

## Financial Results (REIT) for the Fiscal Period Ended February 28, 2018

April 13, 2018

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Supplementary information for financial results: Yes  
 Briefing meeting for financial results: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

### 1. Financial Results for the Fiscal Period Ended February 28, 2018 (September 1, 2017 to February 28, 2018)

#### (1) Management Status

(% figures show period-over-period change)

	Operating revenues		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal period ended February 28, 2018	5,251	0.3	2,806	2.4	2,544	4.7	2,543	4.7
Fiscal period ended August 31, 2017	5,234	7.9	2,739	(7.3)	2,430	(11.3)	2,429	(11.3)

	Net income per unit	Ratio of net income on unitholders' equity (ROE)	Ratio of ordinary income on total assets (ROA)	Ratio of ordinary income on operating revenues
	Yen	%	%	%
Fiscal period ended February 28, 2018	2,312	2.3	1.4	48.5
Fiscal period ended August 31, 2017	2,209	2.2	1.4	46.4

#### (2) Distributions

	Distributions per unit (excluding those in excess of retained earnings per unit)	Total amount of distributions (excluding those in excess of retained earnings)	Distributions in excess of retained earnings per unit	Total amount of distributions in excess of retained earnings	Distributions per unit (including those in excess of retained earnings per unit)	Total amount of distributions (including those in excess of retained earnings)	Payout ratio	Net assets distribution ratio
	Yen	Million yen	Yen	Million yen	Yen	Million yen	%	%
Fiscal period ended February 28, 2018	2,312	2,543	171	188	2,483	2,731	100.0	2.3
Fiscal period ended August 31, 2017	2,209	2,429	170	187	2,379	2,616	100.0	2.2

Note 1. The net assets distribution ratio is calculated according to the following formula.

$$\text{Distributions per unit (excluding those in excess of retained earnings per unit)} / [(\text{net assets per unit at the beginning of the fiscal period} + \text{net assets per unit at the end of the fiscal period}) \div 2] \times 100$$

Note 2. The total amount of distributions in excess of retained earnings is considered to be a refund of investment, which, for tax purposes, falls under a category of distribution as a reduction in unitholders' capital.

Note 3. The rates of reduction in retained earnings due to distributions in excess of retained earnings (a refund of investment categorized as a reduction in distribution from unitholders' capital for tax purposes) in the fiscal periods ended August 31, 2017 and February 28, 2018 were both 0.002. Note that the calculation of the rates of reduction in retained earnings are based on Article 23, Paragraph 1, No. 4 of the Order for Enforcement of the Corporation Tax Act.

(3) Financial Position

	Total assets	Net assets	Unitholders' equity ratio	Net assets per unit
	Million yen	Million yen	%	Yen
Fiscal period ended February 28, 2018	183,842	108,343	58.9	98,494
Fiscal period ended August 31, 2017	183,842	108,416	59.0	98,560

(4) Cash Flows

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financial activities	Cash and cash equivalents at period end
	Million yen	Million yen	Million yen	Million yen
Fiscal period ended February 28, 2018	3,318	(67)	(2,632)	8,177
Fiscal period ended August 31, 2017	2,904	(12,091)	9,127	7,558

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

(% figures show period-over-period change)

	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (excluding those in excess of retained earnings per unit)	Distributions in excess of retained earnings per unit	Distributions per unit (including those in excess of retained earnings per unit)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen	Yen
Fiscal period ending August 31, 2018	5,608	6.8	2,953	5.2	2,609	2.5	2,607	2.5	2,370	186	2,556
Fiscal period ending February 28, 2019	5,609	0.0	2,930	(0.8)	2,617	0.3	2,615	0.3	2,378	187	2,565

(Reference) Forecasted net income per unit for the period ending August 31, 2018: 2,370 yen; forecasted net income per unit for the period ending February 28, 2019: 2,378 yen

\*Other

- (1) Changes in accounting policies, changes in accounting estimates and retrospective restatements
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies other than (i) above: None
  - (iii) Changes in accounting estimates: None
  - (iv) Retrospective restatements: None

(2) Total number of investment units issued and outstanding

- (i) Total number of investment units issued and outstanding (including treasury units) at the end of the fiscal period
- (ii) Number of treasury units at the end of the fiscal period

Fiscal period ended February 28, 2018	1,100,000units	Fiscal period ended August 31, 2017	1,100,000units
Fiscal period ended February 28, 2018	0units	Fiscal period ended August 31, 2017	0units

Note: Please see the "Notes on Per Unit Information" on page 30 for the number of investment units used as the basis for calculating net income per unit

\*Presentation of the status of implementation of audit procedures

At the time of the release of these financial results for the fiscal period, auditing procedures for financial statements pursuant to the Financial Instruments and Exchange Act have not been completed.

\* Explanation of appropriate use of the forecast of financial results and other matters of special note

The forecasts and other forward-looking statements presented in this material are based on information currently available to LLR and certain assumptions LLR deems to be reasonable. Actual results may differ materially from these forecasts due to a variety of factors. In addition, these forecasts do not guarantee the above distribution amounts.

For further details about the assumptions used in the forecasts above, please refer to the "Forecast Assumptions for the Fiscal Periods Ending August 31, 2018 and February 28, 2019" stated on page 11 below.

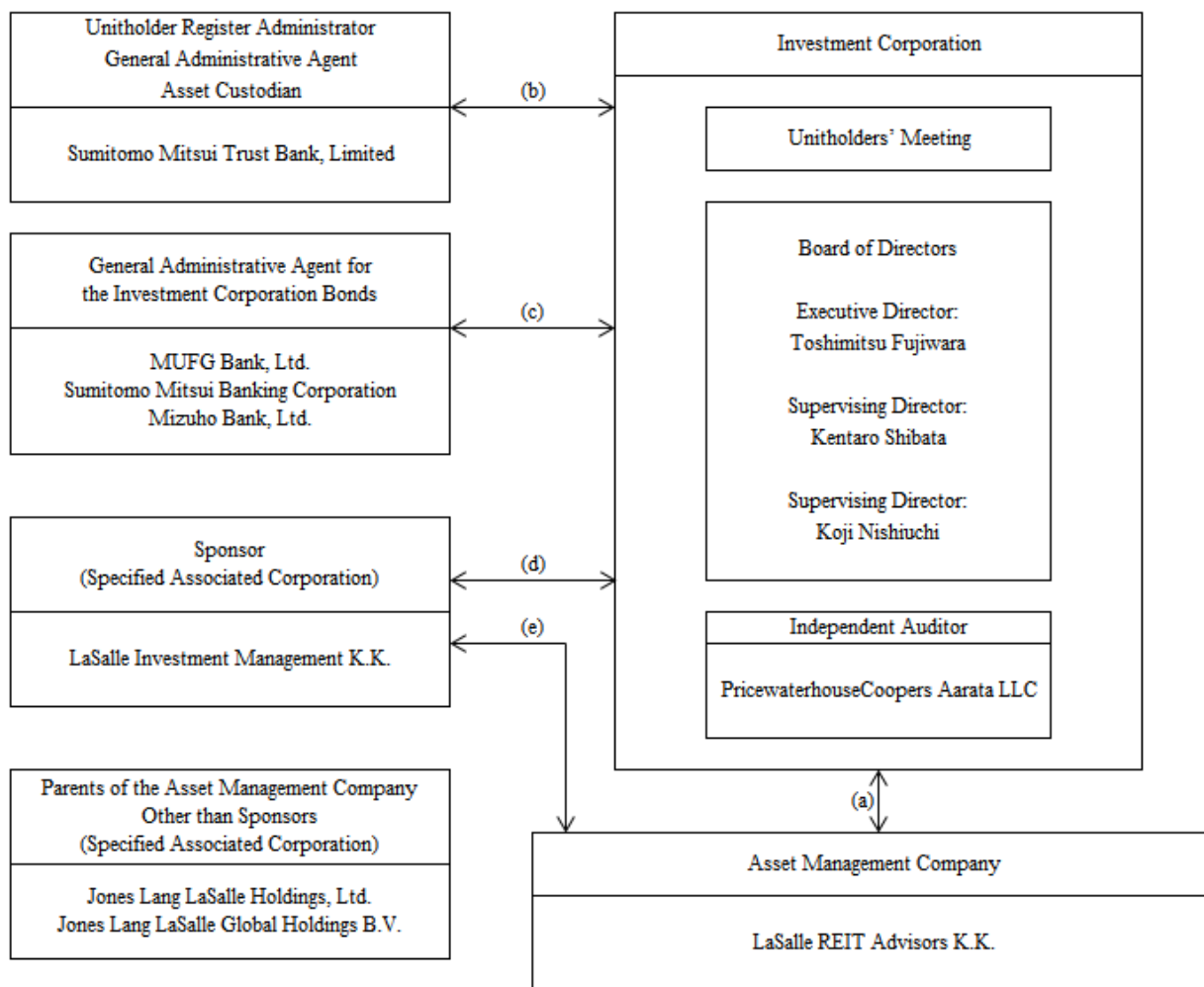
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# 1. Related Organizations

## (i) Structure of the REIT



- (a) Asset management agreement
- (b) Transfer agent agreement / General administrative agreement / Asset custodian agreement
- (c) Fiscal agent agreement
- (d) Memorandum concerning use of trade names
- (e) Sponsor support agreement

Note: The Bank of Tokyo Mitsubishi UFJ, Ltd. has changed its trade name to MUFG Bank, Ltd. on April 1, 2018. The bank is referred to by the current name in this document; the same shall apply hereinafter.

(2) Names and Descriptions Outlining Respective Operational Roles and Services Pertaining to Investment Corporation and Related Organizations

Operational Role	Name	Description of Operations
Investment Corporation	LaSalle LOGIPORT REIT	LLR invests primarily in real estate-related assets, with an emphasis on logistics facilities.
Asset Management Company	LaSalle REIT Advisors K.K.	LaSalle REIT Advisors K.K. entered into an asset management agreement with LLR. Under this agreement, LaSalle REIT Advisors K.K., as an asset management company under the Act on Investment Trusts and Investment Corporations ("Investment Trusts Act," Act No. 198 of 1951, including subsequent amendments), conducts services related to the management of assets in accordance with bylaws established by LLR and investment guidelines which serve as the asset management company's internal rules.
Asset Custodian	Sumitomo Mitsui Trust Bank, Limited	LLR entered into an asset custodian agreement with Sumitomo Mitsui Trust Bank, Limited ("SMTB"). Under this agreement, SMTB provides custodial services as a custodian for LLR under the Investment Trusts Act.
Unitholder Register Administrator	Sumitomo Mitsui Trust Bank, Limited	<p>SMTB entered into a unitholder register agreement with LLR (the asset management company that formed LLR executed the aforementioned unitholder register agreement, and LLR succeeded to the asset management company's contractual status). Under this agreement, SMTB, as the unitholder register administrator in accordance with the Investment Trusts Act (1), prepares and keeps the unitholder register and otherwise administers the unitholder register, (2) administers the cash disbursements of distributions to unitholders, and (3) accepts unitholder applications to exercise their voting rights with respect to LLR and other unitholder filings on behalf of LLR.</p> <p>Furthermore, in relation to the aforementioned administrative services, SMTB is contracted by LLR to provide various services related to the use of numbers to identify specific individuals assigned under the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures (Act No. 27 of 2013, including subsequent amendments) such as obtaining, using, and controlling individual and corporate numbers, etc.</p>

Operational Role	Name	Description of Operations
General Administrative Agent for the Investment Corporation Bonds	MUFG Bank, Ltd.	<p>MUFG Bank, Ltd. entered into fiscal agency agreements with LLR, regarding the 1st Unsecured Investment Corporation Bonds (special pari passu conditions among specified investment corporation bonds) and the 2nd Unsecured Investment Corporation Bonds (special pari passu conditions among specified investment corporation bonds) on February, 9, 2017, and regarding the 5th Unsecured Investment Corporation Bonds (special pari passu conditions among specified investment corporation bonds) on December 15, 2017. Under these agreements, MUFG Bank, Ltd., as a general administrative agent under the Investment Trusts Act, provides administrative services for (i) issuance agency, (ii) payment of interest and redemptions to creditors of the investment corporation, and (iii) management of the creditor registry in connection with the 1st Unsecured Investment Corporation Bonds (special pari passu conditions among specified investment corporation bonds), the 2nd Unsecured Investment Corporation Bonds (special pari passu conditions among specified investment corporation bonds) and the 5th Unsecured Investment Corporation Bonds (special pari passu conditions among specified investment corporation bonds).</p>
	Sumitomo Mitsui Banking Corporation	<p>On July 7, 2017, Sumitomo Mitsui Banking Corporation (“SMBC”) entered into a fiscal agency agreement with LLR regarding the 3rd Unsecured Investment Corporation Bonds (special pari passu conditions among specified investment corporation bonds). Under this agreement, SMBC, as a general administrative agent under the Investment Trusts Act, provides administrative services for (i) issuance agency, (ii) payment of interest and redemptions to creditors of the investment corporation, and (iii) management of the creditor registry in connection with the 3rd Unsecured Investment Corporation Bonds (special pari passu conditions among specified investment corporation bonds).</p>
	Mizuho Bank, Ltd.	<p>On December 15, 2017, Mizuho Bank, Ltd., entered into a fiscal agency agreement with LLR regarding the 4th Unsecured Investment Corporation Bonds (special pari passu conditions among specified investment corporation bonds). Under this agreement, Mizuho Bank, Ltd., as a general administrative agent under the Investment Trusts Act, provides administrative services for (i) issuance agency, (ii) payment of interest and redemptions to creditors of the investment corporation, and (iii) management of the creditor registry in connection with the 4th Unsecured Investment Corporation Bonds (special pari passu conditions among specified investment corporation bonds).</p>

Operational Role	Name	Description of Operations
General Administrative Agent (agent contracted to perform services related to organizational operation, calculations, accounting, and tax payments)	Sumitomo Mitsui Trust Bank, Limited	SMTB entered into a general administrative agreement with LLR to provide general administrative services (services related to organizational operations, calculations, accounting, and tax payments). Under this agreement, SMTB, as the general administrative agent under the Investment Trusts Act (agent contracted to perform services related to organizational operations, calculations, accounting, and tax payments), provides administrative services related to (1) the operation of the organization, (2) performing calculations, (3) preparation of accounting ledgers, and (4) tax payments on behalf of LLR.
Independent Auditor	PricewaterhouseCoopers Aarata LLC	PricewaterhouseCoopers Aarata LLC is contracted to perform financial audit services for LLR.
Sponsors Parents of the Asset Management Company (Specified Associated Corporations)	(i) LaSalle Investment Management K.K. (ii) Jones Lang LaSalle Holdings Limited (iii) Jones Lang LaSalle Global Holdings B.V.	As the parent company of LaSalle REIT Advisors K.K. (the "Asset Management Company"), LaSalle Investment Management K.K. is a specified associated corporation. Furthermore, LaSalle Investment Management K.K. entered into a sponsor support agreement with the Asset Management Company and a memorandum concerning the trade name use with LLR.

## 2. Management Policy and Management Status

### (1) Management Policy

Disclosure of this information is omitted because there are no material changes in the “Investment Policy,” “Investment Targets” and “Distribution Policy” in the most recent Securities Report (filed on November 29, 2017).

### (2) Management Status

#### (Overview of the Fiscal Period)

#### (i) Significant developments of the investment corporation

With LaSalle REIT Advisors as the organizer, LLR was established with capital of 150 million yen (1,500 units) on October 9, 2015 pursuant to the Investment Trusts Act. Thereafter, LLR issued new investment units (1,050,800 units) through a public offering with a payment date of February 16, 2016, and was listed on the J-REIT section of the Tokyo Stock Exchange (Securities Code: 3466) on February 17, 2016. Furthermore, on March 15, 2016, LLR issued new investment units (47,700 units) through a third-party allotment associated with the aforementioned public offering. As a result, the total number of issued and outstanding investment units as of the end of this fiscal period ended February 28, 2018 (4th period) is 1,100,000 units.

#### (ii) Investment Environment and Management Performance

Economic growth accelerated in 2017 as the positive effects of recovery in consumption and expanded exports spread to capital expenditure. An increase in the labor participation rate mainly for women and seniors in the labor market supported employment growth, and improvements in consumer sentiment boosted an increase in consumer spending. In addition, an increase in demand overseas, particularly in China and North America, contributed an increase in exports. In terms of the government’s fiscal policy, the victory of the LDP in the election of the House of Representatives in October 2017 was a turning point that clarified an approach of preferential treatment for low-income earners and households with children. In the financial markets, there has been some rising volatility underpinned by rising interest rates and protectionist trade policies in the US from the beginning of 2018. However, low interest rates have continued in Japanese financial markets under the yield curve control of the Bank of Japan, and investment demand for real estate that offers better yields than bonds has remained stable. Real estate yields have remained at historically low levels and prices also remain stable. In the J-REIT market, unit prices bottomed out in the second half of 2017, and have remained stable since then. In the logistic facilities market in the Tokyo metropolitan area, although the level of new supply continued to be high, vacancy rates declined due to continued healthy tenant demand. On the other hand, vacancy rates have further increased in the Kinki region due to a high volume of supply and a continued wait-and-see approach by tenants in some parts of the Osaka coastal area. However, tenant demand has remained strong in other regions.

Under these conditions, LLR steadily managed its nine properties acquired by the end of the fiscal period (total acquisition price 173,390 million yen, leasable floor area 752,117m<sup>2</sup>) and the overall portfolio occupancy rate was in a strong position at 98.4% as of the end of the fiscal period. It is a portfolio that has 99 tenants as of February 28, 2018, and aims for tenant diversification.

#### (iii) Overview of Procurement of Funds

In the current fiscal period, LLR issued on December 21, 2017 the 4th Unsecured Investment Corporation Bonds (special pari passu conditions among specified investment corporation bonds) and the 5th Unsecured Investment Corporation Bonds (special pari passu conditions among specified investment corporation bonds) for 2,000 million yen, and LLR used the funds of such Investment Corporation Bonds to prepay a portion of the outstanding long-term debt of 2,000 million yen.

As a result, at the end of the current fiscal period, the balance of interest-bearing debt of LLR was 71,030 million yen and LTV was 38.6%.

The status of LLR’s credit ratings assigned as of February 28, 2018 was as follows.

Credit rating agency	Rating type	Rating	Rating outlook
JCR (Japan Credit Rating Agency Ltd.)	Long-term issuer rating	AA-	Stable
	Bond Rating (Note)	AA-	-

Note: This is the rating for the No. 1, No. 2, No. 3, No. 4 and No. 5 Unsecured Corporation Bonds.



(iv) Overview of Business Performance and Distributions

The operating period for the current fiscal period was 181 days from September 1, 2017 to February 28, 2018. During this fiscal period, LLR generated operating revenues of 5,251 million yen, operating income of 2,806 million yen, ordinary income of 2,544 million yen, and net income of 2,543 million yen.

Furthermore, through application of Article 67, Provision 15(1) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, including subsequent amendments), LLR intends to include distributions as deductible expenses and distribute the entire amount of unappropriated retained earnings (excluding fractional distribution amounts of less than one yen per investment unit). As a result, the distribution amount per investment unit is 2,312 yen.

In addition to this, in accordance with the distribution policy provided for in LLR's Articles of Incorporation, in principle LLR makes ongoing distributions in excess of the amount of retained earnings each fiscal period ("ongoing distributions in excess of retained earnings") (Note 1). Furthermore, in addition to ongoing distributions in excess of retained earnings, in the event there are one-time reductions up to a certain amount of distributions per unit as a result of large-scale repairs or financing activities such as the issuance of new investment units, the issuance of short-term corporate bonds, or borrowings, LLR may make distributions, of an amount that it determines, as a distribution of the amount of temporary excess profit, but only for the purpose of equalizing the amount of distributions per unit (Note 2).

In the current fiscal period, LLR distributed 188 million yen as an ongoing distribution in excess of retained earnings, an amount equivalent to approximately 30% of the depreciation expense of 627 million yen for the current fiscal period. As a result, the distribution in excess of retained earnings per unit in the current fiscal period was 171 yen (Note 3).

Note 1. LLR's policy is to make distributions in excess of retained earnings each fiscal period after careful consideration is given to alternative uses of cash, such as execution of repairs, capital expenditures, repayment of debts, along with factoring in the prevailing economic environment, the real estate market, the competitiveness of its Acquired Assets as well as its overall financial condition.

Note 2. LLR intends to make distributions in excess of retained earnings in an amount up to approximately 40% of the amount of depreciation expense for the immediately prior fiscal period, which are the sum of the regular distributions in excess of retained earnings and additional distributions in excess of our retained earnings.

Note 3. The engineering report for each property prepared by Earth-Appraisal Co., Ltd estimates that the amount of anticipated semi-annual average of emergency or short-term repair and maintenance expenses and medium- to long-term repair and maintenance expenses is 204 million yen. LLR determines to make distributions in excess of retained earnings, considering that the amount of distributions in excess of retained earnings maintain the value of its portfolio and its financial stability taking into account macroeconomic environment, trends in the real estate market and real estate leasing industry and its financial conditions. Please note that the amount of distributions in excess of retained earnings will be deducted from the balance of LLR's unit holders' equity upon payment.

(Outlook for the Future)

(i) Investment Environment Going Forward

Consumption-driven economic growth is expected from 2018 to 2019. Continued pressure to increase wages underpinned by pressure from the labor market can be expected. Tax cuts for companies that increase wages can also be expected. Policies giving preferential treatment to low-income earners are expected to support consumption expenditures, particularly for daily necessities. This increase in consumption is expected to increase demand from mail order and retail companies that are the main users of logistics facilities. In the financial markets, the likelihood of continued low interest rate policy has increased with the reappointment of Governor Kuroda of the Bank of Japan. Investment demand for income-generating real estate is expected to increase and continue, particularly for prime properties. However, there is also a possibility of continued high volatility in global capital markets. Because the Japanese market and overseas market are becoming increasingly interconnected, it will be necessary to remain aware of overseas risk factors. However, although investment demand for non-prime real estate and real estate in unfavorable locations tends to decline as volatility increases in capital markets, high-quality real estate including advanced logistics facilities are generally well regarded for their high liquidity and are expected to attract core investors in the future. In the logistic facilities market in the Tokyo metropolitan area, vacancy rates are expected to increase in 2018. Because new supply is concentrated in areas such as areas adjacent to Metropolitan Intercity Expressway, differences in vacancy rates depending on the area are expected to become clearer. Because new supply can be expected to continue in both the Osaka coastal area and inland areas within the Kinki region, competition over tenants is expected to continue.

(ii) Future Management Policy and Issues to Address

In this environment, LLR will seek to enhance unitholder value through stable long-term growth in cash flows and asset values by engaging in the following activities.

With respect to its external growth strategy, LLR will make the most of the property information provided by the LaSalle Group (Note 1) as well as LaSalle REIT Advisors' unique capabilities in obtaining property information. Under its sponsor

support agreement, LLR is able to receive information about the sale of properties owned by LaSalle Fund (Note 2), and because of this enjoys diverse sourcing routes that tap into both sourcing from the LaSalle Fund and sourcing from third parties. Within the LaSalle Group, LLR will work to realize external growth through clearly defined targets for investment for LLR and the LaSalle Fund. Specifically, LLR will invest in core assets that have achieved stable occupancy rates (Note 3), while the LaSalle Fund will invest mainly in development properties and low-occupancy properties.

With respect to its internal growth strategy, LLR will aim to realize internal growth by leveraging its active asset management (Note 4) expertise that is a hallmark of the LaSalle Group, thanks in part to the personnel that will be provided to it and the information made available under the sponsor support agreement. LLR's portfolio is characterized by a highly stable cash flow attributed to a diversified tenant base, in addition to its staggered lease renewal dates, due to the terms of its lease agreements. When renewal dates are nearing, LLR will work to revise lease rates up after carefully reviewing mark-to-market lease rates and vacancy rates. LLR will also endeavor to maintain and strengthen the competitiveness of its properties by making appropriate repairs and maintenance, and capital expenditures.

With respect to financial strategy, LLR will strive to build an optimized capital structure with a sound financial foundation by taking advantage of its strong financial position in order to achieve a balance between stability in its finances and funding costs, while diversifying how it procures its funding sources, along with staggering debt maturities, while also considering the use of variable interest rates.

Note 1. "LaSalle Group" refers to the group of companies that provides real estate investment management services in 24 office locations in 17 countries (as of December 31, 2017) in the United States, Europe and the Asia-Pacific region, centered on LaSalle Investment Management Inc., which is one of the world's leading real estate investment advisory firms.

Note 2. "LaSalle Fund" refers to a fund formed and operated by the LaSalle Group.

Note 3. "Core asset" refers to real estate that has relatively little variability in its cash flow, and is expected to secure stable income over the medium to longer term.

Note 4. "Active asset management" is a generic term for management techniques aimed at increasing cash flow by identifying opportunities to create added value of properties held by carefully examining macro factors such as market lease rates and vacancy rates as well as the micro factors of each property, such as tenant lease terms and building management conditions.

### (iii) Significant Subsequent Events

#### a. Acquisition of assets

LLR acquired trust beneficiary interests in the following assets ("Newly Acquired Assets") on March 5, 2018. "Acquisition price" is the purchase price for each of the trust beneficiary interests as shown in the trust beneficiary interest purchase agreement of the Newly Acquired Assets (excluding consumption taxes, local consumption taxes, and various acquisition costs, and is rounded down to the nearest million yen).

Area	Property number	Property	Location	Acquisition price (million yen)	Seller
Tokyo area	Tokyo-10	LOGIPORT Hiratsuka-shinmachi	Hiratsuka, Kanagawa	6,900	Logistics fudosan-hanbai GK
Osaka area	Osaka-1	LOGIPORT Sakai-minamijimacho	Sakai, Osaka	8,150	Logistics fudosan-hanbai GK
Total				15,050	

b. Borrowing of funds

For the properties listed above under "a. Acquisition of Assets," LLR borrowed the following funds to cover the acquisition of the trust beneficiary interests, part of related expenses.

Classification	Lender	Amount borrowed (million yen)	Interest rate (Note 4) (Note 5)	Borrowing date	Borrowing method	Repayment date (Note 8)	Repayment method (Note 9)	Secured
Long-term	Syndicated facility consisting of MUFG Bank, Ltd., Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 1)	2,650	Rate equal to 0.20 points over the reference rate (3-month Japanese yen TIBOR by Japanese Bankers Association)	March 5, 2018	Borrowing based on a separate loan agreement dated March 1, 2018 with the lenders indicated at left	March 5, 2021	Lump-sum at maturity	Unsecured Unguaranteed
	Syndicated facility consisting of MUFG Bank, Ltd., Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 2)	6,750	Rate equal to 0.30 points over the reference rate (3-month Japanese yen TIBOR by Japanese Bankers Association) (Note 6)			March 5, 2025		
	Syndicated facility consisting of MUFG Bank, Ltd., Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 3)	5,880	Rate equal to 0.35 points over the reference rate (3-month Japanese yen TIBOR by Japanese Bankers Association) (Note 7)			March 5, 2026		

Note 1. The syndicated facility consists of the arrangers, Resona Bank, Limited, The Bank of Fukuoka, Ltd., Shinsei Bank, Limited, The Nomura Trust and Banking Co., Ltd. and The Chugoku Bank, Ltd.

Note 2. The syndicated facility consists of the arrangers, Sumitomo Mitsui Trust Bank, Limited, Development Bank of Japan Inc., Resona Bank, Limited, The Bank of Fukuoka, Ltd., Shinsei Bank, Limited, The 77 Bank, Ltd., The Nomura Trust and Banking Co., Ltd. and The Chugoku Bank, Ltd.

Note 3. The syndicated facility consists of the arrangers and the Sumitomo Mitsui Trust Bank, Limited.

Note 4. "Interest rate" does not include loan fees payable to lenders.

Note 5. The initial interest payment date shall be May 31, 2018, and thereafter, on the last day of February, May, August, and November of each year as well as on the date of repayment of the principal (if that day is not a business day, the following business day, and if that business day falls in the following month, the nearest prior business day). For borrowing subject to a floating interest rate, the reference rate to be applied for interest paid in the accounting period on the interest payment date shall be the 3-month Japanese Yen Tokyo Interbank Offered Rate (TIBOR) of the Japan Bankers Association published two days before the nearest prior interest payment date (for the initial payment, the borrowing date). Concerning fluctuations in the reference rate, the Japanese Yen TIBOR published by the Japan Bankers Association, please see the web page of the Japan Bankers Association TIBOR management organization, <http://www.jbatibor.or.jp>.

Note 6. An interest rate swap agreement has been entered into as of March 1, 2018 as follows in an effort to stabilize the payment interest rate for these borrowings and hedge the risk of rising interest rates.

1. Counterparty	Sumitomo Mitsui Trust Bank, Limited
2. Notional principal	6,750 million yen
2. Interest rate	Fixed payment interest rate 0.51435% Variable receipt interest rate 3-month Japanese yen TIBOR by Japanese Bankers Association + 0.30%
4. Starting date	March 5, 2018
5. Ending date	March 5, 2025
6. Interest payment date	The initial interest payment date shall be May 31, 2018, and thereafter, on the last day of February, May, August, and November of each year as well as on the date of repayment of the principal (if that day is not a business day, the following business day, and if that business day falls in the following month, the nearest prior business day).

\*The interest rate for these borrowings will be effectively fixed at 0.51435% with the signing of the above interest rate swap agreement.

Note 7. An interest rate swap agreement has been entered into as of March 1, 2018 as follows in an effort to stabilize the payment interest rate for these borrowings and hedge the risk of rising interest rates.

1. Counterparty	Nomura Securities Co., Ltd.
2. Notional principal	5,880 million yen
3. Interest rate	Fixed payment interest rate 0.59950% Variable receipt interest rate 3-month Japanese yen TIBOR by Japanese Bankers Association + +0.35%
4. Starting date	March 5, 2018
5. Ending date	March 5, 2026
6. Interest payment date	The first interest payment date shall be May 31, 2018, and subsequent interest payment dates shall be the last day of every February, May, August and November thereafter, and the repayment date (the immediately following business day in case such date would fall on a day that is not a business day and the immediate preceding business day in case such date would fall in the next calendar month).

\*The interest rate for these borrowings will be effectively fixed at 0.59950% with the signing of the above interest rate swap agreement.

Note 8. The repayment date will be the immediately following business day in case such date would fall on a day that is not a business day and the immediate preceding business day in case such date would fall in the next calendar month

Note 9. Partial or full principal repayment prior to the maturity date is permissible under certain conditions such as LLR providing prior written notice of its intention during the period between the borrowing date and the repayment date.

(iv) Forecast of Financial Results

The outlook for LLR's financial results for the fiscal period ending August 31, 2018 and the period ending February 28, 2019 are presented below.

	Operating revenues	Operating income	Ordinary income	Profit	Distributions per unit (excluding those in excess of retained earnings per unit)	Distributions in excess of retained earnings per unit	Distributions per unit (including those in excess of retained earnings per unit)
	Million yen	Million yen	Million yen	Million yen	Yen	Yen	Yen
Fiscal period ending August 31, 2018	5,608	2,953	2,609	2,607	2,370	186	2,556
Fiscal period ending February 28, 2019	5,609	2,930	2,617	2,615	2,378	187	2,565

For the assumptions used in this outlook, please refer to the "Forecast Assumptions for the Fiscal Periods Ending August 31, 2018 and February 28, 2019" below.

Note: The figures above represent LLR's outlook at present and are calculated based on certain assumptions. The actual operating revenues, operating income, ordinary income, net income, distributions per unit (excluding distributions in excess of retained earnings), and distributions per unit in excess of retained earnings may differ due to the future acquisition or disposition of real estate, conditions in the real estate market, fluctuations in interest rates, or other circumstances surrounding LLR. In addition, this forecast does not guarantee the above distribution amounts.

Forecast Assumptions for the Fiscal Periods Ending August 31, 2018 and February 28, 2019

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> <li>• Fiscal period ending August 31, 2018: March 1, 2018 to August 31, 2018 (184 days)</li> <li>• Fiscal period ending February 28, 2019: September 1, 2018 to February 28, 2019 (181 days)</li> </ul>
Property portfolio	<ul style="list-style-type: none"> <li>• LLR assumes that until the fiscal period ending February 28, 2019, there will be no changes to the property portfolio (e.g. any acquisition of new properties or any disposal of existing properties) of a total of 11 properties ("Current Assets") that reflects the addition of the trust beneficiary interests of the Newly Acquired Assets in LOGIPORT Hiratsuka-shinmachi and LOGIPORT Sakai-minamijimacho (2 properties) acquired on March 5, 2018 to the existing trust beneficiary interests in 9 properties as of February 28, 2018.</li> <li>• LLR's property portfolio may change due to acquisitions of new properties other than the Newly Acquired Assets or the disposal of Current Assets, etc.</li> </ul>
Operating revenue	<ul style="list-style-type: none"> <li>• Rental revenues from the leasing of the Current Assets are calculated based on lease agreements for the Current Assets in effect as of today and other factors, including expectations based on market trends. The occupancy rate for properties overall is expected to be 97.7% and 97.7%, respectively, for the fiscal period ending August 31, 2018 and the fiscal period ending February 28, 2019.</li> <li>• With respect to operating revenues, there is an underlying assumption that tenants will fully pay their contractual rents without delay or delinquency.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>• Leasing-related expenses other than depreciation expenses are calculated based on information reflecting fluctuations in the expenses based on historical data and outsourcing agreements in effect as of today.</li> <li>• Depreciation expenses, including ancillary costs, are calculated using a straight-line depreciation method, and LLR assumed that depreciation expenses of 685 million yen and 685 million yen are assumed for the fiscal periods ending August 31, 2018 and February 28, 2019, respectively.</li> <li>• While fixed property taxes, city planning taxes and depreciable property taxes ("Fixed Asset Taxes") are typically calculated pro-rata based on the actual number of days as to which the properties are owned and were settled at the time of acquisition, the settlement is included in LLR's acquisition costs. Accordingly, for the Newly Acquired Assets acquired in March 2018, the settlement amount will not be expensed during the fiscal periods ending August 31, 2018 and February 28, 2019 because it is included in LLR's acquisition costs. In addition, for the Newly Acquired Assets, Fixed Asset Taxes for the fiscal year 2019 will be expensed from the fiscal period ending August 31, 2019. The total amount of Fixed Asset Taxes on the Newly Acquired Assets, which is included in the acquisition cost, is 69 million yen (equivalent to the tax expenses for 302 days). If LLR were to expense Fixed Asset Taxes in the fiscal period ending August 31, 2018, LLR would expense 42 million yen for such fiscal period.</li> <li>• Repair and maintenance expenses are calculated based on a repair and maintenance plan prepared by the Asset Management Company, for items viewed as necessary for each property. Actual repair and maintenance expenses may be significantly different from the expected amount due to various factors around certain unexpected repairs, the tendency for significant variations in the amount depending on each fiscal period, and the fact that repair expenses do not generally arise on a periodic basis.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>• LLR expects to recognize the estimated amortization amount of organization expenses in the amounts of 3 million yen for both of the fiscal periods ending August 31, 2018 and February 28, 2019, respectively.</li> <li>• Interest expenses and other debt-related costs (not including borrowing related expenses) are expected to be 340 million yen and 309 million yen for the fiscal periods ending August 31, 2018 and February 28, 2019, respectively. Non-cash items, which are included in interest expenses, are expected to be 51 million yen and 50 million yen for the fiscal periods ending August 31, 2018 and February 28, 2019, respectively.</li> </ul>
Loans payable	<ul style="list-style-type: none"> <li>• As of today, the balance of LLR's interest-bearing debt is 86,310 million yen. After this, LLR assumes that there will be no changes to the amount of interest-bearing debt between now and the end of the fiscal period ending February 28, 2019.</li> <li>• The LTV ratio as of the end of the period ending August 31, 2018 is expected to be around 43.3%, and the LTV ratio as of the end of the period ending February 28, 2019 is expected to be around 43.3%. The LTV ratio is calculated by the following formula: <math display="block">\text{LTV} = \frac{\text{total interest-bearing debt}}{\text{total assets}} \times 100</math></li> </ul>
Investment units	<ul style="list-style-type: none"> <li>• Current outstanding number of units is 1,100,000. LLR does not expect there to be any changes to the number of outstanding units until the fiscal period ending February 28, 2019.</li> </ul>

Item	Assumptions
<p>Distributions per unit (excluding those in excess of retained earnings per unit)</p>	<ul style="list-style-type: none"> <li>• Distributions per unit (excluding distributions in excess of retained earnings per unit) are calculated on the premise that all profits will be distributed in accordance with the distribution policy provided in LLR's Articles of Incorporation.</li> <li>• Distributions per unit (excluding distributions in excess of retained earnings per unit) may change due to factors such as additional acquisitions or dispositions of real estate properties, changes in rental revenues attributable to tenant replacements, changes in the operating environment including unexpected repairs, changes in interest rates and any additional issuance of new investment units in the future.</li> </ul>
<p>Distributions in excess of retained earnings per unit</p>	<ul style="list-style-type: none"> <li>• Distributions in excess of retained earnings per unit are calculated in accordance with the distribution policy in LLR's Articles of Incorporation and internal policies of the asset manager. Distributions in excess of retained earnings for the fiscal periods ending August 31, 2018 and February 28, 2019 are assumed to be equal to approximately 30% of depreciation expenses for such fiscal period, which are assumed to be 205 million yen and 205 million yen, respectively.</li> <li>• Depreciation expenses may vary from the current assumed amount due to a change in portfolio assets, the amount of incidental expenses incurred, the amount of capital expenditures, and the pro-rata allocation of acquisition costs attributed to each asset and their respective useful life adopted for each asset. The total amount of distributions in excess of retained earnings, which will be based on depreciation expenses, may also vary accordingly.</li> <li>• LLR expects to make distributions in excess of retained earnings on a regular basis within an appropriate level for maintaining financial soundness and stability, after careful consideration is given to alternative uses of cash, such as execution of repair plans, capital expenditures, repayment of debts along with potential property acquisitions, and will make such distributions equal to 30% of the depreciation expense for the relevant fiscal period. Unexpected factors, such as increases in repair expenses, may cause distributions in excess of retained earnings per unit to materially differ from the forecasted amount. If the Appraisal LTV (set forth below) exceeds 60%, LLR may decide not to make any distributions in excess of retained earnings after considering factors such as the economic environment, real estate market conditions, credit rating, or financial conditions.</li> <li>• LLR does not plan to make distributions in excess of retained earnings to the extent doing so would cause what LLR calls its "Appraisal LTV," as calculated below, to exceed 60%:  <math display="block">\text{Appraisal LTV (\%)} = A/B \times 100</math> <p>A = interest-bearing debt (inclusive of long-term corporate bonds and short-term corporate bonds but excluding subordinated debt) + tenant leasehold deposits (excluding the amount reserved by the trustees of LLR's properties as tenant leasehold deposits and the amount reserved as tenant leasehold deposits in LLR's relevant reserve account (this account is for the refund obligation which LLR has as the lessor to various tenants)).</p> <p>B = total appraised real estate value of LLR's portfolio + the amount of cash deposits in LLR's bank accounts (excluding reserve accounts for tenant leasehold deposits) + cash and deposits in trust (excluding the amount reserved by the trustees of our properties as tenant leasehold deposits) – the total amount of distributions for the immediately prior fiscal period – the total amount of distributions in excess of retained earnings for the immediately prior fiscal period.</p> <p>In addition, the total amount of distributions and distributions in excess of retained earnings (with respect to the return of capital invested) depends upon the figures for the most recent fiscal period.</p> </li> </ul>
<p>Other</p>	<ul style="list-style-type: none"> <li>• As an underlying premise, LLR assumes that any revision that will have an impact on the forecast information above will be made in accordance with applicable laws and regulations (including tax laws), accounting standards, listing rules of the TSE and the standards set by the Investment Trusts Association, Japan.</li> <li>• As an underlying premise, LLR assumes that there is no unexpected material change to general economic trends and real estate market conditions.</li> </ul>

(3) Investment Risks

Disclosure of this information is omitted because there are no material changes in the “Investment Risks” described in the most recent Securities Report (filed on November 29, 2017).

### 3. Financial Statements

#### (1) Balance Sheet

(Unit: thousand yen)

	Previous period (August 31, 2017)	Current period (February 28, 2018)
<b>Assets</b>		
Current assets		
Cash and deposits	3,963,564	4,565,339
Cash and deposits in trust	4,644,814	4,651,951
Operating accounts receivable	155,349	155,554
Prepaid expenses	89,583	96,904
Deferred tax assets	16	23
Consumption taxes receivable	38,115	-
Other	58	114
Total current assets	8,891,502	9,469,888
Non-current assets		
Property, plant and equipment		
Buildings in trust	57,196,460	57,275,633
Accumulated depreciation	(1,885,276)	(2,512,085)
Buildings in trust, net	55,311,184	54,763,548
Structures in trust	10,225	10,775
Accumulated depreciation	(611)	(978)
Structures in trust, net	9,614	9,796
Tools, furniture and fixtures in trust	80	495
Accumulated depreciation	(16)	(28)
Tools, furniture and fixtures in trust, net	63	466
Land in trust	119,164,088	119,164,088
Total property, plant and equipment	174,484,950	173,937,899
Investments and other assets		
Long-term prepaid expenses	376,854	336,602
Tenant leasehold and guarantee deposits in trust	10,000	10,000
Total investments and other assets	386,854	346,602
Total non-current assets	174,871,805	174,284,502
Deferred assets		
Deferred organization expenses	22,547	18,891
Issuance costs for corporate bonds	56,180	68,991
Total deferred assets	78,728	87,883
<b>Total assets</b>	<b>183,842,035</b>	<b>183,842,273</b>



(Unit: thousand yen)

	Previous period (August 31, 2017)	Current period (February 28, 2018)
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	233,796	181,515
Accounts payable - other	643,457	665,325
Accrued expenses	4,018	5,163
Income taxes payable	934	1,072
Consumption taxes payable	-	109,004
Advances received	877,885	892,724
Other	566,750	406,991
Total current liabilities	2,326,843	2,261,796
Non-current liabilities		
Corporate bonds	9,500,000	11,500,000
Long-term loans payable	61,530,000	59,530,000
Tenant leasehold and security deposits in trust	2,068,317	2,206,899
Total non-current liabilities	73,098,317	73,236,899
Total liabilities	75,425,161	75,498,696
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital	106,363,965	106,363,965
Deduction for unitholders' capital	(377,300)	(564,300)
Unitholders' capital (net)	105,986,665	105,799,665
Surplus		
Unappropriated retained earnings	2,430,209	2,543,911
Total surplus	2,430,209	2,543,911
Total unitholders' equity	108,416,874	108,343,576
Total net assets	(*1) 108,416,874	(*1) 108,343,576
Total liabilities and net assets	183,842,035	183,842,273

## (2) Income Statement

(Unit: thousand yen)

	Previous period From March 1, 2017 To August 31, 2017	Current period From September 1, 2017 To February 28, 2018
<b>Operating revenue</b>		
Rent revenue - real estate	(*1) 4,783,212	(*1) 4,790,438
Other lease business revenue	(*1) 451,340	(*1) 461,547
Total operating revenues	5,234,552	5,251,985
<b>Operating expenses</b>		
Expenses related to rent business	(*1) 1,810,152	(*1) 1,736,382
Asset management fee	590,925	618,816
Asset custody and administrative fee	27,377	28,889
Directors' compensations	3,600	3,600
Audit fee	10,000	10,000
Other operating expenses	53,178	47,952
Total operating expenses	2,495,234	2,445,640
Operating income	2,739,317	2,806,345
<b>Non-operating income</b>		
Interest income	40	41
Interest on refund	-	257
Total non-operating income	40	298
<b>Non-operating expenses</b>		
Interest expenses	199,019	191,433
Interest on corporate bonds	14,234	23,519
Amortization of deferred organization expenses	3,656	3,656
Amortization of issuance costs for corporate bonds	3,497	4,925
Borrowing related expenses	88,040	38,433
Total non-operating expenses	308,448	261,968
Ordinary income	2,430,909	2,544,675
Net income before taxes	2,430,909	2,544,675
Income taxes - current	940	1,079
Income taxes - deferred	(15)	(6)
Total income taxes	925	1,072
Net income	2,429,984	2,543,602
Retained earnings (losses) brought forward from previous period	224	309
Unappropriated retained earnings (losses) for the period	2,430,209	2,543,911

## (3) Statement of Unitholders' Equity

Previous Period (March 1, 2017 to August 31, 2017)

	Unitholders' equity				
	Unitholders' capital			Surplus	
	Unitholders' capital	Deduction for unitholders' capital	Unitholders' capital (net)	Unappropriated retained earnings (losses) for the period	Total surplus
Balance at beginning of current period	106,363,965	(202,400)	106,161,565	2,740,324	2,740,324
Changes of items during period					
Distributions in excess of retained earnings		(174,900)	(174,900)		
Distributions of retained earnings				(2,740,100)	(2,740,100)
Net income				2,429,984	2,429,984
Total changes of items during period	-	(174,900)	(174,900)	(310,115)	(310,115)
Balance at end of current period	(*1) 106,363,965	(377,300)	105,986,665	2,430,209	2,430,209

(Unit: thousand yen)

	Unitholders' equity	Total net assets
	Total unitholders' equity	
Balance at beginning of current period	108,901,889	108,901,889
Changes of items during period		
Distributions in excess of retained earnings	(174,900)	(174,900)
Distributions of retained earnings	(2,740,100)	(2,740,100)
Net income	2,429,984	2,429,984
Total changes of items during period	(485,015)	(485,015)
Balance at end of current period	108,416,874	108,416,874

Current Period (September 1, 2017 to February 28, 2018)

	Unitholders' equity				
	Unitholders' capital			Surplus	
	Unitholders' capital	Deduction for unitholders' capital	Unitholders' capital (net)	Unappropriated retained earnings (losses) for the period	Total surplus
Balance at beginning of current period	106,363,965	(377,300)	105,986,665	2,430,209	2,430,209
Changes of items during period					
Distributions in excess of retained earnings		(187,000)	(187,000)		
Distributions of retained earnings				(2,429,900)	(2,429,900)
Net income				2,543,602	2,543,602
Total changes of items during period	-	(187,000)	(187,000)	113,702	113,702
Balance at end of current period	(*1) 106,363,965	(564,300)	105,799,665	2,543,911	2,543,911

(Unit: thousand yen)

	Unitholders' equity	Total net assets
	Total unitholders' equity	
Balance at beginning of current period	108,416,874	108,416,874
Changes of items during period		
Distributions in excess of retained earnings	(187,000)	(187,000)
Distributions of retained earnings	(2,429,900)	(2,429,900)
Net income	2,543,602	2,543,602
Total changes of items during period	(73,297)	(73,297)
Balance at end of current period	108,343,576	108,343,576

## (4) Statements related to distributions

(Unit: yen)

	Previous period From March 1, 2017 To August 31, 2017	Current period From September 1, 2017 To February 28, 2018
I Unappropriated retained earnings for the period	2,430,209,201	2,543,911,967
II Additional amount of distributions in excess of retained earnings		
Deduction for unitholders' capital	187,000,000	188,100,000
III Amount of distributions	2,616,900,000	2,731,300,000
(amount of distributions per investment unit)	(2,379)	(2,483)
Of which distributions are of retained earnings	2,429,900,000	2,543,200,000
(of which, distributions of retained earnings per unit)	(2,209)	(2,312)
Of which, distributions in excess of retained earnings	187,000,000	188,100,000
(of which, distributions in excess of retained earnings per unit)	(170)	(171)
IV Retained earnings brought forward	309,201	711,967

III Method of calculation of amount of distributions	<p>Based on the policy for distributions of funds prescribed in Article 36, Paragraph 1 of LLR's Articles of Incorporation, the amount of distributions is to be an amount in excess of an amount equivalent to 90% of the amount of LLR retained earnings that can be allocated as stipulated in Article 67, Provision 15 of the Act on Special Measures Concerning Taxation.</p> <p>Based on this policy, 2,429,900,000 yen was allocated as distributions of retained earnings. This is the maximum value of the integral multiple of the total number of units of the investment units issued and outstanding at end of the period in an amount that is not in excess of unappropriated retained earnings.</p> <p>Based on the policy for distributions of funds prescribed in Article 36, Paragraph 1 of LLR's Articles of Incorporation, LLR performs distributions of funds in excess of retained earnings (refund of investment categorized as a reduction in distribution from unitholders' capital for tax purposes) on a regular basis</p> <p>Based on this policy, the amount roughly equivalent to 30% of the 625,388,806 yen that is the maximum amount of depreciation expenses in the period was calculated to be 187,000,000 yen, and was allocated as distributions in excess of retained earnings (amount of contributions refunded that under tax law is equivalent to a capital-refund distribution).</p>	<p>Based on the policy for distributions of funds prescribed in Article 36, Paragraph 1 of LLR's Articles of Incorporation, the amount of distributions is to be an amount in excess of an amount equivalent to 90% of the amount of LLR retained earnings that can be allocated as stipulated in Article 67, Provision 15 of the Act on Special Measures Concerning Taxation.</p> <p>Based on this policy, 2,543,200,000 yen was allocated as distributions of retained earnings. This is the maximum value of the integral multiple of the total number of units of the investment units issued and outstanding at end of the period in an amount that is not in excess of unappropriated retained earnings.</p> <p>Based on the policy for distributions of funds prescribed in Article 36, Paragraph 1 of LLR's Articles of Incorporation, LLR performs distributions of funds in excess of retained earnings (refund of investment categorized as a reduction in distribution from unitholders' capital for tax purposes) on a regular basis</p> <p>Based on this policy, the amount roughly equivalent to 30% of the 627,188,221 yen that is the maximum amount of depreciation expenses in the period was calculated to be 188,100,000 yen, and was allocated as distributions in excess of retained earnings (amount of contributions refunded that under tax law is equivalent to a capital-refund distribution).</p>
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Note: In the event that LLR determines that it is appropriate as a result of in light of trends in the economic environment, real estate market and leasing market, conditions of properties held and its financial position, LLR may distribute funds in excess of funds available for distribution in an amount decided by LLR up to the amount stipulated under the regulations of the Investment Trust Association. Furthermore, when the amount of the distribution does not fulfill the requirements in the special provisions for taxes related to investment corporations stipulated in laws and ordinances, LLR may distribute funds in excess of the funds available for distribution in an amount decided upon by LLR for the purpose of meeting said requirements.

## (5) Statements of Cash Flows

(Unit: thousand yen)

	Previous period From March 1, 2017 To August 31, 2017	Current period From September 1, 2017 To February 28, 2018
<b>Cash flows from operating activities</b>		
Net income before taxes	2,430,909	2,544,675
Depreciation	625,388	627,188
Amortization of deferred organization expenses	3,656	3,656
Amortization of issuance costs for corporate bonds	3,497	4,925
Interest income	(40)	(41)
Interest expenses	213,254	214,953
Decrease (increase) in operating accounts receivable	(48,349)	(205)
Decrease (increase) in consumption taxes refund receivable	(149,170)	38,115
Decrease (increase) in prepaid expenses	(2,855)	(7,321)
Decrease (increase) in long-term prepaid expenses	(32,659)	40,252
Increase (decrease) in operating accounts payable	118,734	(52,280)
Increase (decrease) in accounts payable - other	(115,782)	(4,834)
Increase (decrease) in consumption taxes payable	10,305	109,004
Increase (decrease) in advances received	57,812	14,838
Other	117	16
<b>Subtotal</b>	<b>3,114,818</b>	<b>3,532,941</b>
Interest income received	40	41
Interest expenses paid	(210,105)	(213,808)
Income tax paid	(615)	(940)
<b>Cash flows from operating activities</b>	<b>2,904,137</b>	<b>3,318,233</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment in trust	(12,172,188)	(53,435)
Proceeds from tenant leasehold and security deposits in trust	165,769	21,548
Repayments of tenant leasehold and security deposits in trust	(85,051)	(35,790)
<b>Cash flows from investing activities</b>	<b>(12,091,470)</b>	<b>(67,677)</b>
<b>Cash flows from financing activities</b>		
Decrease in short-term loans payable	(1,690,000)	-
Proceeds from long-term loans payable	13,790,000	-
Repayments of long-term loans payable	(3,540,000)	(2,000,000)
Proceeds from issuance of investment corporation bonds	3,479,086	1,982,263
Payment of distributions of retained earnings	(2,736,628)	(2,427,653)
Payment of distributions in excess of retained earnings	(174,686)	(186,759)
<b>Cash flows from financing activities</b>	<b>9,127,770</b>	<b>(2,632,149)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(59,561)</b>	<b>618,406</b>
Cash and cash equivalents at the beginning of the year	7,618,302	7,558,740
<b>Cash and cash equivalents at end of period</b>	<b>(*1) 7,558,740</b>	<b>(*1) 8,177,147</b>

(6) Notes with respect to Ongoing Company Assumptions

None

(7) Notes on Matters concerning Significant Accounting Policies

1. Method of depreciation of non-current assets	Property, plant and equipment (including trust assets) A straight-line method is used. The useful lives of principal property, plant and equipment are as follows:  Buildings 2-79 years Structures 10-45 years Tools, furniture and fixtures 6-15 years
2. Accounting treatment for deferred assets	(1) Deferred organization expenses Amortized over a period of five years. (2) Issuance costs for corporate bonds Amortized using the straight-line method over the period until redemption.
3. Standards for revenue and expense recognition	Treatment of Fixed Asset Taxes With respect to Fixed Asset Taxes, city planning taxes, and depreciable asset taxes associated with the real estate or beneficiary interests in trusts holding real estate as trust assets held by LLR, the amount of taxes levied corresponding to the relevant accounting period are treated as lease expenses and expensed. The amount equivalent to the first year's fixed asset tax that is borne by LLR in association with the acquisition of real estate or beneficiary interests in trusts holding real estate, as trust assets are not recognized as an expense; rather, they are included in the acquisition cost of the relevant real estate. During the previous period, the amount equivalent to the fixed asset tax included in the acquisition cost of real estate was 50,089 thousand yen, and this was not applicable in the current period.
4. Hedge accounting method	(1) Method of hedge accounting LLR uses deferral hedge accounting. However, special treatment is applied to those interest rate swaps that satisfy the requirements for special accounting treatment. (2) Hedging instruments and hedged items Hedging instruments: interest rate swap transactions Hedged items: interest on loans (3) Hedging policy Under its market risk management policy, LLR engages in derivative transactions for the purpose of hedging risk as provided for in its bylaws. (4) Method of assessing hedge effectiveness Assessment of hedge effectiveness is omitted since interest rate swaps satisfy the requirements for special treatment.
5. Scope of funds in the statements of cash flows	The funds in the statements of cash flows (cash and cash equivalents) comprise cash on hand and cash in trusts, bank deposits and trust deposits available for withdrawal on demand, and short-term investments due within three months of the acquisition date, which are readily convertible to cash and bear only an insignificant risk of price fluctuations.
6. Other significant matters which constitute the basis for preparation of financial statements	(1) Accounting treatment for beneficiary interests in trusts that have real estate as assets in trust With respect to trust beneficiary interests held by LLR, where the underlying assets are entrusted real estate, all asset and liability accounts within the trust assets as well as all revenue and expense accounts arising from the trust assets are recognized in the relevant accounts of the balance sheet and statements of income. The following material items of the assets in trust recognized in the relevant account items are listed separately on the balance sheet. (i) Cash in trust and deposits in trust (ii) Buildings in trust, structures in trust, tools, furniture and fixtures in trust, land in trust (iii) Tenant leasehold and security deposits in trust (2) Treatment of consumption taxes LLR applies the tax-excluded method for the accounting treatment of consumption taxes and local consumption taxes.

## (8) Notes to the Financial Statements

[Notes to Balance Sheet]

\* 1. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

Previous period (August 31, 2017)	Current period (February 28, 2018)
50,000 thousand yen	50,000 thousand yen

[Notes to Income Statement]

\* 1. Breakdown of operating income (loss) from real estate leasing

(Unit: thousand yen)

	Previous period From March 1, 2017 To August 31, 2017	Current period From September 1, 2017 To February 28, 2018
A. Real estate leasing revenues		
Rent revenue - real estate		
Rent income	4,302,668	4,309,078
Common service fees	480,543	481,360
Other lease business revenue		
Utilities charge reimbursement	295,057	289,186
Parking area rental revenue	126,663	130,999
Other lease revenue	29,619	41,361
Total real estate leasing revenues	5,234,552	5,251,985
B. Real estate leasing expenses		
Expenses related to rent business		
Outsourcing costs	301,195	287,626
Utilities expenses	280,081	278,565
Taxes and public dues	402,188	402,178
Insurance premiums	9,471	9,354
Repair and maintenance expenses	127,811	88,027
Depreciation	625,388	627,188
Other leasing expenses	64,014	43,441
Total real estate leasing expenses	1,810,152	1,736,382
C. Real estate leasing profit (A-B)	3,424,399	3,515,603

[Notes to Statement of Changes in Unitholders' Capital]

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

	Previous period From March 1, 2017 To August 31, 2017	Current period From September 1, 2017 To February 28, 2018
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	1,100,000 units	1,100,000 units



[Notes to the Statements of Cash Flows]

\* 1. Reconciliation of balance sheet items to cash and cash equivalents at end of period in the statement of cash flows

(Unit: thousand yen)

	Previous period From March 1, 2017 To August 31, 2017	Current period From September 1, 2017 To February 28, 2018
Cash and deposits	3,963,564	4,565,339
Cash and deposits in trust	4,644,814	4,651,951
Restricted deposits in trust (Note)	(1,049,638)	(1,040,143)
Cash and cash equivalents at period end	7,558,740	8,177,147

Note: Deposits held in trust reserved for the refund of lease and guarantee deposits received from tenants.

[Notes to Lease Transactions]

Operating lease transactions (lessor)

Unearned leasing fees associated with non-cancelable operating leases

(Unit: thousand yen)

	Previous period (August 31, 2017)	Current period (February 28, 2018)
Due within one year	6,012,690	6,256,823
Due after one year	15,731,286	16,434,535
Total	21,743,976	22,691,358

[Notes to Financial Instruments]

1. Matters concerning the status of financial instruments

(1) Policy for handling financial instruments

At the time of acquisitions of new portfolio assets, LLR procures funds by issuing investment units, borrowing from financial institutions or issuing corporate bonds.

In consideration of safety and liquidity, and careful consideration of the market environment and situation of cash management, surplus funds are managed in deposits in principle.

Furthermore, derivatives transactions are used to hedge against interest rate volatility risks and other risks in connection with short-term loans and other fund procurement, and not for speculative trading.

(2) Details of financial instruments, their risks, and the risk management system

Deposits are used for managing the surplus funds of LLR, and are subject to credit risks of failure of the financial institutions holding the deposits, but in consideration of safety and liquidity, and giving careful consideration to the market environment and cash management conditions, care is taken to limit the deposit terms to a short period.

Loans payable and investment corporation bonds are taken for the purpose of the procurement of funds for the acquisition of real estate, the repayment of debt or the redemption of investment corporation bonds, and while subject to liquidity risks at the time of repayment, LLR is managing its liquidity risk through efforts to reduce liquidity risks by means such as diversifying repayment dates and lenders and maintaining liquidity on hand, as well as by preparing cash management plans. In addition, because part of the loans has variable interest rates, they are subject to the risk of increases in interest payments, but LLR makes efforts to limit the effect of increases in interest payments on LLR management by maintaining a conservative share of interest-bearing debt and increasing the ratio of loans with long-term fixed interest rates.

(3) Supplemental explanation about matters concerning the fair value of financial instruments

In addition to fair value based on the market price, the fair value of financial products includes a reasonably calculated price when there is no market price. Because certain assumptions are used in the calculation of a price in question, that price may differ when different assumptions are used.

## 2. Matters concerning the fair value of financial instruments

Previous period (August 31, 2017)

Amounts recognized on the balance sheet as of the period ended August 31, 2017, fair values, and differences between these amounts are presented below. Financial instruments for which it is extremely difficult to determine fair value are not included in the following tables (Note 2).

(Unit: thousand yen)

	Amount recognized in balance sheet	Fair value	Difference
(1) Cash and deposits	3,963,564	3,963,564	-
(2) Cash and deposits in trust	4,644,814	4,644,814	-
Total assets	8,608,378	8,608,378	-
(3) Corporate bonds	9,500,000	9,556,100	56,100
(4) Long-term loans payable	61,530,000	62,109,434	579,434
Total liabilities	71,030,000	71,665,534	635,534
Derivative transactions	-	-	-

Current period (February 28, 2018)

Amounts recognized on the balance sheet as of the period ended February 28, 2018, fair values, and differences between these amounts are presented below. Financial instruments for which it is extremely difficult to determine fair value are not included in the following tables (Note 2).

(Unit: thousand yen)

	Amount recognized in balance sheet	Fair value	Difference
(1) Cash and deposits	4,565,339	4,565,339	-
(2) Cash and deposits in trust	4,651,951	4,651,951	-
Total assets	9,217,291	9,217,291	-
(3) Corporate bonds	11,500,000	11,537,600	37,600
(4) Long-term loans payable	59,530,000	60,048,822	518,822
Total liabilities	71,030,000	71,586,422	556,422
Derivative transactions	-	-	-

Note 1. Methods used to calculate the fair value of financial instruments and matters concerning derivative transactions

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

Due to the short maturities of these financial instruments, their fair value approximates their carrying value and they are therefore stated at carrying value.

(3) Investment corporation bonds

These are the reference values published by the Japan Securities Dealer Association (JSDA).

(4) Long-term loans payable

These are stated at present value, which is calculated by discounting the total interest and principal (for loans payable that are subject to special treatment, the total interest and principal treated in combination with the relevant swap) by the putative interest rate as if the same loan were newly executed.

Derivative transactions

Please refer to "Notes to Derivative Transactions" below.

Note 2. Financial instruments for which it is extremely difficult to determine fair value

(Unit: thousand yen)

Classification	Previous period (August 31, 2017)	Current period (February 28, 2018)
Tenant leasehold and security deposits in trust	2,068,317	2,206,899

Tenant leasehold and security deposits in trust are not subject to fair value presentation because there are no market prices and it is difficult to reasonably estimate cash flows. Therefore, it is understood to be extremely difficult to assess fair value.

(Note 3) Scheduled redemption amount of monetary claims after the closing date of the fiscal period

Previous period (ended August 31, 2017)

(Unit: thousand yen)

	1 year or less
Cash and deposits	3,963,564
Cash and deposits in trust	4,644,814

Current period (ended February 28, 2018)

(Unit: thousand yen)

	1 year or less
Cash and deposits	4,565,339
Cash and deposits in trust	4,651,951

Note 4. Scheduled repayment amount of corporate bonds, loans payable, and other interest-bearing debt after the closing date of the fiscal period

Previous period (ended August 31, 2017)

(Unit: thousand yen)

	1 year or less	More than 1 year 2 years or less	More than 2 years 3 year or less	More than 3 years 4 year or less	More than 4 years 5 year or less	More than 5 years
Investment corporation bonds payable	-	-	-	-	4,000,000	5,500,000
Long-term loans payable	-	1,900,000	1,400,000	10,740,000	2,990,000	44,500,000
Total	-	1,900,000	1,400,000	10,740,000	6,990,000	50,000,000

Current period (ended February 28, 2018)

(Unit: thousand yen)

	1 year or less	More than 1 year 2 years or less	More than 2 years 3 year or less	More than 3 years 4 year or less	More than 4 years 5 year or less	More than 5 years
Investment corporation bonds payable	-	-	-	5,000,000	-	6,500,000
Long-term loans payable	-	1,300,000	10,740,000	-	18,100,000	29,390,000
Total	-	1,300,000	10,740,000	5,000,000	18,100,000	35,890,000

[Notes to Marketable Securities]

Previous period (ended August 31, 2017)

None

Current period (ended February 28, 2018)

None

[Notes to Derivative Transactions]

1. Derivative transactions to which hedge accounting is not applied

Previous period (ended August 31, 2017)

None

Current period (ended February 28, 2018)

None

2. Derivative transactions to which hedge accounting is applied

Previous period (ended August 31, 2017)

For each hedge accounting method, the contract amount as of the closing date and the notional principal amount specified in the contract are presented below.

(Unit: thousand yen)

Hedge accounting method	Type of derivative transaction	Main hedged items	Contract amount		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swap transactions variable receipt, fixed payable	Long-term loans payable	28,690,000	28,690,000	*	*

Current period (February 28, 2018)

For each hedge accounting method, the contract amount as of the closing date and the notional principal amount specified in the contract are presented below.

(Unit: thousand yen)

Hedge accounting method	Type of derivative transaction	Main hedged items	Contract amount		Fair value	Fair value measurement
				Due after one year		
Special treatment for interest rate swaps	Interest rate swap transactions variable receipt, fixed payable	Long-term loans payable	28,690,000	28,690,000	*	*

\* Because the derivative transactions subject to special treatment for interest rate swaps are treated integrally with long-term loans that are hedged, the stated fair value incorporates the fair value of the relevant long-term loans. (Please refer to item (4) "Long-term loans payable" of "Note 1. Methods used to calculate the fair value of financial instruments and matters concerning derivative transactions" under "2. Matters concerning the fair value of financial instruments" of "Notes to Financial Instruments" on page 25.)

[Notes to Transactions with Related Parties]

1. Parent company and major corporate unitholders

Previous Period (March 1, 2017 to August 31, 2017)

None

Current Period (September 1, 2017 to February 28, 2018)

None

2. Related companies

Previous Period (March 1, 2017 to August 31, 2017)

None

Current Period (September 1, 2017 to February 28, 2018)

None

### 3. Sister companies

Previous Period (March 1, 2017 to August 31, 2017)

Attributes	Name of company or personal name	Address	Equity or capital (thousand yen)	Content of business or profession	Share of voting rights held	Detail of relationship		Details of transaction (Note 2)	Transaction amount (thousand yen) (Note 1)	Category	Balance at end of the period (thousand yen) (Note 1)
						Officers holding concurrent posts	Business relationship				
Subsidiaries of other affiliated companies	LaSalle REIT Advisors K.K.	Tokyo Chiyoda-ku	164,500	Asset management services	-	Concurrent posts held by officers	Asset Management Company	Payment of asset management fee (Note 3)	710,425	Accounts payable - other	544,477

Note 1. In the above figures, the transaction amounts do not include consumption taxes, and the balance at the end of the period includes consumption taxes.

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

Note 3. The asset management fee includes management fees (119,500 thousand yen) related to the acquisition of properties included in the carrying amounts of each of the real estate properties.

Current Period (September 1, 2017 to February 28, 2018)

Attributes	Name of company or personal name	Address	Equity or capital (thousand yen)	Content of business or profession	Share of voting rights held	Detail of relationship		Details of transaction (Note 2)	Transaction amount (thousand yen) (Note 1)	Category	Balance at end of the period (thousand yen) (Note 1)
						Officers holding concurrent posts	Business relationship				
Subsidiaries of other affiliated companies	LaSalle REIT Advisors K.K.	Tokyo Chiyoda-ku	164,500	Asset management services	-	Concurrent posts held by officers	Asset Management Company	Payment of asset management fee (Note 3)	618,816	Accounts payable - other	569,319

Note 1. In the above figures, the transaction amounts do not include consumption taxes, and the balance at the end of the period includes consumption taxes.

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

### 4. Officers and key individual investors

Previous Period (from March 1, 2017 to August 31, 2017)

None

Current Period (from September 1, 2017 to February 28, 2018)

None

[Notes on Tax-Effect Accounting]

1. Breakdown of main reasons for generation of deferred tax assets and deferred tax liabilities

(Unit: thousand yen)

	Previous period As of August 31, 2017	Current period As of February 28, 2018
(Deferred tax assets)		
Non-deductible amount of unpaid business tax	16	23
Total deferred tax assets	16	23
Deferred tax assets	16	23

2. Breakdown of main items that were the cause of a material difference between the statutory effective tax rate and the burden of corporate taxes after application of tax-effect accounting

(Unit: %)

	Previous period As of August 31, 2017	Current period As of February 28, 2018
Statutory effective tax rate	31.74	31.74
(Adjusted)		
Deductible amount of dividend payments	(31.73)	(31.72)
Other	0.03	0.02
Burden of corporate taxes after application of tax-effect accounting	0.04	0.04

[Notes to Retirement Benefits]

Previous period (ended August 31, 2017)

None

Current period (ended February 28, 2018)

None

[Notes to Equity Method Earnings]

Previous period (ended August 31, 2017)

None

Current period (ended February 28, 2018)

None

[Notes to Asset Retirement Obligations]

Previous period (ended August 31, 2017)

None

Current period (ended February 28, 2018)

None

[Notes to Segment Data]

(Segment information, etc.)

Segment information has been omitted because LLR has only one business segment (real estate leasing).

(Related information)

Previous Period (from March 1, 2017 to August 31, 2017)

(1) Information about Products and Services

Information about products and services has been omitted because operating revenues from sales to external customers for one segment are in excess of 90% of the operating revenues on the income statement.

(2) Information by Geographical Area

(i) Operating revenues

Information about operating revenues has been omitted because operating revenues from sales to external customers in Japan are in excess of 90% of the operating revenues on the income statement.

(ii) Property, plant and equipment

Information about property, plant and equipment has been omitted because the amount of property, plant and equipment located in Japan is in excess of 90% of the amount of property, plant and equipment on the balance sheet.

(3) Information about Principal Customers

Information about principal customers has been omitted because each net sale to a single external customer accounts for less than 10% of the operating revenues on the income statement.

Current Period (September 1, 2017 to February 28, 2018)

(1) Information about Products and Services

Information about products and services has been omitted because operating revenues from sales to external customers for one segment are in excess of 90% of the operating revenues on the income statement.

(2) Information by Geographical Area

(i) Operating revenues

Information about operating revenues has been omitted because operating revenues from sales to external customers in Japan are in excess of 90% of the operating revenues on the income statement.

(ii) Property, plant and equipment

Information about property, plant and equipment has been omitted because the amount of property, plant and equipment located in Japan is in excess of 90% of the amount of property, plant and equipment on the balance sheet.

(3) Information about Principal Customers

Information about principal customers has been omitted because each net sale to a single external customer accounts for less than 10% of the operating revenues on the income statement.

[Notes to Rental Properties]

LLR owns leased logistics facilities mainly in the Tokyo and Osaka areas for the purpose of obtaining rental income. The fair values of these rental properties on the balance sheet and the changes during the period are presented below.

(Unit: thousand yen)

	Previous period From March 1, 2017 To August 31, 2017	Current period From September 1, 2017 To February 28, 2018
Amount recognized in balance sheet		
Balance at beginning of the period	162,917,112	174,484,950
Changes during the period	11,567,837	(547,050)
Balance at end of the period	174,484,950	173,937,899
Fair value at end of the period	184,440,000	185,530,000

Note 1. The amount recognized on the balance sheet is the acquisition cost after deduction of accumulated depreciation.

Note 2. The main increase in the previous period was due to the acquisition of trust beneficiary interests in one property (12,126,163 thousand yen) and the main decrease was due to depreciation (625,388 thousand yen). Furthermore, the main decrease in the current period was due to depreciation (627,188 thousand yen).

Note 3. The fair value at the end of the period is stated as the appraisal value of an outside real estate appraiser.

Operating income (loss) associated with the rental properties are presented in "Notes to Income Statement."

[Note to Per Unit Information]

	Previous period From March 1, 2017 To August 31, 2017	Current period From September 1, 2017 To February 28, 2018
Net assets per unit	98,560 yen	98,494 yen
Net income per unit	2,209 yen	2,312 yen

Note 1. Net income per unit is calculated by dividing net income by the daily weighted average number of investment units. In addition, the diluted net income per unit is not stated here as there are no diluted investment units.

Note 2. The basis for calculating net income per unit is as follows.

	Previous period From March 1, 2017 To August 31, 2017	Current period From September 1, 2017 To February 28, 2018
Net income (thousand yen)	2,429,984	2,543,602
Amount not attributable to ordinary unitholders (thousand yen)	-	-
Net income attributable to ordinary investment units (thousand yen)	2,429,984	2,543,602
Average number of investment units during the period (units)	1,100,000	1,100,000

[Notes to Significant Subsequent Events]

a. Acquisition of assets

LLR acquired trust beneficiary interests in the following assets on March 5, 2018. “Acquisition price” is the purchase price for each of the trust beneficiary interests as shown in the trust beneficiary interest purchase agreement of the Newly Acquired Assets (excluding consumption taxes, local consumption taxes, and various acquisition costs, and is rounded down to the nearest million yen).

Area	Property number	Property name	Location	Acquisition price (million yen)	Seller
Tokyo area	Tokyo-10	LOGIPORT Hiratsuka-shinmachi	Hiratsuka, Kanagawa	6,900	Logistics fudosan-hanbai GK
Osaka area	Osaka-1	LOGIPORT Sakai-minamijimacho	Sakai, Osaka	8,150	Logistics fudosan-hanbai GK
Total				15,050	



b. Borrowing of funds

For the properties listed above under "a. Acquisition of assets," LLR borrowed the following funds to cover the acquisition of the trust beneficiary interests, part of related expenses.

Class-ification	Lender	Amount borrowed (million yen)	Interest rate (Note 4) (Note 5)	Borrowing date	Borrowing method	Repayment date (Note 8)	Repayment method (Note 9)	Secured
Long-term	Syndicated facility consisting of MUFG Bank, Ltd., Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 1)	2,650	Rate equal to 0.20 points over the reference rate (3-month Japanese yen TIBOR by Japanese Bankers Association)	March 5, 2018	Borrowing based on a separate loan agreement dated March 1, 2018 with the lenders indicated at left	March 5, 2021	Lump-sum at maturity	Unsecured Unguaranteed
	Syndicated facility consisting of MUFG Bank, Ltd., Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 2)	6,750	Rate equal to 0.30 points over the reference rate (3-month Japanese yen TIBOR by Japanese Bankers Association) (Note 6)			March 5, 2025		
	Syndicated facility consisting of MUFG Bank, Ltd., Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 3)	5,880	Rate equal to 0.35 points over the reference rate (3-month Japanese yen TIBOR by Japanese Bankers Association) (Note 7)			March 5, 2026		

Note 1. The syndicated facility consists of the arrangers, Resona Bank, Limited, The Bank of Fukuoka, Ltd., Shinsei Bank, Limited, The Nomura Trust and Banking Co., Ltd. and The Chugoku Bank, Ltd.

Note 2. The syndicated facility consists of the arrangers, Sumitomo Mitsui Trust Bank, Limited, Development Bank of Japan Inc., Resona Bank, Limited, The Bank of Fukuoka, Ltd., Shinsei Bank, Limited, The 77 Bank, Ltd., The Nomura Trust and Banking Co., Ltd. and The Chugoku Bank, Ltd.

Note 3. The syndicated facility consists of the arrangers and the Sumitomo Mitsui Trust Bank, Limited.

Note 4. "Interest rate" does not include loan fees payable to lenders.

Note 5. The initial interest payment date shall be May 31, 2018, and thereafter, on the last day of February, May, August, and November of each year as well as on the date of repayment of the principal (if that day is not a business day, the following business day, and if that business day falls in the following month, the nearest prior business day). For borrowing subject to a floating interest rate, the reference rate to be applied for interest paid in the accounting period on the interest payment date shall be the 3-month Japanese Yen Tokyo Interbank Offered Rate (TIBOR) of the Japan Bankers Association published two days before the nearest prior interest payment date (for the initial payment, the borrowing date). Concerning fluctuations in the reference rate, the Japanese Yen TIBOR published by the Japan Bankers Association, please see the web page of the Japan Bankers Association TIBOR management organization, <http://www.jbatibor.or.jp>.

Note 6. An interest rate swap agreement has been entered into as of March 1, 2018 as follows in an effort to stabilize the payment interest rate for these borrowings and hedge the risk of rising interest rates.

1. Counterparty	Sumitomo Mitsui Trust Bank, Limited
2. Notional principal	6,750 million yen
3. Interest rate	Fixed payment interest rate 0.51435% Variable receipt interest rate 3-month Japanese yen TIBOR by Japanese Bankers Association + 0.30%
4. Starting date	March 5, 2018
5. Ending date	March 5, 2025
6. Interest payment date	The initial interest payment date shall be May 31, 2018, and thereafter, on the last day of February, May, August, and November of each year as well as on the date of repayment of the principal (if that day is not a business day, the following business day, and if that business day falls in the following month, the nearest prior business day).

\*The interest rate for these borrowings will be effectively fixed at 0.51435% with the signing of the above interest rate swap agreement.

Note 7. An interest rate swap agreement has been entered into as of March 1, 2018 as follows in an effort to stabilize the payment interest rate for these borrowings and hedge the risk of rising interest rates.

1. Counterparty	Nomura Securities Co., Ltd.
2. Notional principal	5,880 million yen
3. Interest rate	Fixed payment interest rate 0.59950% Variable receipt interest rate 3-month Japanese yen TIBOR by Japanese Bankers Association + +0.35%
4. Starting date	March 5, 2018
5. Ending date	March 5, 2026
6. Interest payment date	The initial interest payment date shall be May 31, 2018, and thereafter, on the last day of February, May, August, and November of each year as well as on the date of repayment of the principal (if that day is not a business day, the following business day, and if that business day falls in the following month, the nearest prior business day).

\*The interest rate for these borrowings will be effectively fixed at 0.59950% with the signing of the above interest rate swap agreement.

Note 8. The repayment date will be the immediately following business day in case such date would fall on a day that is not a business day and the immediately preceding business day in case such date would fall in the next calendar month

Note 9. Partial or full prepayment of principal is permissible under certain conditions such as LLR providing prior written notice of its intention during the period between the borrowing date and the repayment date.

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

Unitholders' capital and changes in the number of investment units issued and outstanding as of the reporting date are shown below.

Date	Description	Total number of outstanding investment units (units)		Unitholders' capital (Note 1) (thousand yen)		Comment
		Increase (decrease)	Balance	Increase (decrease)	Balance	
October 9, 2015	Established through private placement	1,500	1,500	150,000	150,000	(Note 2)
February 16, 2016	Public offering	1,050,800	1,052,300	101,601,852	101,751,852	(Note 3)
March 15, 2016	Third-party allotment	47,700	1,100,000	4,612,113	106,363,965	(Note 4)
November 21, 2016	Distributions in excess of retained earnings (refund of investment)	-	1,100,000	(202,400)	106,161,565	(Note 5)
May 22, 2017	Distributions in excess of retained earnings (refund of investment)	-	1,100,000	(174,900)	105,986,665	(Note 6)
November 20, 2017	Distributions in excess of retained earnings (refund of investment)	-	1,100,000	(187,000)	105,799,665	(Note 7)

Note 1. The amount remaining after subtracting the amount of the deduction for unitholders' capital from unitholders' capital is stated.

Note 2. LLR was incorporated at an issue price of 100,000 yen per unit.

Note 3. LLR issued new investment units for the purpose of raising funds to acquire new properties at an offer price of 100,000 per unit (underwriting price of 96,690 yen).

Note 4. LLR issued new investment units through a third-party allotment associated with the public offering at an underwriting price of 96,690 yen. The proceeds of this third-party allotment were partly used to repay loans made as financing to acquire new properties.

Note 5. At the Board of Directors Meeting of LLR on October 18, 2016, it was decided to make distributions in excess of retained earnings (amount of contributions refunded that under tax law is equivalent to a refund of investment) at an amount of 184 yen per unit as distributions of funds for the first fiscal period (ended August 31, 2016) and payment of these commenced on November 21, 2016.

Note 6. At the Board of Directors Meeting of LLR on April 14, 2017, it was decided to make distributions in excess of retained earnings (amount of contributions refunded that under tax law is equivalent to a refund of investment) at an amount of 159 yen per unit as distributions of funds for the second fiscal period (ended February 28, 2017) and payment of these commenced on May 22, 2017.

Note 7. At the Board of Directors Meeting of LLR on October 13, 2017, it was decided to make distributions in excess of retained earnings (amount of contributions refunded that under tax law is equivalent to a refund of investment) at an amount of 170 yen per unit as distributions of funds for the third fiscal period (ended August 31, 2017) and payment of these commenced on November 20, 2017.

#### 4. Changes in Officers and Directors

##### (1) Changes in Directors of LLR

Executive Director Toshimitsu Fujiwara, Alternative Executive Director Toshiaki Fukai, Supervising Director Kentaro Shibata, and Supervising Director Koji Nishiuchi were appointed under a resolution of the General Unitholders' Meeting of LLR held on November 22, 2017. The term of the Executive Director, Alternative Executive Director, and Supervising Director is two years from December 1, 2017 as prescribed in LLR's Articles of Incorporation.

##### (2) Changes in Directors of the Asset Management Company

As of September 2, 2017, Toshiaki Fukai was appointed as Director. As of March 1, 2018, Yasuo Nakashima retired as Director (Part-Time), and Keith Takashi Fujii was appointed as Director (Part-Time).

## 5. Reference Information

### (1) Composition of LLR's Assets

Type of assets	Use	Area (Note 1)	Previous period (as of August 31, 2017)		Current period (as of February 28, 2018)	
			Total amount held (million yen) (Note 2)	Percentage to total assets (%) (Note 3)	Total amount held (million yen) (Note 2)	Percentage to total assets (%) (Note 3)
Real estate in trust	Logistics facilities	Tokyo area	174,484	94.9	173,937	94.6
		Osaka area	-	-	-	-
		Other	-	-	-	-
	Subtotal		174,484	94.9	173,937	94.6
Deposits / other assets			9,357	5.1	9,904	5.4
Total assets			183,842	100.0	183,842	100.0

	Previous period (as of August 31, 2017)		Current period (as of February 28, 2018)	
	Amount (million yen)	Percentage to total assets (%) (Note 3)	Amount (million yen)	Percentage to total assets (%) (Note 3)
Total liabilities	75,425	41.0	75,498	41.1
Total net assets	108,416	59.0	108,343	58.9
Total assets	183,842	100.0	183,842	100.0

Note 1. "Area" refers to the Tokyo area, the Osaka area, as well as other prefectural areas, and the "Tokyo area" is defined as the area within 60km of Tokyo (specifically within a 60km radius of JR Tokyo Station), and "Osaka area" is defined as the area within 45km of Osaka (specifically within a 45km radius of JR Osaka Station).

Note 2. "Total amount held" reflects the amount recognized on the balance sheet (for real estate in trust, the carrying value after depreciation) as of the closing date of the respective fiscal period, and is rounded down to the nearest million yen.

Note 3. "Percentage to total assets" is rounded to the second decimal place.

(2) Overview of Real Estate, etc.

(i) Portfolio Overview

The assets (real estate or beneficiary interests in trusts holding real estate as trust assets; collectively referred to as “asset holdings” hereinafter) held by LLR as of February 28, 2018 are presented below.

Area	Property Number (Note 1)	Property Name	Location	Form of possession	Property age (Years) (Note 2)	As of end of current period Carrying amount (million yen)	Acquisition price (million yen) (Note 3)	Investment ratio (%) (Note 4)	Appraisal value (million yen) (Note 5)	Gross floor area (㎡) (Note 6)
Tokyo Area	Tokyo-1	LOGIPOINT Hashimoto (Note 7)	Kanagawa Prefecture Sagami-hara City	Trust beneficiary interest	3	21,239	21,200	12.2	22,400	145,801.69
	Tokyo-2	LOGIPOINT Sagami-hara (Note 8)	Kanagawa Prefecture Sagami-hara City	Trust beneficiary interest	5	23,116	23,020	13.3	24,800	200,045.57
	Tokyo-3	LOGIPOINT Kitakashiwa	Chiba Prefecture Kashiwa City	Trust beneficiary interest	5	25,350	25,300	14.6	28,100	104,302.62
	Tokyo-4	LOGIPOINT Nagareyama (A)	Chiba Prefecture Nagareyama City	Trust beneficiary interest	10	3,500	3,500	2.0	3,930	17,673.87
	Tokyo-5	LOGIPOINT Nagareyama (B)	Chiba Prefecture Nagareyama City	Trust beneficiary interest	10	26,492	26,600	15.3	28,400	133,414.76
	Tokyo-6	LOGIPOINT Higashi Ogishima (A)	Kanagawa Prefecture Kawasaki City	Trust beneficiary interest	31	19,168	19,000	11.0	19,500	100,235.67
	Tokyo-7	LOGIPOINT Higashi Ogishima (B)	Kanagawa Prefecture Kawasaki City	Trust beneficiary interest	27	19,232	19,120	11.0	21,300	117,546.26
	Tokyo-8	LOGIPOINT Higashi Ogishima (C)	Kanagawa Prefecture Kawasaki City	Trust beneficiary interest	16	23,776	23,700	13.7	25,000	116,997.14
	Tokyo-9	LOGIPOINT Kawagoe	Saitama Prefecture Kawagoe City	Trust beneficiary interest	7	12,059	11,950	6.9	12,100	50,742.47
Portfolio total / average					13	173,937	173,390	100.0	185,530	986,760.05

Note 1. “Property number” refers to the number assigned by classifying LLR’s asset holdings into three areas, with those located in the Tokyo area designated as “Tokyo,” those in the Osaka area as “Osaka,” and those located in other prefectural areas as “Other areas.”

Note 2. “Property age” is generally calculated as the period from the construction completion date shown on the property registry for the main building until February 28, 2018, and is rounded to the nearest whole number. The number presented as the portfolio age average is the weighted average weighted by acquisition price, rounded to the nearest whole number.

Note 3. “Acquisition price” is the purchase price for each of the trust beneficiary interests as shown in the trust beneficiary interest purchase agreement of the relevant property (excluding consumption taxes, local consumption taxes, and various acquisition costs, and is rounded down to the nearest million yen).

Note 4. The investment ratio is the percentage of the acquisition price of the relevant property to the total acquisition price, rounded to two decimal places. Therefore, the sum of the individual investment ratio figures may not necessarily match the portfolio total.

Note 5. “Appraisal value” represents the appraisal value as of February 28, 2018, shown in the real estate appraisal documents prepared by either Tanizawa Sogo Appraisal Co, Ltd. or CBRE K.K., which have been contracted to appraise the asset holdings.

Note 6. “Gross floor area” reflects the figure shown in the registrations for all buildings associated with the real estate in trust (excluding ancillary buildings that are not subject to leasing) held by LLR.

Note 7. The acquisition price and appraisal value for LOGIPOINT Hashimoto are stated as amounts proportional to LLR’s ownership interest of the joint co-ownership interests within the trust beneficiary interest (equating to 55%), while the gross floor area is the figure for the entire property.

Note 8. The acquisition price and appraisal value for LOGIPOINT Sagami-hara are stated as amounts proportional to LLR’s ownership interest of the joint co-ownership interests within the trust beneficiary interest (equating to 51%), while the gross floor area is the figure for the entire property.

(ii) Tenant Agreements

Information about the status of agreements with tenants for the asset holdings (leasable floor area, leased floor area, occupancy rate, total number of tenants, total annual lease revenue, total amount of lease and guarantee deposits) is presented below.

Area	Property number	Property name	Number of tenants (Note 1)	Annual lease revenue (million yen) (Note 2)	Lease & guarantee deposits (million yen) (Note 3)	Leasable floor area (㎡) (Note 4)	Leased floor area (㎡) (Note 5)	Occupancy rate (%) (Note 6)
Tokyo area	Tokyo-1	LOGIPORT Hashimoto (Note 7)	15	1,127	276	130,162	130,162	100.0
	Tokyo-2	LOGIPORT Sagamihara (Note 8)	18	1,285	309	180,971	177,516	98.1
	Tokyo-3	LOGIPORT Kitakashiwa	8	1,392	361	100,349	100,349	100.0
	Tokyo-4	LOGIPORT Nagareyama (A)	1	1,568 (Note 9)	356 (Note 9)	18,172	18,172	100.0
	Tokyo-5	LOGIPORT Nagareyama (B)	8			112,684	112,517	99.9
	Tokyo-6	LOGIPORT Higashi Ogishima (A)	22	1,094	319	85,281	82,602	96.9
	Tokyo-7	LOGIPORT Higashi Ogishima (B)	16	1,156	363	103,731	98,965	95.4
	Tokyo-8	LOGIPORT Higashi Ogishima (C)	17	1,371	267	114,925	112,282	97.7
	Tokyo-9	LOGIPORT Kawagoe	4	656	160	53,088	53,088	100.0
Portfolio total / average			109	9,652	2,414	899,366 752,117	885,656 740,100	98.5 98.4

Note 1. "Number of tenants" is stated as the total number of lease agreements associated with the buildings shown for each of the trust properties as of February 28, 2018. If a master lease agreement has been executed for the trust property, it is stated as the total number of end tenants. However, if the same lessee has executed multiple lease agreements at the trust property, that lessee is counted as one tenant when arriving at calculating the total.

Note 2. "Annual lease revenue" is stated as the annualized monthly rent (including common service fees) shown in each lease agreement associated with each trust property as of February 28, 2018 (excluding consumption taxes), calculated by multiplying by 12, rounded down to the nearest million yen. Therefore, the sum of the "annual lease revenue" for the individual trust properties may not necessarily match the portfolio total.

Note 3. "Lease & guarantee deposits" is stated as the aggregate amount of the lease and guarantee deposit balances shown in each lease agreement associated with each trust property for each trust property as of February 28, 2018, rounded down to the nearest million yen. Therefore, the sum of the individual "lease & guarantee deposits" may not necessarily match the portfolio total.

Note 4. "Leasable floor area" is the area that can be leased at the buildings associated with each trust property as of February 28, 2018, stated as the aggregate of the area considered leasable under the lease agreements or building drawings, rounded down to the nearest whole number. Additionally, in the "Portfolio total" row, the upper figure represents the aggregate leasable floor area for the buildings of each trust property. The lower figure represents the ratio of the aggregate leased floor area for a given building divided by the leasable floor area for a given building, after factoring in and converting for LLR's proportional ownership interest of the joint co-ownership interests within a trust beneficial interest, as applicable for LOGIPORT Hashimoto and LOGIPORT Sagamihara.

Note 5. "Leased floor area" is stated as the aggregate leased floor area associated with the buildings shown in the lease agreements for each of the trust properties as of February 28, 2018. If a master lease agreement has been executed for the trust property, it is stated as the aggregate of the area which has actually been leased through the execution of lease agreements with end tenants, rounded down to the nearest whole number. Additionally, in the "Portfolio total/average" row, the upper figure represents the aggregate leased floor area for the buildings of each trust property. The lower figure represents the ratio of the aggregate Leased Floor Area for a given building divided by the Leasable Floor Area for a given building, after factoring in and converting for LLR's proportional ownership interest of the joint co-ownership interests within a trust beneficial interest, as applicable for LOGIPORT Hashimoto and LOGIPORT Sagamihara.

Note 6. "Occupancy rate" is stated as the ratio of leased floor area to leasable floor area with the buildings shown in the lease agreements for each of the trust properties as of February 28, 2018, rounded to the second decimal place. Additionally, in the "Portfolio total/average" row, the upper figure represents the ratio of the aggregate Leased Floor Area for a given building divided by the Leasable Floor Area for a given building, rounded to the second decimal place. The lower figure represents the ratio of the aggregate Leased Floor Area for a given building divided by the Leasable Floor Area for a given building, rounded to the second decimal place, after factoring in and converting for LLR's proportional ownership interest of the joint co-ownership interests within a trust beneficial interest, as applicable for LOGIPORT Hashimoto and LOGIPORT Sagamihara.

Note 7. The total number of tenants, leasable floor area, and leased floor area, and occupancy rate for "LOGIPORT Hashimoto" are stated as figures for the entire building, while the annual lease revenue and lease & guarantee deposits are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (55%).

Note 8. The total number of tenants, leasable floor area, and leased floor area, and occupancy rate for “LOGIPORT Sagamihara” are stated as figures for the entire building, while the annual lease revenue and lease & guarantee deposits are stated as amounts proportional to LLR’s ownership interest of the joint co-ownership interests within the trust beneficiary interest (51%).

Note 9. Because consent has not been obtained from the single end tenant at “LOGIPORT Nagareyama (A)” to disclose the annual lease revenue and lease & guarantee deposits, the annual lease revenue and lease & guarantee deposits are presented in aggregate with the annual lease revenue and lease & guarantee deposits, respectively, for LOGIPORT Nagareyama (B).

(iii) Appraisal report summary

Area	Property number	Property name	Appraiser	Appraisal date	Appraisal value (million yen)	Cost-approach value (million yen)	Income approach value (million yen)				
							Direct capitalization method		DCF (discounted cash flow) method		
							Income-approach value	Capitalization rate (%)	Income-approach value	Discount rate (%)	Terminal capitalization rate (%)
Tokyo Area	Tokyo-1	LOGIPORT Hashimoto (Note 1)	Tanizawa Sogo Appraisal Co., Ltd.	2018 February 28	22,400	20,200	23,000	4.2	22,200	4.3	4.4
	Tokyo-2	LOGIPORT Sagamihara (Note 2)	Tanizawa Sogo Appraisal Co., Ltd.	2018 February 28	24,800	22,800	25,400	4.3	24,500	4.4	4.5
	Tokyo-3	LOGIPORT Kitakashiwa	CBRE K.K.	2018 February 28	28,100	22,900	28,200	4.1	28,100	3.9	4.2
	Tokyo-4	LOGIPORT Nagareyama (A)	CBRE K.K.	2018 February 28	3,930	2,870	3,910	4.5	3,930	4.1	4.4
	Tokyo-5	LOGIPORT Nagareyama (B)	CBRE K.K.	2018 February 28	28,400	21,700	28,000	4.4	28,400	4.1	4.4
	Tokyo-6	LOGIPORT Higashi Ogishima (A)	Tanizawa Sogo Appraisal Co., Ltd.	2018 February 28	19,500	21,600	19,900	4.7	19,300	4.7	4.8
	Tokyo-7	LOGIPORT Higashi Ogishima (B)	Tanizawa Sogo Appraisal Co., Ltd.	2018 February 28	21,300	22,900	22,100	4.7	20,900	4.7	4.8
	Tokyo-8	LOGIPORT Higashi Ogishima (C)	Tanizawa Sogo Appraisal Co., Ltd.	2018 February 28	25,000	24,100	25,500	4.6	24,800	4.6	4.7
	Tokyo-9	LOGIPORT Kawagoe	Tanizawa Sogo Appraisal Co., Ltd.	2018 February 28	12,100	11,100	12,600	4.6	11,900	4.7	4.8
Portfolio total					185,530	170,170	188,610		184,030		

Note 1. The appraisal value, cost-approach value, and income-approach values based on the direct capitalization method, and DCF method for LOGIPORT Hashimoto are stated as amounts proportional to the joint co-ownership interests in trust beneficiary interests that LLR holds (55%).

Note 2. The appraisal value, cost-approach value, and income-approach values based on the direct capitalization method, and DCF method for LOGIPORT Sagamihara are stated as amounts proportional to the joint co-ownership interests in trust beneficiary interests that LLR holds (51%).



(iv) Information about major real estate properties

Of the assets held by LLR, those properties where “total annual lease revenue” represents 10% or more of the “total annual lease revenue for the entire portfolio” as of February 28, 2018 are presented below.

Property name	Annual lease revenue (million yen) (Note 1)	Share of lease revenue (%) (Note 2)
LOGIPORT Hashimoto (Note 3)	1,127	11.7
LOGIPORT Sagamihara (Note 4)	1,285	13.3
LOGIPORT Kitakashiwa	1,392	14.4
LOGIPORT Nagareyama (A) LOGIPORT Nagareyama (B) (Note 5)	1,568	16.2
LOGIPORT Higashi Ogishima (A)	1,094	11.3
LOGIPORT Higashi Ogishima (B)	1,156	12.0
LOGIPORT Higashi Ogishima (C)	1,371	14.2
Total	8,996	93.2

Note 1. “Annual lease revenue” is stated as the total annualized monthly lease revenue (including common service fees) shown in each lease agreement associated with each trust property as of February 28, 2018 (excluding consumption taxes), calculated by multiplying by 12, rounded down to the nearest million yen.

Note 2. “Share of lease revenue” is the ratio of that property’s total annual lease revenue to the total annual lease revenue for the entire portfolio, rounded to the second decimal place.

Note 3. The total annual lease revenue for LOGIPORT Hashimoto is stated as an amount proportional to LLR’s ownership interest of the joint co-ownership interests within the trust beneficiary interests (55%).

Note 4. The total annual lease revenue for LOGIPORT Sagamihara is stated as an amount proportional to LLR’s ownership interest of the joint co-ownership interests within the trust beneficiary interests (51%).

Note 5. Because consent has not been obtained from the single end tenant at LOGIPORT Nagareyama (A) to disclose the annual lease revenue, it is presented in aggregate with the annual lease revenue for LOGIPORT Nagareyama (B).

(v) Information about Major Tenants

Within the assets held by LLR, as of February 28, 2018 there are no tenants for which the leased floor area represents 10% or more of the total leased floor area for the entire portfolio (for those assets for which a pass-through type master lease agreement has been executed, this includes the end tenants and excludes the master lessee that has executed the master lease agreement).

(vi) Portfolio Diversification

The distribution of LLR’s asset holdings according to classification by area as of February 28, 2018 is as shown below.

a. Share by area

Area	Number of properties	Gross floor area (m <sup>2</sup> ) (Note 1) (Note 2)	Share (%)	Acquisition price (million yen) (Note 3)	Share (%)
Tokyo area	9	986,760.05	100.0	173,390	100.0
Osaka area	-	-	-	-	-
Other	-	-	-	-	-
Total	9	986,760.05	100.0	173,390	100.0

Note 1. “Gross floor area” reflects the figure shown in the registrations for all buildings associated with the real estate in trust (excluding ancillary buildings that are not subject to leasing) held by LLR.

Note 2. The table above was created using the gross floor areas for the entire LOGIPORT Hashimoto and LOGIPORT Sagamihara properties.

Note 3. “Acquisition price” is the purchase price for each of the trust beneficiary interests as shown in the trust beneficiary interest purchase agreement of the relevant property (excluding consumption taxes, local consumption taxes, and various acquisition costs, and is rounded down to the nearest million yen).

b. Share by property age

Property age (Note 1)	Number of properties	Gross floor area (m <sup>2</sup> ) (Note 2) (Note 4)	Share (%) (Note 3)	Acquisition price (million yen) (Note 5)	Share (%) (Note 3)
20 years or more	2	217,781.93	22.1	38,120	22.0
At least 15 years but less than 20 years	1	116,997.14	11.9	23,700	13.7
At least 10 years but less than 15 years	2	151,088.63	15.3	30,100	17.4
At least 5 years but less than 10 years	3	355,090.66	36.0	60,270	34.8
Less than 5 years	1	145,801.69	14.8	21,200	12.2
Total	9	986,760.05	100.0	173,390	100.0

Note 1. As a general rule, "Property age" is calculated as the period from the construction date shown on the registration for the main building until February 28, 2018, rounded to the nearest whole number.

Note 2. "Gross floor area" reflects the figure shown in the registrations for all buildings associated with the real estate in trust (excluding ancillary buildings that are not subject to leasing) held by LLR.

Note 3. "Share" is rounded to the second decimal place.

Note 4. The table above was created using the gross floor areas for the entire LOGIPORT Hashimoto and LOGIPORT Sagamihara properties.

Note 5. "Acquisition price" is the purchase price for each of the trust beneficiary interests as shown in the trust beneficiary interest purchase agreement of the relevant property (excluding consumption taxes, local consumption taxes, and various acquisition costs, and is rounded down to the nearest million yen).

c. Share by size (gross floor area)

Size (gross floor area) (m <sup>2</sup> ) (Note 1) (Note 3)	Number of properties	Gross floor area (m <sup>2</sup> ) (Note 1) (Note 3)	Share (%) (Note 2)	Acquisition price (million yen) (Note 4)	Share (%) (Note 2)
At least 100,000m <sup>2</sup>	7	918,343.71	93.1	157,940	91.1
At least 50,000m <sup>2</sup> Less than 100,000m <sup>2</sup>	1	50,742.47	5.1	11,950	6.9
At least 30,000m <sup>2</sup> Less than 50,000m <sup>2</sup>	-	-	-	-	-
At least 10,000m <sup>2</sup> Less than 30,000m <sup>2</sup>	1	17,673.87	1.8	3,500	2.0
Less than 10,000m <sup>2</sup>	-	-	-	-	-
Total	9	986,760.05	100.0	173,390	100.0

Note 1. "Gross floor area" reflects the figure shown in the registrations for all buildings associated with the real estate in trust (excluding ancillary buildings that are not subject to leasing) held by LLR.

Note 2. "Share" is rounded to the second decimal place.

Note 3. The table above was created using the gross floor areas for the entire LOGIPORT Hashimoto and LOGIPORT Sagamihara properties.

Note 4. "Acquisition price" is the purchase price for each of the trust beneficiary interests as shown in the trust beneficiary interest purchase agreement of the relevant property (excluding consumption taxes, local consumption taxes, and various acquisition costs, and is rounded down to the nearest million yen).

d. Share by remaining lease term

Lease term (remaining lease term) (Note 1)	Leased floor area (m <sup>2</sup> ) (Note 2) (Note 4) (Note 5)	Share (%) (Note 3)	Annual lease revenue (million yen) (Note 2) (Note 4) (Note 5)	Share (%) (Note 3)
7 years or more	52,021	7.0	697	7.2
At least 5 years but less than 7 years	88,143	11.9	1,209	12.5
At least 3 years but less than 5 years	88,040	11.9	1,118	11.6
At least 1 year but less than 3 years	272,860	36.9	3,624	37.5
Less than 1 year	239,034	32.3	3,003	31.1
Total	740,100	100.0	9,652	100.0

Note 1. "Lease term (remaining term)" is based on the remaining term of leases as of February 28, 2018, under the lease agreements for asset holdings that have been executed as of that date.

Note 2. "Leased floor area" is stated as the leased floor area associated with each trust property for each trust property as of February 28, 2018, while "annual lease revenue" is annualized monthly lease revenue (including common service fees) shown in each lease agreement associated with each trust property for each trust property as of February 28, 2018 (for trust properties with multiple lease agreements, the aggregate thereof) (excluding consumption taxes) calculated by multiplying by 12, rounded down to the nearest million yen. These are then aggregated for each remaining lease term category.

Note 3. "Share" is rounded to the second decimal place. Therefore, the total may not add up to 100%.

Note 4. "Leased floor area" is rounded down to the nearest whole number. "Annual lease revenue" is rounded down to the nearest million yen.

Note 5. The table above was created using figures proportional (55% and 51%, respectively) to LLR's holdings of joint co-ownership interests in trust beneficiary interests for the leased floor area and annual lease revenue for LOGIPORT Hashimoto and LOGIPORT Sagamihara.

(3) Capital expenditures on portfolio assets

(i) Planned capital expenditures

The major planned capital expenditures associated with improvements to properties held by LLR as of the reporting date are presented below. Estimated work costs may include amounts that will ultimately be classified as an expense for accounting purposes.

Property number	Property name	Location	Purpose	Expected timing	Estimated work costs (million yen) (Note)		
					Total amount	Current Payment Amount	Total Amount Paid
Tokyo-8	LOGIPORT Higashi Ogishima (C)	Kanagawa Prefecture Kawasaki City	Air conditioning facility update work	February 2019	18	-	-

Note: All amounts are rounded down to the nearest million yen.

(ii) Capital expenditures during the period

A summary of the main projects, treated as capital expenditures, associated with real estate held by LLR that were undertaken during the period is presented below. Capital expenditures were 80 million yen for the period, and there were also 88 million yen in repair and maintenance expenses classified as other operating expenses.

Property number	Property name	Location	Purpose	Implementation period	Amount paid (million yen) (Note)
Tokyo-6	LOGIPORT Higashi Ogishima (A)	Kanagawa Prefecture Kawasaki City	Work to upgrade rooftop lightning rod	February 2018	8
Tokyo-6	LOGIPORT Higashi Ogishima (A)	Kanagawa Prefecture Kawasaki City	Corrective work in response to shutter inspection items identified	From January 2018 To February 2018	8
Tokyo-8	LOGIPORT Higashi Ogishima (C)	Kanagawa Prefecture Kawasaki City	Work to upgrade sprinkler heads	February 2018	8
Other capital expenditures					54
Total					80

Note: All amounts are rounded down to the nearest million yen.

(iii) Funds accumulated for purposes of the long-term repair and maintenance plans (reserve fund for building repairs)

None

## (4) Property income/expenses

(Unit: thousand yen)

Property number	Tokyo-1	Tokyo-2	Tokyo-3	Tokyo-4	Tokyo-5
Name of property	LOGIPORT Hashimoto	LOGIPORT Sagamihara	LOGIPORT Kitakashiwa	LOGIPORT Nagareyama (A)	LOGIPORT Nagareyama (B)
Number of operating days in fourth period	181	181	181	181	
(i) Total real estate leasing revenues	603,554	709,086	759,270	840,795	
Rent revenue - real estate	560,481	650,587	684,459	775,577	
Other lease business revenue	43,072	58,499	74,811	65,217	
(ii) Total real estate leasing expenses	181,605	225,638	271,263	343,190	
Outsourcing costs	20,268	34,245	36,550	34,976	
Utilities expenses	29,371	40,727	58,229	50,675	
Taxes and public dues	53,874	60,603	72,585	60,474	
Insurance premiums	949	1,129	1,215	1,616	
Repair and maintenance expenses	739	6,438	9,512	31,763	
Depreciation	74,733	67,571	90,175	146,475	
Other leasing expenses	1,668	14,922	2,995	17,208	
(iii) Real estate leasing profit (= (i) - (ii))	421,949	483,448	488,007	55,454	442,150
(iv) Rent NOI (= (iii) + Depreciation)	496,682	551,019	578,182	77,338	566,741

Note: Because consent has not been obtained from the single end tenant at LOGIPORT Nagareyama (A) to disclose information, real estate leasing revenues and real estate leasing expenses for LOGIPORT Nagareyama (B) are presented in aggregate with the real estate leasing revenues and real estate leasing expenses respectively.

(Unit: thousand yen)

Property number	Tokyo-6	Tokyo-7	Tokyo-8	Tokyo-9
Name of property	LOGIPORT Higashi Ogishima (A)	LOGIPORT Higashi Ogishima (B)	LOGIPORT Higashi Ogishima (C)	LOGIPORT Kawagoe
Number of operating days in fourth period	181	181	181	181
(i) Total real estate leasing revenues	601,144	649,498	750,322	338,312
Rent revenue - real estate	547,242	573,660	677,511	320,917
Other lease business revenue	53,902	75,837	72,811	17,394
(ii) Total real estate leasing expenses	153,298	221,231	260,183	79,971
Outsourcing costs	37,846	50,050	56,068	17,621
Utilities expenses	16,806	26,711	38,597	17,445
Taxes and public dues	38,566	59,664	56,408	-
Insurance premiums	1,093	1,368	1,458	523
Repair and maintenance expenses	5,325	13,555	18,211	2,482
Depreciation	51,839	68,084	87,884	40,424
Other leasing expenses	1,819	1,797	1,554	1,474
(iii) Real estate leasing profit (= (i) - (ii))	447,846	428,267	490,139	258,341
(iv) Rent NOI (= (iii) + Depreciation)	499,685	496,351	578,024	298,765