Bank, Limited.	January 4, 2018	1,300	1,300	0.48% (Note 4)	December 22, 2025	Lump-sum	(Note 5)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	January 4, 2018	2,300	2,300	0.60% (Note 4)	October 30, 2026	Lump-sum	(Note 5)	Unsecured not guaranteed
	MUFG Bank, Ltd.		2,300	2,300					
	Mizuho Bank, Ltd.		2,000	2,000					
	Sumitomo Mitsui Banking Corporation	March 1, 2018	540	540	0.29% (Note 4)	September 1, 2021	Lump-sum	(Notes 5 and 6)	Unsecured not guaranteed
	MUFG Bank, Ltd.		700	700					
	Mizuho Bank, Ltd.		930	930					
	Citibank, N.A., Tokyo Branch		140	140					
	The Norinchukin Bank		190	190					
	Resona Bank, Limited.		130	130					
	Sumitomo Mitsui Trust Bank, Limited		340	340					
	Shinsei Bank, Limited		200	200					

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Long-term loans payable	Sumitomo Mitsui Banking Corporation	March 1, 2018	2,850	2,850	0.34% (Note 4)	February 28, 2023	Lump-sum	(Notes 5 and 6)	Unsecured not guaranteed
	MUFG Bank, Ltd.		2,600	2,600					
	Mizuho Bank, Ltd.		1,900	1,900					
	Citibank, N.A., Tokyo Branch		470	470					
	Development Bank of Japan Inc.		580	580					
	The Norinchukin Bank		530	530					
	Resona Bank, Limited.		260	260					
	Sumitomo Mitsui Trust Bank, Limited		440	440					
	Shinsei Bank, Limited		500	500					
	Sumitomo Mitsui Banking Corporation	March 1, 2018	1,900	1,900	0.38% (Note 4)	February 29, 2024	Lump-sum	(Notes 5 and 6)	Unsecured not guaranteed
	MUFG Bank, Ltd.		1,900	1,900					
	Mizuho Bank, Ltd.		1,140	1,140					
	Development Bank of Japan Inc.		270	270					
	The Norinchukin Bank		220	220					
	Resona Bank, Limited.		60	60					
	Sumitomo Mitsui Trust Bank, Limited		220	220					
	Shinsei Bank, Limited		290	290					
	Sumitomo Mitsui Banking Corporation	March 1, 2018	1,130	1,130	0.50% (Note 4)	February 27, 2026	Lump-sum	(Notes 5 and 6)	Unsecured not guaranteed
	MUFG Bank, Ltd.		830	830					
	Mizuho Bank, Ltd.		820	820					
	Resona Bank, Limited.		390	390					
	Sumitomo Mitsui Banking Corporation	March 1, 2018	1,420	1,420	0.71% (Note 4)	February 29, 2028	Lump-sum	(Notes 5 and 6)	Unsecured not guaranteed
	MUFG Bank, Ltd.		1,110	1,110					
	Mizuho Bank, Ltd.		630	630					
	Sumitomo Mitsui Banking Corporation	September 3, 2018	1,690	1,690	0.36% (Note 4)	September 2, 2022	Lump-sum	(Note 6)	Unsecured not guaranteed
	MUFG Bank, Ltd.		1,280	1,280					
	Mizuho Bank, Ltd.		2,530	2,530					
	Citibank, N.A., Tokyo Branch		1,200	1,200					
	The Norinchukin Bank		980	980					
	Resona Bank, Limited.		120	120					
	Sumitomo Mitsui Trust Bank, Limited		940	940					
	Shinsei Bank, Limited		1,230	1,230					
	Sumitomo Mitsui Banking Corporation	September 3, 2018	4,920	4,920	0.45% (Note 4)	September 1, 2024	Lump-sum	(Note 6)	Unsecured not guaranteed
	MUFG Bank, Ltd.		4,770	4,770					
	Mizuho Bank, Ltd.		2,610	2,610					
	Development Bank of Japan Inc.		530	530					
	The Norinchukin Bank		600	600					
	Resona Bank, Limited.		540	540					
	Sumitomo Mitsui Trust Bank, Limited		540	540					

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Long-term loans payable	Sumitomo Mitsui Banking Corporation	September 3, 2018	3,160	3,160	0.70% (Note 4)	September 2, 2027	Lump-sum	(Note 6)	Unsecured not guaranteed
	MUFG Bank, Ltd.		2,840	2,840					
	Mizuho Bank, Ltd.		1,770	1,770					
	Development Bank of Japan Inc.		530	530					
	Resona Bank, Limited.		540	540					
	Development Bank of Japan Inc.	December 20, 2018	1,250	1,250	0.31% (Note 4)	December 20, 2023	Lump-sum	(Note 5)	Unsecured not guaranteed
	Sumitomo Mitsui Trust Bank, Limited	December 20, 2018	1,250	1,250	0.31% (Note 4)	December 20, 2023	Lump-sum	(Note 5)	Unsecured not guaranteed
	Sumitomo Mitsui Banking Corporation	February 28, 2019	557	557	0.21% (Note 4)	February 28, 2022	Lump-sum	(Note 5)	Unsecured not guaranteed
	MUFG Bank, Ltd.		703	703					
	Mizuho Bank, Ltd.		1,125	1,125					
	Citibank, N.A., Tokyo Branch		1,091	1,091					
	The Bank of Fukuoka, Ltd.		639	639					
	The Norinchukin Bank		139	139					
	Resona Bank, Limited.		100	100					
	Sumitomo Mitsui Trust Bank, Limited		131	131					
	Shinsei Bank, Limited		14	14					
	The Gunma Bank, Ltd.		500	500					
	Sumitomo Mitsui Banking Corporation	February 28, 2019	350	350	0.37% (Note 4)	February 27, 2026	Lump-sum	(Note 5)	Unsecured not guaranteed
	MUFG Bank, Ltd.		1,034	1,034					
	Mizuho Bank, Ltd.		2,007	2,007					
	The Bank of Fukuoka, Ltd.		1,223	1,223					
	Development Bank of Japan Inc.		73	73					
	The Norinchukin Bank		296	296					
	Resona Bank, Limited.		262	262					
	Shinsei Bank, Limited		14	14					
	Sumitomo Mitsui Banking Corporation	February 28, 2019	2,100	2,100	0.63% (Note 4)	February 28, 2029	Lump-sum	(Note 5)	Unsecured not guaranteed
	MUFG Bank, Ltd.		2,100	2,100					
	Mizuho Bank, Ltd.		1,800	1,800					
	Sumitomo Mitsui Banking Corporation	July 23, 2019	1,350	1,350	0.19% (Note 4)	July 31, 2023	Lump-sum	(Note 5)	Unsecured not guaranteed
	MUFG Bank, Ltd.		1,930	1,930					
	Mizuho Bank, Ltd.		1,261	1,261					
	Citibank, N.A., Tokyo Branch		310	310					
	The Bank of Fukuoka, Ltd.		613	613					
	Development Bank of Japan Inc.		2,236	2,236					
	The 77 Bank, Ltd.		300	300					

	Category	Date of borrowing	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Average rate (Note 2)	Repayment date (Note 3)	Repayment	Use	Remarks
	Name of financial institution								
Long-term loans payable	Sumitomo Mitsui Banking Corporation	July 23, 2019	3,000	3,000	0.44% (Note 4)	July 31, 2028	Lump-sum	(Note 5)	Unsecured not guaranteed
	MUFG Bank, Ltd.		4,170	4,170					
	Mizuho Bank, Ltd.		2,730	2,730					
	The Bank of Fukuoka, Ltd.		460	460					
	Development Bank of Japan Inc.		1,680	1,680					
	MUFG Bank, Ltd.	January 31, 2020	—	3,250	0.32% (Note 4)	January 29, 2027	Lump-sum	(Note 5)	Unsecured not guaranteed
	Subtotal		235,000	235,000					
Total			235,000	235,000					

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

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

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

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

(Note 5) The fund was used to make repayments of bank borrowing.

(Note 6) The fund was used to acquire properties or beneficiary rights of real estate in trust.

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3. Status of Investment Corporation Bonds

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

Description	Issued date	Balance at beginning of the period (Million yen)	Balance at end of the period (Million yen)	Interest rate (Note 1)	Maturity date	Maturity method	Use	Remarks
GLP J-REIT 2nd Unsecured Bonds	July 30, 2014	2,000	2,000	0.98%	July 30, 2024	Lump-sum	(Note 2)	(Note 4)
GLP J-REIT 3rd Unsecured Bonds	December 26, 2014	4,500	4,500	0.51%	December 25, 2020	Lump-sum	(Note 2)	(Note 4)
GLP J-REIT 4th Unsecured Bonds	December 26, 2014	1,500	1,500	0.68%	December 26, 2022	Lump-sum	(Note 2)	(Note 4)
GLP J-REIT 5th Unsecured Bonds	December 26, 2014	3,000	3,000	1.17%	December 25, 2026	Lump-sum	(Note 2)	(Note 4)
GLP J-REIT 6th Unsecured Bonds	June 30, 2015	1,500	1,500	0.89%	June 30, 2025	Lump-sum	(Note 2)	(Note 4)
GLP J-REIT 7th Unsecured Bonds	November 28, 2016	6,900	—	0.01%	November 28, 2019	Lump-sum	(Note 2)	(Note 4)
GLP J-REIT 8th Unsecured Bonds	November 28, 2016	1,100	1,100	0.45%	November 27, 2026	Lump-sum	(Note 2)	(Note 4)
GLP J-REIT 9th Unsecured Bonds	February 27, 2017	1,000	1,000	0.47%	February 26, 2027	Lump-sum	(Note 2)	(Note 4)
GLP J-REIT 10th Unsecured Bonds	July 9, 2018	2,000	2,000	0.23%	July 7, 2023	Lump-sum	(Note 2)	(Note 4)
GLP J-REIT 11th Unsecured Bonds	July 9, 2018	1,000	1,000	0.56%	July 7, 2028	Lump-sum	(Note 2)	(Note 4)
GLP J-REIT 12th Unsecured Bonds (Green Bonds)	December 20, 2018	5,100	5,100	0.68%	December 20, 2028	Lump-sum	(Note 2)	(Note 4)
GLP J-REIT 13th Unsecured Bonds (Green Bonds)	July 8, 2019	8,000	8,000	0.61%	July 6, 2029	Lump-sum	(Note 2)	(Note 5)
GLP J-REIT 14th Unsecured Bonds (Green Bonds)	November 27, 2019	—	5,000	0.55%	November 27, 2029	Lump-sum	(Note 3)	(Note 4)
Total		37,600	35,700					

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

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

(Note 3) The fund was used to redeem the investment corporation bonds.

(Note 4) The bond is subject to the special pari passu clause among specified investment corporation bonds.

(Note 5) The bond is subject to the special pari passu clause among investment corporation bonds.

4. Status of Short-Term Investment Corporation Bonds

None

5. Status of Subscription Rights to New Investment Units

None

[Acquisition and Disposition]

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

None

2. Acquisition and Disposition of Other Assets

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

3. Appraisal Values of Specified Assets

(1) Real estate properties

None

(2) Other

(a) Name of the party who performed the investigation

KPMG AZSA LLC

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

The transaction subject to the investigation for the period from September 1, 2019 to February 29, 2020 is one interest rate swap transaction. For the transaction, GLP J-REIT entrusted KPMG AZSA LLC to perform the investigation of comparable price, name of its counterparty, contract amount, duration of transaction etc. based on the Article 201-2 of the Act on Investment Trusts and Investment Corporations, and obtained the report on agreed-upon procedures based on Professional Practice Guidelines 4460, the “Practical Guidelines on Agreed-Upon Procedures for the Investigation of Values, etc. of Specified Assets held by Investment Trusts or Investment Corporations” issued by the Japanese Institute of Certified Public Accountants.

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

4. Transactions with Interested Parties

(1) Transactions

None to report.

(2) Amounts of fees paid

	Total fees (A) (Thousand yen)	Name of interested parties and major shareholders and the amount of transactions		(B)/(A) (%)
		Paid to	Amount paid (B) (Thousand yen)	
Property management fee	351,139	GLP Japan Inc.	351,139	100.0
Royalty fee	7,500	GLP Japan Inc.	7,500	100.0
Leasing commission	113,455	GLP Japan Inc.	113,455	100.0

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

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

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

[Accounting]

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

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

2. Change in Calculation of Depreciation

None

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

None

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

None

[Other Information]

1. Notice

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

Date of approval	Item	Summary
October 16, 2019	Conclusion of Underwriting Agreement and other with regard to investment corporation bonds	<p>Based on a comprehensive resolution on the issuance of unsecured investment corporation bonds at a meeting of the Board of Directors held on October 16, 2019, GLP J-REIT entered into the following agreements with effective date of November 14, 2019.</p> <p>(1) Underwriting Agreement, relating to the issuance of GLP J-REIT 14th Unsecured Bond with special pari passu conditions among specified investment corporation bonds (Green Bonds), concluded among GLP Japan Advisors Inc., SMBC Nikko Securities Inc., Daiwa Securities Co. Ltd. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.</p> <p>(2) Fiscal Agent Agreement for GLP J-REIT 14th Unsecured Bond with special pari passu conditions among specified investment corporation bonds (Green Bonds), concluded with Sumitomo Mitsui Banking Corporation ("SMBC"). Under the Agreement, SMBC is designated as the fiscal agent, issuing agent and payment agent.</p> <p>(3) Memorandum agreed with SMBC regarding the fiscal agent commission prescribed in the Fiscal Agent Agreement as stated above (2), for GLP J-REIT 14th Unsecured Bond with special pari passu conditions among specified investment corporation bonds (Green Bonds).</p>

2. Other

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

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

None

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

None

Balance Sheets

(Unit: Thousand yen)

	Prior Period (Reference) As of August 31, 2019	Current Period As of February 29, 2020
Assets		
Current assets		
Cash and deposits	12,317,691	11,170,208
Cash and deposits in trust	9,234,471	9,485,699
Operating accounts receivable	2,081,143	2,047,146
Prepaid expenses	484,484	592,847
Other current assets	1,445	2,293
Total current assets	24,119,236	23,298,196
Noncurrent assets		
Property and equipment		
Vehicles	1,016	1,016
Accumulated depreciation	(762)	(889)
Vehicles, net	254	127
Buildings in trust	252,215,936	252,916,081
Accumulated depreciation	(32,812,305)	(36,383,602)
Buildings in trust, net	219,403,631	216,532,479
Structures in trust	6,322,840	6,409,038
Accumulated depreciation	(1,913,775)	(2,094,058)
Structures in trust, net	4,409,065	4,314,980
Machinery and equipment in trust	58,088	58,088
Accumulated depreciation	(51,842)	(52,254)
Machinery and equipment in trust, net	6,246	5,833
Tools, furniture and fixtures in trust	269,295	273,672
Accumulated depreciation	(135,149)	(147,991)
Tools, furniture and fixtures in trust, net	134,145	125,681
Land in trust	360,276,976	360,276,976
Total property and equipment, net	584,230,318	581,256,077
Investments and other assets		
Investment securities	1,600	1,600
Long-term prepaid expenses	1,873,649	1,677,531
Deferred tax assets	—	54
Security deposits	10,000	10,000
Other	1,400	1,400
Total investments and other assets	1,886,649	1,690,586
Total noncurrent assets	586,116,968	582,946,664
Deferred assets		
Investment unit issuance expenses	110,855	79,016
Investment corporation bond issuance costs	147,804	162,417
Total deferred assets	258,659	241,434
Total Assets	610,494,864	606,486,294

(Unit: Thousand yen)

	Prior Period (Reference) As of August 31, 2019	Current Period As of February 29, 2020
Liabilities		
Current liabilities		
Operating accounts payable	378,322	212,021
Current portion of investment corporation bonds	6,900,000	4,500,000
Current portion of long-term loans payable	3,250,000	27,450,000
Accounts payable	2,610,195	2,739,732
Accrued expenses	102,949	102,100
Income taxes payable	605	1,588
Consumption taxes payable	1,226,772	733,135
Advances received	3,219,459	3,279,884
Current portion of tenant leasehold and security deposits	494,842	400,030
Total current liabilities	18,183,145	39,418,493
Noncurrent liabilities		
Investment corporation bonds	30,700,000	31,200,000
Long-term loans payable	231,750,000	207,550,000
Tenant leasehold and security deposits	11,522,686	11,916,251
Tenant leasehold and security deposits in trust	224,560	152,560
Total noncurrent liabilities	274,197,246	250,818,812
Total Liabilities	292,380,392	290,237,305
Net Assets		
Unitholders' equity		
Unitholders' capital	317,943,829	317,943,829
Deduction from unitholders' capital	(9,444,577)	(10,571,602)
Unitholders' capital, net	308,499,251	307,372,226
Retained earnings		
Unappropriated retained earnings	9,615,220	8,876,762
Total retained earnings	9,615,220	8,876,762
Total unitholders' equity	318,114,472	316,248,989
Total Net Assets *1	318,114,472	316,248,989
Total Liabilities and Net Assets	610,494,864	606,486,294

Statements of Income

(Unit: Thousand yen)

	Prior Period (Reference) From March 1, 2019 To August 31, 2019	Current Period From September 1, 2019 To February 29, 2020
Operating revenues		
Rental revenues *1	17,800,716	17,793,652
Other rental revenues *1	1,304,806	1,047,389
Gain on sales of property and equipment *2	786,436	—
Total operating revenues	19,891,959	18,841,042
Operating expenses		
Rental expenses *1	6,765,071	6,747,701
Asset management fee	2,140,433	2,034,963
Asset custody fee	8,287	8,284
Administrative service fees	25,481	26,783
Directors' remuneration	3,960	3,960
Audit fee	13,000	13,000
Taxes and dues	11,589	137
Other operating expenses	71,967	85,423
Total operating expenses	9,039,791	8,920,254
Operating income	10,852,167	9,920,787
Non-operating income		
Interest income	90	93
Reversal of distributions payable	1,294	468
Interest on refund of consumption taxes and other	452	—
Total non-operating income	1,837	561
Non-operating expenses		
Interest expense	796,463	693,415
Interest expenses on investment corporation bonds	86,386	108,372
Amortization of investment corporation bond issuance costs	14,360	13,994
Borrowing related expenses	271,295	229,644
Amortization of investment unit issuance expenses	46,151	31,838
Others	63,430	2,143
Total non-operating expenses	1,278,087	1,079,409
Ordinary income	9,575,916	8,841,939
Extraordinary income		
Insurance income *3	231,558	422,093
Total extraordinary income	231,558	422,093
Extraordinary losses		
Loss on disaster *4	194,647	386,725
Total extraordinary losses	194,647	386,725
Income before income taxes	9,612,828	8,877,307
Income taxes-current	605	1,602
Income taxes-deferred	62	(54)
Total income taxes	667	1,547
Net income	9,612,160	8,875,759
Accumulated earnings brought forward	3,059	1,003
Unappropriated retained earnings	9,615,220	8,876,762

Statements of Changes in Net Assets

Prior period (From March 1, 2019 to August 31 2019) (Reference)

(Unit: Thousand yen)

	Unitholders' equity						Total Net Assets
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Retained earnings		Total unitholders' equity	
				Unappropriated retained earnings	Total retained earnings		
Balance at the beginning of the period	317,943,829	(8,309,885)	309,633,944	9,053,764	9,053,764	318,687,708	318,687,708
Changes of items during the period							
Distributions in excess of retained earnings		(1,134,692)	(1,134,692)			(1,134,692)	(1,134,692)
Distributions of earnings				(9,050,704)	(9,050,704)	(9,050,704)	(9,050,704)
Net income				9,612,160	9,612,160	9,612,160	9,612,160
Total changes of items during the period	—	(1,134,692)	(1,134,692)	561,456	561,456	(573,236)	(573,236)
Balance at the end of the period *1	317,943,829	(9,444,577)	308,499,251	9,615,220	9,615,220	318,114,472	318,114,472

Current period (From September 1, 2019 to February 29, 2020)

(Unit: Thousand yen)

	Unitholders' equity						Total Net Assets
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Retained earnings		Total unitholders' equity	
				Unappropriated retained earnings	Total retained earnings		
Balance at the beginning of the period	317,943,829	(9,444,577)	308,499,251	9,615,220	9,615,220	318,114,472	318,114,472
Changes of items during the period							
Distributions in excess of retained earnings		(1,127,025)	(1,127,025)			(1,127,025)	(1,127,025)
Distributions of earnings				(9,614,217)	(9,614,217)	(9,614,217)	(9,614,217)
Net income				8,875,759	8,875,759	8,875,759	8,875,759
Total changes of items during the period	—	(1,127,025)	(1,127,025)	(738,457)	(738,457)	(1,865,482)	(1,865,482)
Balance at the end of the period *1	317,943,829	(10,571,602)	307,372,226	8,876,762	8,876,762	316,248,989	316,248,989

Notes to Financial Statements

(Notes Concerning Significant Accounting Policies)

By period Item	Prior Period (Reference) From March 1, 2019 To August 31, 2019	Current Period From September 1, 2019 To February 29, 2020
1. Basis and method of valuation of assets	Securities Available-for-sale securities with no readily determinable market price are stated at cost. Cost of securities sold is determined by the moving-average method.	Securities Available-for-sale securities with no readily determinable market price are stated at cost. Cost of securities sold is determined by the moving-average method.
2. Depreciation of noncurrent assets	Property and equipment are stated at cost, which includes the original purchase price and related acquisition costs and expenses. Depreciation of property and equipment, including property and equipment in trust, is calculated by the straight-line method over the estimated useful lives as follows: Buildings 2 to 77 years Structures 2 to 60 years Machinery and equipment 6 to 12 years Vehicles 4 years Tools, furniture and fixtures 2 to 18 years	Property and equipment are stated at cost, which includes the original purchase price and related acquisition costs and expenses. Depreciation of property and equipment, including property and equipment in trust, is calculated by the straight-line method over the estimated useful lives as follows: Buildings 2 to 77 years Structures 2 to 60 years Machinery and equipment 6 to 12 years Vehicles 4 years Tools, furniture and fixtures 2 to 18 years
3. Accounting treatment for deferred assets	(1) Investment unit issuance expenses are amortized over three years using the straight-line method. (2) Investment corporation bond issuance costs are amortized over the respective terms of the bonds using the straight-line method.	(1) Investment unit issuance expenses are amortized over three years using the straight-line method. (2) Investment corporation bond issuance costs are amortized over the respective terms of the bonds using the straight-line method.
4. Revenue and expense recognition	Taxes on property and equipment With respect to taxes on property and equipment held by GLP J-REIT, of the tax amounts assessed and determined, the amounts corresponding to the relevant operating period are accounted for as rental expenses. Of the amounts paid for the acquisition of real estate or beneficiary right of real estate in trust, the amounts equivalent to property-related taxes are capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses.	Taxes on property and equipment With respect to taxes on property and equipment held by GLP J-REIT, of the tax amounts assessed and determined, the amounts corresponding to the relevant operating period are accounted for as rental expenses. Of the amounts paid for the acquisition of real estate or beneficiary right of real estate in trust, the amounts equivalent to property-related taxes are capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses.

By period Item	Prior Period (Reference) From March 1, 2019 To August 31, 2019	Current Period From September 1, 2019 To February 29, 2020
5. Hedge accounting	<p>GLP J-REIT enters into derivative transactions in order to hedge against risks defined in its Articles of Incorporation in compliance with their general risk management policy. GLP J-REIT uses interest rate swaps for the purpose of hedging its risk exposure associated with interests on floating rate loans payable. Where deferral accounting is generally adopted for hedge transactions, GLP J-REIT applies the special accounting treatment to interest rate swaps which qualify for hedge accounting and meet the specific matching criteria. Under the special accounting treatment, interest rate swaps are not measured at fair value, but the differential paid or received under the swap agreements is recognized and included in interest expense.</p> <p>The hedge effectiveness test for interest rate swaps is omitted since all interest rate swaps of GLP J-REIT meet the specific matching criteria for the special accounting treatment as permitted under the Japanese GAAP.</p>	<p>GLP J-REIT enters into derivative transactions in order to hedge against risks defined in its Articles of Incorporation in compliance with their general risk management policy. GLP J-REIT uses interest rate swaps for the purpose of hedging its risk exposure associated with interests on floating rate loans payable. Where deferral accounting is generally adopted for hedge transactions, GLP J-REIT applies the special accounting treatment to interest rate swaps which qualify for hedge accounting and meet the specific matching criteria. Under the special accounting treatment, interest rate swaps are not measured at fair value, but the differential paid or received under the swap agreements is recognized and included in interest expense.</p> <p>The hedge effectiveness test for interest rate swaps is omitted since all interest rate swaps of GLP J-REIT meet the specific matching criteria for the special accounting treatment as permitted under the Japanese GAAP.</p>
6. Other significant matters which constitute the basis for preparation of financial statements	<p>(1) Accounting treatment of beneficiary right of real estate in trust As to beneficiary rights of real estate in trust, all accounts of assets and liabilities for assets in trust as well as the related income generated and expenses incurred are recorded in the relevant balance sheet and statement of income accounts. The following significant trust assets are shown separately on the balance sheets.</p> <p>(a) Cash and deposits in trust</p> <p>(b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust</p> <p>(c) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment for consumption taxes Consumption taxes withheld and paid are not included in the accompanying statements of income.</p>	<p>(1) Accounting treatment of beneficiary right of real estate in trust As to beneficiary rights of real estate in trust, all accounts of assets and liabilities for assets in trust as well as the related income generated and expenses incurred are recorded in the relevant balance sheet and statement of income accounts. The following significant trust assets are shown separately on the balance sheets.</p> <p>(a) Cash and deposits in trust</p> <p>(b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust</p> <p>(c) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment for consumption taxes Consumption taxes withheld and paid are not included in the accompanying statements of income.</p>

(Notes to Balance Sheets)

Prior Period (Reference) As of August 31, 2019	Current Period As of February 29, 2020
*1. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations: 50,000 thousand yen.	*1. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations: 50,000 thousand yen.

(Notes to Statements of Income)

Prior Period (Reference) From March 1, 2019 To August 31, 2019	Current Period From September 1, 2019 To February 29, 2020																																																																
<p>*1. Breakdown of operating income from property leasing are as follows:</p> <p style="text-align: right;">(Unit: Thousand yen)</p> <p>A. Property-related revenues</p> <p>Rental revenues:</p> <table> <tr> <td>Rental revenues</td><td>17,195,612</td></tr> <tr> <td>Common area charges</td><td>605,103</td></tr> <tr> <td>Total</td><td>17,800,716</td></tr> </table> <p>Other revenues related to property leasing</p> <table> <tr> <td>Utility charges</td><td>549,928</td></tr> <tr> <td>Parking lots</td><td>80,738</td></tr> <tr> <td>Solar panel leasing</td><td>597,964</td></tr> <tr> <td>Others</td><td>76,174</td></tr> <tr> <td>Total</td><td>1,304,806</td></tr> </table> <p>Total property-related revenues 19,105,522</p> <p>B. Property-related expenses</p> <p>Rental expenses:</p> <table> <tr> <td>Taxes and dues</td><td>1,577,503</td></tr> <tr> <td>Property and facility management fees</td><td>683,378</td></tr> <tr> <td>Utilities</td><td>449,456</td></tr> <tr> <td>Repairs and maintenance</td><td>110,554</td></tr> <tr> <td>Casualty insurance</td><td>45,004</td></tr> <tr> <td>Depreciation</td><td>3,769,420</td></tr> <tr> <td>Others</td><td>129,754</td></tr> <tr> <td>Total property-related expenses</td><td>6,765,071</td></tr> </table> <p>C. Operating income from property leasing 12,340,451</p> <p>(A – B)</p>	Rental revenues	17,195,612	Common area charges	605,103	Total	17,800,716	Utility charges	549,928	Parking lots	80,738	Solar panel leasing	597,964	Others	76,174	Total	1,304,806	Taxes and dues	1,577,503	Property and facility management fees	683,378	Utilities	449,456	Repairs and maintenance	110,554	Casualty insurance	45,004	Depreciation	3,769,420	Others	129,754	Total property-related expenses	6,765,071	<p>*1. Breakdown of operating income from property leasing are as follows:</p> <p style="text-align: right;">(Unit: Thousand yen)</p> <p>A. Property-related revenues</p> <p>Rental revenues:</p> <table> <tr> <td>Rental revenues</td><td>17,190,203</td></tr> <tr> <td>Common area charges</td><td>603,449</td></tr> <tr> <td>Total</td><td>17,793,652</td></tr> </table> <p>Other revenues related to property leasing</p> <table> <tr> <td>Utility charges</td><td>518,605</td></tr> <tr> <td>Parking lots</td><td>81,250</td></tr> <tr> <td>Solar panel leasing</td><td>383,761</td></tr> <tr> <td>Others</td><td>63,771</td></tr> <tr> <td>Total</td><td>1,047,389</td></tr> </table> <p>Total property-related revenues 18,841,042</p> <p>B. Property-related expenses</p> <p>Rental expenses:</p> <table> <tr> <td>Taxes and dues</td><td>1,576,300</td></tr> <tr> <td>Property and facility management fees</td><td>675,979</td></tr> <tr> <td>Utilities</td><td>409,433</td></tr> <tr> <td>Repairs and maintenance</td><td>88,031</td></tr> <tr> <td>Casualty insurance</td><td>56,728</td></tr> <tr> <td>Depreciation</td><td>3,766,094</td></tr> <tr> <td>Others</td><td>175,133</td></tr> <tr> <td>Total property-related expenses</td><td>6,747,701</td></tr> </table> <p>C. Operating income from property leasing 12,093,340</p> <p>(A – B)</p>	Rental revenues	17,190,203	Common area charges	603,449	Total	17,793,652	Utility charges	518,605	Parking lots	81,250	Solar panel leasing	383,761	Others	63,771	Total	1,047,389	Taxes and dues	1,576,300	Property and facility management fees	675,979	Utilities	409,433	Repairs and maintenance	88,031	Casualty insurance	56,728	Depreciation	3,766,094	Others	175,133	Total property-related expenses	6,747,701
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<p>2 Breakdown of gain on sales of property and equipment are as follows:</p> <p style="text-align: right;">(Unit: Thousand yen)</p> <p>GLP Fukuoka</p> <table> <tr> <td>Sales proceed</td><td>2,300,000</td></tr> <tr> <td>Costs of property and equipment sold</td><td>1,462,953</td></tr> <tr> <td>Other selling expenses</td><td>50,610</td></tr> <tr> <td>Gain on sales of property and equipment</td><td>786,436</td></tr> </table>	Sales proceed	2,300,000	Costs of property and equipment sold	1,462,953	Other selling expenses	50,610	Gain on sales of property and equipment	786,436	<p style="text-align: center;">—</p>																																																								
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<p>*3 Details of extraordinary income</p> <p>GLP J-REIT received insurance proceeds of 231,558 thousand yen for damage to properties sustained during Typhoon Jebi (No.21) and Typhoon Trami (No.24) in 2018, and recognized the amount as insurance income.</p>	<p>*3 Details of extraordinary income</p> <p>GLP J-REIT received insurance proceeds of 422,093 thousand yen for damage to properties sustained during Typhoon Faxai (No.15) and Typhoon Hagibis (No.19) in 2019, and recognized the amount as insurance income.</p>																																																																
<p>*4 Details of loss on disaster</p> <p>GLP J-REIT recognized a loss on disaster of 194,647 thousand yen for the restoration of property damage sustained during Typhoon Jebi (No.21) and Typhoon Trami (No.24) in 2018.</p>	<p>*4 Details of loss on disaster</p> <p>GLP J-REIT recognized a loss on disaster of 386,725 thousand yen for the restoration of property damage sustained during Typhoon Faxai (No.15) and Typhoon Hagibis (No.19) in 2019.</p>																																																																

(Notes to Statements of Changes in Net Assets)

Prior Period (Reference) From March 1, 2019 To August 31, 2019		Current Period From September 1, 2019 To February 29, 2020	
*1. Number of investment units authorized and number of investment units issued and outstanding		*1. Number of investment units authorized and number of investment units issued and outstanding	
Number of investment units authorized	16,000,000 units	Number of investment units authorized	16,000,000 units
Number of investment units issued and outstanding	3,833,420 units	Number of investment units issued and outstanding	3,833,420 units

(Deferred Tax Accounting)

Prior Period (Reference) From March 1, 2019 To August 31, 2019		Current Period From September 1, 2019 To February 29, 2020	
1. Significant components of deferred tax assets and liabilities (Unit: Thousand yen)		1. Significant components of deferred tax assets and liabilities (Unit: Thousand yen)	
(Deferred tax assets)		(Deferred tax assets)	
Enterprise tax payable	—	Enterprise tax payable	54
Total	—	Total	54
Net deferred tax assets	—	Net deferred tax assets	54
2. Reconciliation between Japanese statutory tax rate and the actual income tax rate with respect to pre-tax income reflected in the accompanying statement of income for each period is as follows. (Unit: %)		2. Reconciliation between Japanese statutory tax rate and the actual income tax rate with respect to pre-tax income reflected in the accompanying statement of income for each period is as follows. (Unit: %)	
Statutory effective tax rate	31.51	Statutory effective tax rate	31.51
(Adjustments)		(Adjustments)	
Distributions deductible for tax purposes	(31.51)	Distributions deductible for tax purposes	(31.50)
Other	0.01	Other	0.01
Actual tax rate	0.01	Actual tax rate	0.02

(Property and Equipment under Capital Lease)

Prior Period (Reference) From March 1, 2019 To August 31, 2019	Current Period From September 1, 2019 To February 29, 2020
—	—

(Financial Instruments)

Prior Period (From March 1, 2019 to August 31, 2019) (Reference)

1. Status of financial instruments

(1) Policy for financial instruments

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

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

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

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

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

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

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

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

(3) Supplemental explanation regarding fair values of financial instruments

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

2. Estimated fair value of financial instruments

Book value, fair value and differences between the values as of August 31, 2019 are as stated below. Financial instruments for which the fair value is difficult to estimate are excluded from the following table (See Note 2 below).

(Unit: Thousand yen)

	Book value	Fair value	Difference
(1) Cash and deposits	12,317,691	12,317,691	—
(2) Cash and deposits in trust	9,234,471	9,234,471	—
Total assets	21,552,162	21,552,162	—
(1) Current portion of investment corporation bonds	6,900,000	6,898,620	(1,380)
(2) Current portion of long-term loans payable	3,250,000	3,266,875	16,875
(3) Investment corporation bonds	30,700,000	31,292,440	592,440
(4) Long-term loans payable	231,750,000	235,209,667	3,459,667
Total liabilities	272,600,000	276,667,602	4,067,602
Derivative transactions	—	—	—

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

Assets:

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

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

Liabilities:

(1) Current portion of investment corporation bonds and (3) Investment corporation bonds

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

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

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

Derivative transactions:

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

None

(2) Derivative transactions for which hedge accounting is applied

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

(Unit: Thousand yen)

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

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

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

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

(Unit: Thousand yen)	
Account name	Amount on the balance sheet
Tenant leasehold and security deposits	11,522,686
Tenant leasehold and security deposits in trust	224,560
Total	11,747,246

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

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

(Unit: Thousand yen)	
	Due within one year
Cash and deposits	12,317,691
Cash and deposits in trust	9,234,471
Total	21,552,162

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

(Unit: Thousand yen)						
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds	6,900,000	4,500,000	—	3,500,000	2,000,000	20,700,000
Long-term loans payable	3,250,000	31,250,000	29,860,000	42,200,000	29,470,000	98,970,000
Total	10,150,000	35,750,000	29,860,000	45,700,000	31,470,000	119,670,000

Current Period (From September 1, 2019 to February 29, 2020)

1. Status of financial instruments

(1) Policy for financial instruments

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

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

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

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

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

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

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

effectiveness test is omitted. Derivative transactions are executed and managed under the Management Guidelines of the Asset Manager.

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

(3) Supplemental explanation regarding fair values of financial instruments

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

2. Estimated fair value of financial instruments

Book value, fair value and differences between the values as of February 29, 2020 are as stated below. Financial instruments for which the fair value is difficult to estimate are excluded from the following table (See Note 2 below).

(Unit: Thousand yen)

	Book value	Fair value	Difference
(1) Cash and deposits	11,170,208	11,170,208	—
(2) Cash and deposits in trust	9,485,699	9,485,699	—
Total assets	20,655,908	20,655,908	—
(1) Current portion of investment corporation bonds	4,500,000	4,512,150	12,150
(2) Current portion of long-term loans payable	27,450,000	27,530,613	80,613
(3) Investment corporation bonds	31,200,000	31,481,490	281,490
(4) Long-term loans payable	207,550,000	211,117,511	3,567,511
Total liabilities	270,700,000	274,641,764	3,941,764
Derivative transactions	—	—	—

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

Assets:

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

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

Liabilities:

(1) Current portion of investment corporation bonds and (3) Investment corporation bonds

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

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

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

Derivative transactions:

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

None

(2) Derivative transactions for which hedge accounting is applied

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

(Unit: Thousand yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating/ Pay fix	Long-term loans payable	184,830,000	172,680,000	*1	*2

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

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

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

(Unit: Thousand yen)

Account name	Amount on the balance sheet
Tenant leasehold and security deposits	11,916,251
Tenant leasehold and security deposits in trust	152,560
Total	12,068,812

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

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

(Unit: Thousand yen)

	Due within one year
Cash and deposits	11,170,208
Cash and deposits in trust	9,485,699
Total	20,655,908

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

(Unit: Thousand yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds	4,500,000	—	1,500,000	2,000,000	2,000,000	25,700,000
Long-term loans payable	27,450,000	33,660,000	34,200,000	29,320,000	26,760,000	83,610,000
Total	31,950,000	33,660,000	35,700,000	31,320,000	28,760,000	109,310,000

(Investment and Rental Properties)

Prior Period (From March 1, 2019 to August 31, 2019) (Reference)

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

(Unit: Thousand yen)

Book value			Fair value at the end of the period
At the beginning of the period	Increase (decrease)	At the end of the period	
588,700,584	(4,470,265)	584,230,318	721,011,000

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

(Note 2) Of the change in book value during the period, the major increase was primarily due to capital expenditure, whereas the major decrease was due to the disposition of a property (GLP Fukuoka) in the amount of 1,462,953 thousand yen and depreciation of 3,769,420 thousand yen.

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

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

Current Period (From September 1, 2019 to February 29, 2020)

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

(Unit: Thousand yen)

Book value			Fair value at the end of the period
At the beginning of the period	Increase (decrease)	At the end of the period	
584,230,318	(2,974,241)	581,256,077	728,987,000

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

(Note 2) Of the change in book value during the period, the major increase was primarily due to capital expenditure, whereas the major decrease was due to depreciation of 3,766,094 thousand yen.

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

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

(Restriction on Asset Management)

Prior Period (Reference) From March 1, 2019 To August 31, 2019	Current Period From September 1, 2019 To February 29, 2020
—	—

(Related Party Transactions)

Prior Period (From March 1, 2019 to August 31, 2019) (Reference)

Classification	Name of the company	Type of business	% of voting rights (owned)	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
Interested party	GLP Japan Inc.	Investment advisory/ agency	—	Property management fee	357,348	Operating accounts payable	79,649
				Leasing commission	79,925		
				Royalty fee (Note 2)	7,500	—	—
Interested party	Light Year Special Purpose Company	Real estate	—	Rental income from rooftop leasing (Note 2)	3,822	Advances received	688
Interested party	GLP J-REIT Master Lease GK	Real estate	—	Rental income from solar panel leasing	243,476	Operating accounts receivable	65,255
Interested party	Ichikawashiohama Godo Kaisha	Equipment leasing	—	Rental income from solar panel leasing	27,365	Operating accounts receivable	3,744
Interested party	GLP Tosu One GK	Equipment leasing	—	Rental income from solar panel leasing	52,985	Operating accounts receivable	14,961
Interested party	GLP Sugito Y.K.	Equipment leasing	—	Rental income from solar panel leasing	14,939	Operating accounts receivable	4,419
Interested party	GLP Urayasu Three Y.K.	Equipment leasing	—	Rental income from solar panel leasing	45,431	Operating accounts receivable	13,743
Interested party	GLP Tokyo Two Y.K.	Equipment leasing	—	Rental income from solar panel leasing	20,826	Operating accounts receivable	6,236
Interested party	GLP Komaki Y.K.	Equipment leasing	—	Rental income from solar panel leasing	37,052	Operating accounts receivable	10,200
Interested party	GLP Fukusaki Y.K.	Equipment leasing	—	Rental income from solar panel leasing	24,341	Operating accounts receivable	7,787
Interested party	GLP Amagasaki Y.K.	Equipment leasing	—	Rental income from solar panel leasing	39,269	Operating accounts receivable	12,995
Interested party	GLP Misato Two GK	Equipment leasing	—	Rental income from solar panel leasing	25,386	Operating accounts receivable	7,361
Interested party	GLP Maishima Two Y.K.	Equipment leasing	—	Rental income from solar panel leasing	27,063	Operating accounts receivable	8,898
Interested party	GLP Kiyama GK	Equipment leasing	—	Rental income from solar panel leasing	39,826	Operating accounts receivable	11,777
Asset custody company	Mitsubishi UFJ Trust and Banking Corporation	Trust and Banking	—	Trust fee	11,462	Operating accounts payable	4,120
				Administrative service fee	25,481	Accounts payable	11,697

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

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

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

Current Period (From September 1, 2019 to February 29, 2020)

Classification	Name of the company	Type of business	% of voting rights (owned)	Type of transaction	Transaction amount (Thousand yen)	Account title	Balance (Thousand yen)
Interested party	GLP Japan Inc.	Investment advisory/ agency	—	Property management fee	351,139	Operating accounts payable	72,033
				Leasing commission	113,455		
				Royalty fee (Note 2)	7,500	—	—
Interested party	Light Year Special Purpose Company	Real estate	—	Rental income from rooftop leasing (Note 2)	3,822	Advances received	700
Interested party	GLP J-REIT Master Lease GK	Real estate	—	Rental income from solar panel leasing	157,711	Operating accounts receivable	44,163
Interested party	Ichikawashiohama Godo Kaisha	Equipment leasing	—	Rental income from solar panel leasing	17,207	Operating accounts receivable	5,719
Interested party	GLP Tosu One GK	Equipment leasing	—	Rental income from solar panel leasing	36,409	Operating accounts receivable	10,083
Interested party	GLP Sugito Y.K.	Equipment leasing	—	Rental income from solar panel leasing	9,668	Operating accounts receivable	3,311
Interested party	GLP Urayasu Three Y.K.	Equipment leasing	—	Rental income from solar panel leasing	28,794	Operating accounts receivable	9,743
Interested party	GLP Tokyo Two Y.K.	Equipment leasing	—	Rental income from solar panel leasing	11,604	Operating accounts receivable	4,446
Interested party	GLP Komaki Y.K.	Equipment leasing	—	Rental income from solar panel leasing	23,405	Operating accounts receivable	6,987
Interested party	GLP Fukusaki Y.K.	Equipment leasing	—	Rental income from solar panel leasing	15,625	Operating accounts receivable	4,766
Interested party	GLP Amagasaki Y.K.	Equipment leasing	—	Rental income from solar panel leasing	24,234	Operating accounts receivable	7,441
Interested party	GLP Misato Two GK	Equipment leasing	—	Rental income from solar panel leasing	16,029	Operating accounts receivable	5,584
Interested party	GLP Maishima Two Y.K.	Equipment leasing	—	Rental income from solar panel leasing	16,858	Operating accounts receivable	5,229
Interested party	GLP Kiyama GK	Equipment leasing	—	Rental income from solar panel leasing	26,212	Operating accounts receivable	7,389
Asset custody company	Mitsubishi UFJ Trust and Banking Corporation	Trust and Banking	—	Trust fee	11,445	Operating accounts payable	4,196
				Administrative service fee	26,783	Accounts payable	11,826

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

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

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

(Per Unit Information)

Prior Period (Reference) From March 1, 2019 To August 31, 2019		Current Period From September 1, 2019 To February 29, 2020	
Net assets per unit	82,984 yen	Net assets per unit	82,497 yen
Net income per unit	2,507 yen	Net income per unit	2,315 yen
Net income per unit is calculated by dividing net income for the period by the weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated as no dilutive securities were outstanding.		Net income per unit is calculated by dividing net income for the period by the weighted average number of investment units issued and outstanding. Diluted net income per unit is not stated as no dilutive securities were outstanding.	

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

	Prior Period (Reference) From March 1, 2019 To August 31, 2019	Current Period From September 1, 2019 To February 29, 2020
Net income	9,612,160 thousand yen	8,875,759 thousand yen
Amount not attributable to ordinary unitholders	— thousand yen	— thousand yen
Net income attributable to ordinary unitholders	9,612,160 thousand yen	8,875,759 thousand yen
Average number of investment units outstanding	3,833,420 units	3,833,420 units

(Significant Subsequent Events)Prior Period (From March 1, 2019 to August 31, 2019) (Reference)

None to report.

Current Period (From September 1, 2019 to February 29, 2020)

None to report.

Statements of Distributions

(Unit: Yen)

	Prior Period (Reference) From March 1, 2019 To August 31, 2019	Current Period From September 1, 2019 To February 29, 2020
I Unappropriated retained earnings	9,615,220,439	8,876,762,993
II Distributions in excess of retained earnings		
Deduction from unitholders' capital	1,127,025,480	1,127,025,480
III Distributions	10,741,242,840	10,001,392,780
[Distributions per unit]	[2,802]	[2,609]
Of which, distributions of earnings	9,614,217,360	8,874,367,300
[Of which, distributions of earnings per unit]	[2,508]	[2,315]
Of which, distributions in excess of retained earnings	1,127,025,480	1,127,025,480
[Of which, distributions in excess of retained earnings per unit]	[294]	[294]
IV Retained earnings carried forward	1,003,079	2,395,693

Calculation method of distribution amount

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

Accordingly, GLP J-REIT declared a distribution amount of 9,614,217,360 yen, which was the amount equivalent to the maximum integral multiples of the number of investment units issued and outstanding as of the end of the period.

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

Accordingly, GLP J-REIT declared a distribution amount of 8,874,367,300 yen, which was the amount equivalent to the maximum integral multiples of the number of investment units issued and outstanding as of the end of the period.

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

(Continued)

(Continued)

(Continued)

Thus, GLP J-REIT declared an OPD (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) amounting to 1,127,025,480 yen, which was determined as follows: (1) the amount not exceeding the upper limit of 3,007,311,929 yen calculated by deducting capital expenditure of 762,108,194 yen from depreciation expense of 3,769,420,123 yen, and (2) approximately 30% of the depreciation expense of 3,769,420,123 yen for the period.

(Continued)

Thus, GLP J-REIT declared an OPD (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) amounting to 1,127,025,480 yen, which was determined as follows: (1) the amount not exceeding the upper limit of 2,961,230,742 yen calculated by deducting capital expenditure of 804,863,712 yen from depreciation expense of 3,766,094,454 yen, and (2) approximately 30% of the depreciation expense of 3,766,094,454 yen for the period.

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

Statements of Cash Flows (Reference information)

	(Unit: Thousand yen)	
	Prior Period (Reference)	Current Period
	From March 1, 2019	From September 1, 2019
	To August 31, 2019	To February 29, 2020
Operating activities:		
Income before income taxes	9,612,828	8,877,307
Depreciation	3,769,420	3,766,094
Loss on retirement of noncurrent assets	—	13,010
Amortization of investment corporation bond issuance costs	14,360	13,994
Amortization of investment unit issuance expenses	46,151	31,838
Interest income	(90)	(93)
Reversal of distributions payable	(1,294)	(468)
Interest expense	882,850	801,787
Insurance income	(231,558)	(422,093)
Loss on disaster	194,647	386,725
Decrease (increase) in operating accounts receivable	(171,517)	56,696
Decrease (increase) in prepaid expenses	61,552	(108,362)
Decrease (increase) in consumption taxes receivable	1,146,043	—
Decrease (increase) in other current assets	847	(847)
Decrease (increase) in long-term prepaid expenses	(91,942)	196,118
Increase (decrease) in operating accounts payable	159,704	(166,301)
Increase (decrease) in accounts payable	129,984	(48,810)
Increase (decrease) in consumption taxes payable	1,226,772	(493,636)
Increase (decrease) in advances received	58,860	60,425
Decrease in property and equipment in trust due to sales	1,462,953	—
Subtotal	18,270,573	12,963,385
Interest received	90	93
Interest paid	(858,134)	(802,636)
Income taxes paid	(1,706)	(619)
Proceeds from insurance income	231,558	399,393
Payments for loss on disaster	(352,329)	(113,208)
Net cash provided by (used in) operating activities	17,290,052	12,446,408
Investing activities:		
Purchase of property and equipment in trust	(577,460)	(901,866)
Proceeds from tenant leasehold and security deposits	156,099	458,083
Repayments of tenant leasehold and security deposits	(76,132)	(231,329)
Net cash provided by (used in) investing activities	(497,492)	(675,113)
Financing activities:		
Repayments of short-term loans payable	(800,000)	—
Proceeds from long-term loans payable	20,040,000	3,250,000
Repayments of long-term loans payable	(28,740,000)	(3,250,000)
Proceeds from issuance of investment corporation bonds	8,000,000	5,000,000
Redemption of investment corporation bonds	—	(6,900,000)
Payments of investment corporation bond issuance costs	(53,996)	(28,608)
Payment of distributions of earnings	(9,049,332)	(9,612,366)
Payment of distributions in excess of retained earnings	(1,134,240)	(1,126,575)
Net cash provided by (used in) financing activities	(11,737,568)	(12,667,550)
Net increase (decrease) in cash and cash equivalents	5,054,990	(896,254)
Cash and cash equivalents at beginning of period	16,497,172	21,552,162
Cash and cash equivalents at end of period *1	21,552,162	20,655,908

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

(Notes Concerning Significant Accounting Policies)

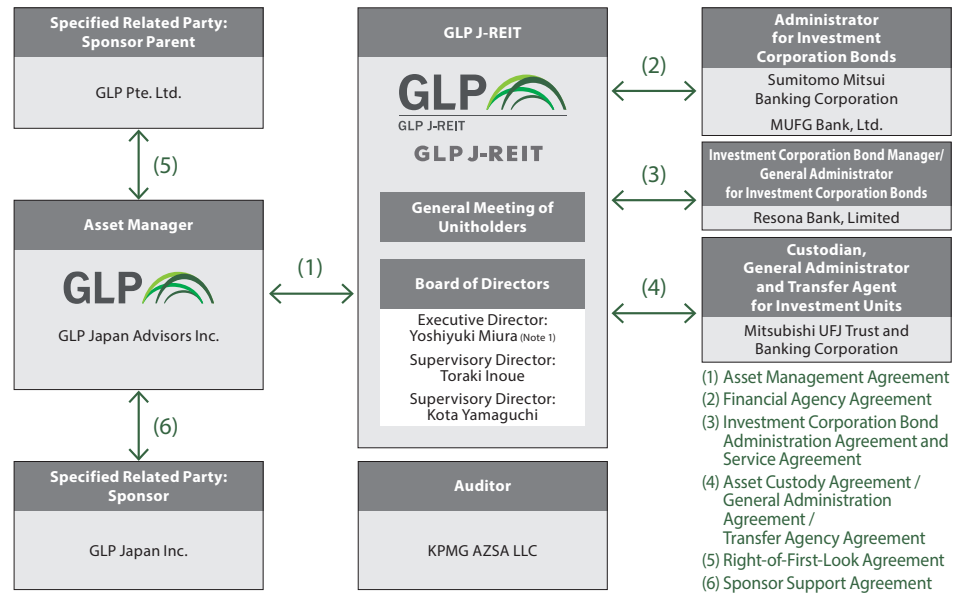
	Prior Period (Reference) From March 1, 2019 To August 31, 2019	Current Period From September 1, 2019 To February 29, 2020
Cash and cash equivalents as stated in the Statements of Cash Flows	Cash and cash equivalents consist of cash on hand and cash in trust, readily-available bank deposits, readily-available bank deposits in trust and short-term investments that are liquid and realizable with a maturity of three months or less when purchased and that are subject to an insignificant risk of changes in value.	Cash and cash equivalents consist of cash on hand and cash in trust, readily-available bank deposits, readily-available bank deposits in trust and short-term investments that are liquid and realizable with a maturity of three months or less when purchased and that are subject to an insignificant risk of changes in value.

(Notes to Statements of Cash Flows)

Prior Period (Reference) From March 1, 2019 To August 31, 2019	Current Period From September 1, 2019 To February 29, 2020
*1. Reconciliation of cash and cash equivalents in the Statement of Cash Flows to accounts and amounts in the accompanying balance sheet (As of August 31, 2019) <div style="text-align: right;">(Unit: Thousand yen)</div> Cash and deposits 12,317,691 Cash and deposits in trust 9,234,471 Cash and cash equivalents <u>21,552,162</u>	*1. Reconciliation of cash and cash equivalents in the Statement of Cash Flows to accounts and amounts in the accompanying balance sheet (As of February 29, 2020) <div style="text-align: right;">(Unit: Thousand yen)</div> Cash and deposits 11,170,208 Cash and deposits in trust 9,485,699 Cash and cash equivalents <u>20,655,908</u>

Overview of GLP J-REIT

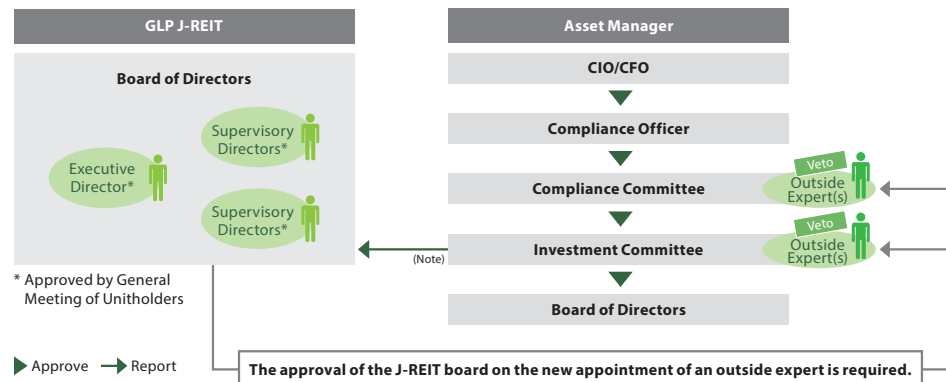
Structure of GLP J-REIT



(Note 1) Assumed the position of new executive director on December 19, 2019.

(Note 2) Each of the following companies indirectly holds GLP Japan Advisors Inc. and is therefore regarded as a "Specified Related Party" as defined in the Financial Instruments and Exchange Act (the Act): GLP Holdings Limited, GLP Holdings, L.P., GLP Topco Limited, GLP Midco Limited, GLP Bidco Limited, GLP Pte. Ltd. (hereinafter, "GLP"), GLP IM Holdings Limited, GLP Fund Management Holdings Limited and GLP Singapore Pte. Ltd., and GLP J-REIT Master Lease Godo Kaisha and Osaka Logistic Special Purpose Company are also regarded as "Specified Related Parties" as defined in the Act since the companies are conducting or have conducted transactions specified under Article 29-3, Paragraph 3, Item 4 (Real Estate Lending Transactions) or transactions specified under Article 29-3, Paragraph 3, Item 2 (Acquisition of Beneficiary Right of Real Estate in Trust) of Order for Enforcement of the Act and thus are considered as "interested parties" of GLP Japan Advisors Inc.

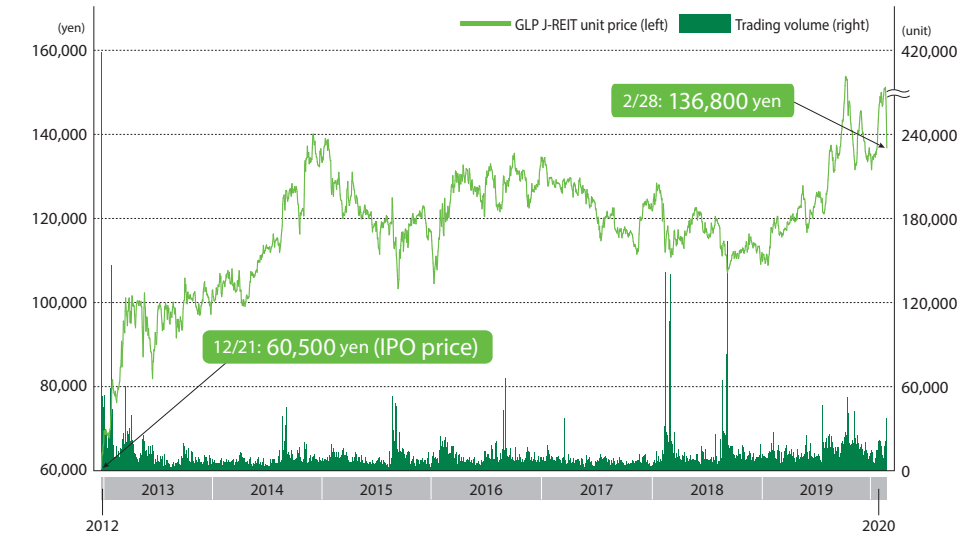
Governance Structure for Related Party Transactions



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

Investment Units

Historical Investment Unit Price (closing price)



Unitholder Composition (as of the end of February 2020)

