



Message to Unitholders



Toshimitsu Fujiwara

Executive Director
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President and CEO
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During the 7th fiscal period, LaSalle LOGIPORT REIT (“LLR”) decided on an asset replacement in April 2019, aimed at reinforcing portfolio profitability. Moreover, in association with the public offering it conducted in May, the first follow on equity raise since listing, LLR announced the acquisition of five properties and the sale of one property. With these initiatives, LLR achieved quality distribution per unit (“DPU”) growth and successfully expanded the asset size to 15 properties worth 210.5 billion yen. ^(Note)

Note: The figure is as of September 3, 2019 by when the sale of LOGIPORT Nagareyama A and the acquisition of LOGIPORT Sakai Chikko Shinmachi announced on April 15, 2019 as well as the sale of LOGIPORT Hiratsuka Shinmachi and acquisition of LOGIPORT Kashiwa Shonan, LOGIPORT Sayama Hidaka, Higashi Ogishima (leasehold land), LOGIPORT Osaka Taisho, and Suminoe (leasehold land) announced on May 21, 2019 have been completed.

The existing properties of LLR also remain in good shape. Bolstered by strong demand from tenants, the fiscal period average occupancy rate of the entire portfolio stood at 98.8%, staying at the high level it had achieved in previous fiscal periods.

As a result of these endeavors, LLR has achieved the best performance since listing, posting operating revenues of 6,942 million yen, operating profits of 4,064 million yen, ordinary income of 3,688 million yen, and net income of 3,687 million yen, with a DPU of 3,200 yen.

Entering the 8th fiscal period, LLR conducted its second public offering to acquire two properties, including additional interests in an existing portfolio property, totaling 35 billion yen. With the acquisition, LLR’s asset size grew to 16 properties worth 245.6 billion yen by the end of the 8th fiscal period.

Features of LaSalle LOGIPORT REIT

1

Focused investments in prime logistics located in the Tokyo and Osaka areas

- The portfolio comprises large logistics facilities located in the Tokyo and Osaka markets
- Make investments with attention given to location and building specifications – the source of property competitiveness – to secure the portfolio’s competitiveness over a medium to long term

2

Leveraging the LaSalle Group’s real estate investment management capabilities

- Leverage the LaSalle Group’s global experience and expertise as a leading company investing in core real estate assets
- Take advantage of the LaSalle Group’s investment management capabilities with a strong track record of developing and investing in logistics facilities in Japan

3

Building robust financial balance sheets

- Build robust financial soundness from a medium- to long-term perspective to enable flexible adjustment to changes in the financial environment
- Loan to value (“LTV”) (ratio of interest-bearing debt to total assets) stood at 43.5% as of August 31, 2019 with a long-term issuer rating of AA- (Stable)

Financial Highlights for 7th Fiscal Period

(March 1, 2019 - August 31, 2019)

Portfolio Size ^(Note) 15 properties	Total Assets Under Management (“AUM”) ^(Note) 210.5 bn yen	Occupancy Rate 98.8%
Tokyo and Osaka Area Concentration 100.0%	Total Debt 97.66 bn yen	Loan to Value (“LTV”) Ratio 43.5%
Operating Revenues 6,942 mn yen	Operating Income 4,064 mn yen	Net Income 3,687 mn yen
Distribution Per Unit (“DPU”) 3,200 yen	Earnings Per Unit (“EPU”) 3,048 yen	DPU in Excess of Earnings 152 yen

Note: As of September 3, 2019 when the sales and acquisitions announced on April 15 and May 21 were completed.

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Toshimitsu Fujiwara is the Executive Director of LLR, and President and CEO of LaSalle REIT Advisors K.K. ("LRA"), LLR's asset management company. He has 19 years of real estate experience in Japan and the U.S. Toshimitsu joined LaSalle in Japan in 2009 and has overseen fund and asset management activities for the Japan Logistics Fund series. Previously, he worked at MGPA Japan LLC, the predecessor of Black Rock Japan Co., Ltd., and the U.S. real estate investment arm of Nippon Life Insurance Company. Toshimitsu has a Bachelor of Economics from the University of Tokyo.

Executive Director's Message

Executing on LLR's active management strategy to deliver robust DPU and NAV growth

Reflecting upon these past six months, LLR has been conducting a series of activities. As the operational environment surrounding logistics REITs has been changing, LLR has taken the lead and started a few new initiatives to overcome these changes. We believe that the results of our labor were expressed through the significant growth in DPU and NAV results, and in response, we believe this fiscal period was one that demonstrated the effectiveness of this strategy which was rewarded and reflected through LLR's significant unit price rise.

May (a second public offering was executed in early September, just after the end of the 7th fiscal period). Amid an overheating real estate market, LLR remained disciplined, focused on generating greater profitability and accretive DPU growth, while at the same time not overlooking internal growth.

In terms of LLR's Excess Return Strategy, LOGIPORT Amagasaki reached 100% occupancy ahead of the business plan. As a function of achieving stabilization early, coupled with how LLR aimed to demonstrate to the market the degree of how accretive this strategy is, a second public offering was conducted in early September, where a 51% interest in LOGIPORT Amagasaki (in addition to an additional interest in LOGIPORT Osaka Taisho) was acquired, at a blended acquisition NOI yield of 5.1%. Given how LLR's unit price had been increasing throughout the summer, its implied cap rate was a low 3.9%, meaning that its cost of equity was very inexpensive, thus making all the more sense to conduct a second follow on offering, because management knew that this would benefit investors in that DPU and NAV would be enhanced significantly.

Q1

Could you walk us through this fiscal period's financial highlights and DPU actuals?

The 7th fiscal period produced the best post-IPO results to date, by delivering a DPU of 3,200 yen per unit. This is not only an increase of 483 yen (+17.78%) from the 6th fiscal period, it is also 55 yen (+1.75%) more than the initial guidance, meaning that LLR remains on a strong growth trajectory.

In contrast to the internal growth-led progress of the 6th fiscal period, the 7th fiscal period performance was driven by capital gains generated from the asset replacement of one asset (sold LOGIPORT Nagareyama A and bought LOGIPORT Sakai Chikko Shinmachi) and the sale of another asset (sold LOGIPORT Hiratsuka Shinmachi) that was conducted in conjunction with the external growth executed in the form of a five property acquisition that was financed through corporate debt, the aforementioned one-asset disposition, and a follow on public offering in

Financial Highlights

		6th Fiscal Period	7th Fiscal Period	8th Fiscal Period (Forecast)
Operating Revenues	(mn yen)	5,792	6,942	8,624
Operating Income	(mn yen)	3,100	4,064	5,123
Ordinary Income	(mn yen)	2,784	3,688	4,669
Net Income	(mn yen)	2,783	3,687	4,668
DPU	(yen)	2,717	3,200	3,602
EPU	(yen)	2,530	3,048	3,424
DPU in Excess of Earnings	(yen)	187	152	178
AUM	(bn yen)	1,884	2,105 (Note)	2,456
Portfolio Size	(properties)	11	15 (Note)	16
Occupancy Rate	(%)	98.8	98.8	—

Note: As of September 3, 2019 when the sales and acquisitions announced on April 15 and May 21 were completed.

Across LLR's entire portfolio, a 98.8% occupancy was maintained, which resulted in a 6.7% net increase in rents relative to the prior in-place rental levels for the 96,000m² of space which renewed during this fiscal period. LLR is confident that it can continue to deliver strong financial results based on these increased rent revision levels, as the supply and demand market for well-located assets continues to be in highly sought.

As mentioned earlier, capital gains were recorded through the sale of two properties, LOGIPORT Nagareyama A and LOGIPORT Hiratsuka Shinmachi, whose distribution to unitholders were spread across the 7th and 8th fiscal periods, as well as capital gains generated from LLR's preferred share investment in LOGIPORT Amagasaki, which will be distributed in the 8th fiscal period.

Distributing Gains to Unitholders

LLR recorded gains on the sale of two properties over two fiscal periods, and plans to record dividend distributions from LLR's preferred shares investment

Gain on sale for 7th FP	Gain on sale for 8th FP (estimate)	Dividend distribution for 8th FP (estimate)	Total (estimate)
LP Nagareyama A (40% joint co-ownership interest) LP Hiratsuka Shinmachi (80% joint co-ownership interest) 935 million yen	LP Nagareyama A (60% joint co-ownership interest) LP Hiratsuka Shinmachi (20% joint co-ownership interest) 734 million yen	LP Amagasaki (preferred shares) 765 million yen	2,434 million yen

Executing on LLR's active management strategy to deliver robust DPU and NAV growth

Q2 Can you tell us about the PO activities initiated over the past 6 months and how they contributed to LLR's share price increasing by so much?

LLR initiated two public offerings in the past six months, one priced on May 29, 2019, and the other priced on September 11, 2019. The first PO raised 23.38 billion yen of equity capital, which was used to acquire five properties (while disposing of one property), and the second PO raised 35.09 billion yen to purchase a further two properties. The share price saw a gradual increase after the initial announcement regarding LLR's active management strategy and asset replacement on April 15, 2019. As management went around communicating this equity story to investors, LLR's unit price continued to rise, and when its P/NAV ratio was around 1.18x, management decided to execute the first PO which was in mid-May. During the first PO, it was becoming clearer that LLR would likely be included into the EPRA/NAREIT index by mid-September provided that it maintained its then unit price range. With that messaging coupled with continual communications about the leasing progress being made at LOGIPORT Amagasaki, this fed into a virtuous cycle where LLR's unit price continued to surge throughout the summer. By the end of August, LOGIPORT Amagasaki had achieved full

stabilization (which was actually achieved in 11 months relative to initial business plan projections suggesting that it would take 15 months to lease up to stabilization) and LLR's unit price was trading at an even higher level. This meant that its cost of equity capital was highly attractive, such that it could issue a very DPU accretive deal for another go at a follow on PO. From management's perspective, demonstrating to the market how an acquisition of an Excess Return Strategy deal like LOGIPORT Amagasaki was tantamount, in order to show how LLR was different from other logistics J-REITs. This was the reason it decided to execute a second PO, despite the short time frame since executing the prior PO. During the second PO, confirmation was obtained from FTSE that LLR would indeed be included into the EPRA/NAREIT index, which continued to feed into LLR's rise both during and after the PO was consummated.

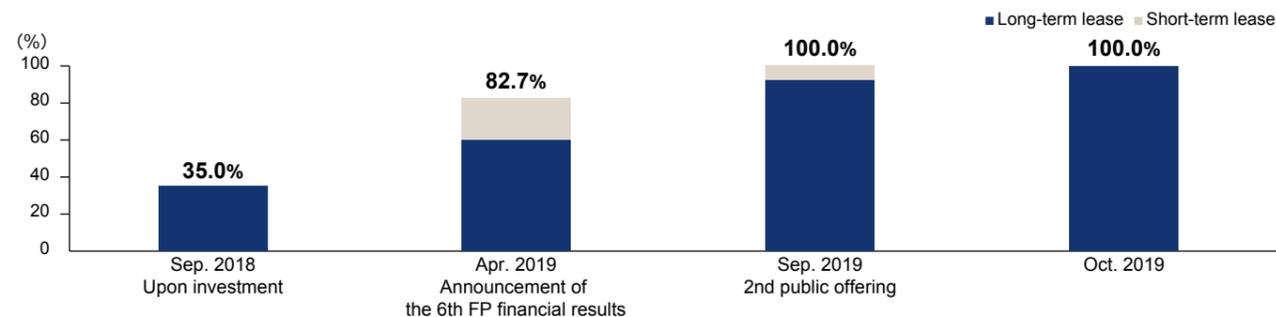
As LLR's unit price increased throughout the summer, its implied cap rate decreased, and by the time it executed the second PO, its implied cap rate was a low 3.9%. In light of how LLR was able to do an acquisition that maintained a wide, blended, acquisition cap rate of 5.1%, the spread between this 5.1% NOI yield and 3.9% implied cap rate (120 bps), meant that it could design a traditional external growth acquisition with attractive deal economics.

Asset Strategy

Achieving enhanced value through a lease-up as soon as possible

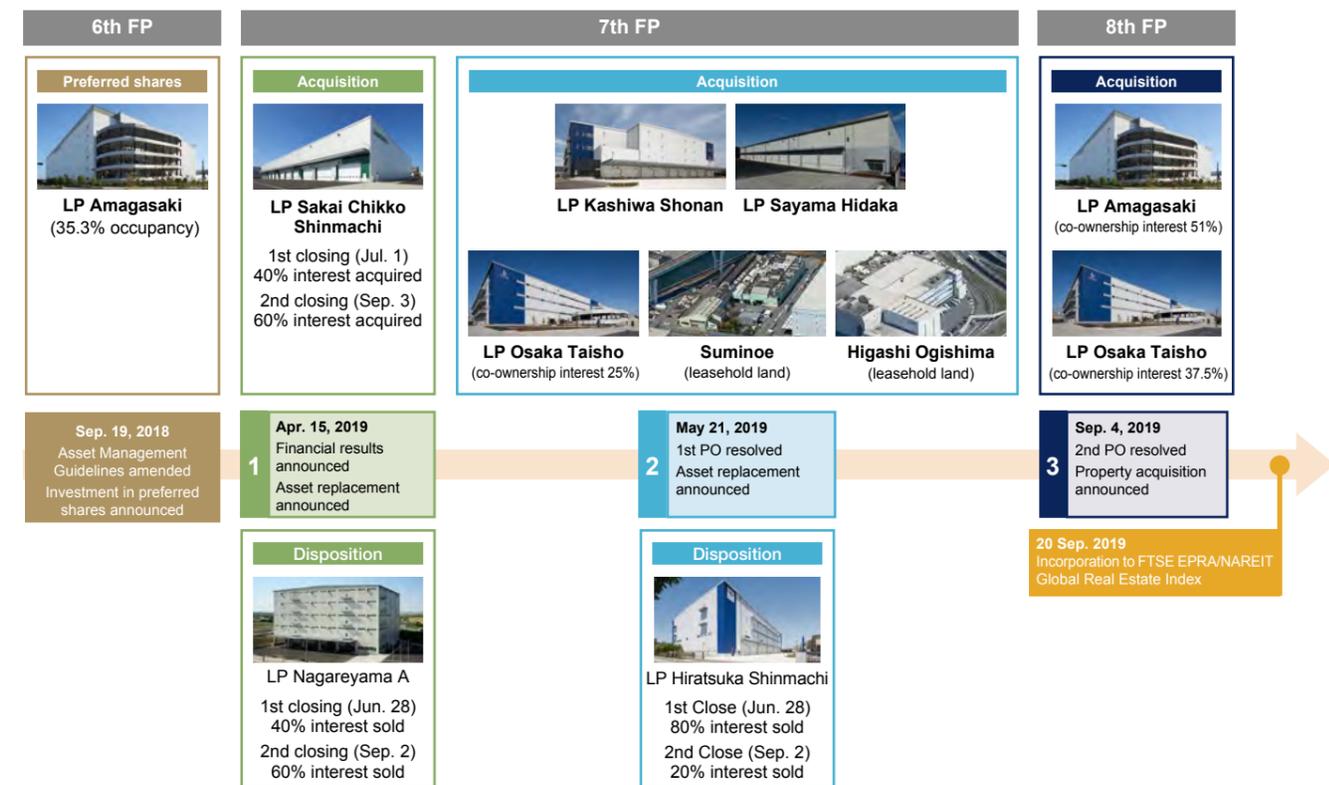
LaSalle Group's leasing team helped achieve stable operations in about a year

Changes in Contract Rate for LP Amagasaki (Note)



Note: The graph indicates changes in the lease contract rate for the warehouse portion of LP Amagasaki.

Overview of a Series of Property Transactions and Capital Raises Including Public Offerings



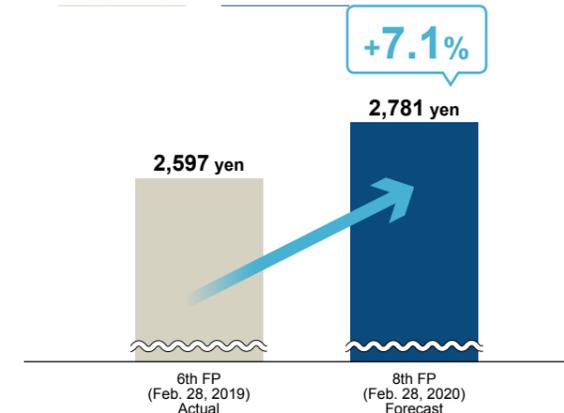
Q3 What are the resulting normalized DPU growth and NAV growth rates as a function of the second quarter?

As the asset replacement, two public offerings, dispositions, internal growth, and acquisition of LOGIPORT Amagasaki, normalized DPU from February 2019 to February 2020 will increase by 7.1%, which is a significant outper-

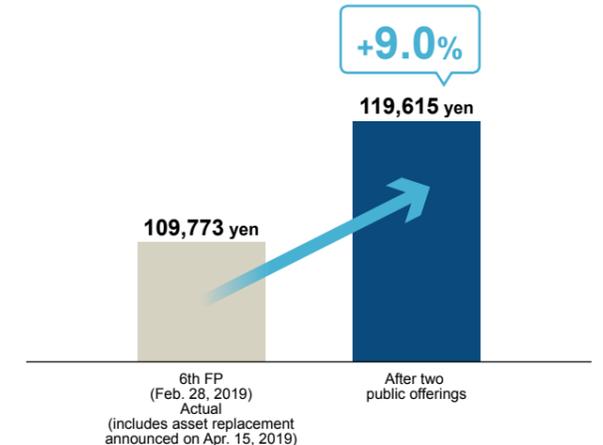
formance over the 4% DPU growth target that was outlined as part of LLR's active management strategy unveiled during the 6th fiscal period. Moreover, through the two public offerings and acquisition of LOGIPORT Amagasaki, there's a significant amount of unrealized capital gains embedded within LLR's NAV, thus resulting in an increase by 9.0% from February 2019. These are the fruits of LLR's strategy of active management.

Growth of Normalized DPU and Nav Per Unit

Normalized DPU



NAV Per Unit



Executing on LLR's active management strategy to deliver robust DPU and NAV growth

Q4

Can you reiterate LLR's active management strategy and explain how we are to understand its three pillars?

This strategy consists of three pillars: the broad portfolio, individual assets, and excess returns.

In the portfolio strategy, LLR is committed to sustainably growing unitholder value through a discerning selection of properties in the pipeline, two-way transactions with third parties, optimal financing methods for capital costs, etc. In terms of individual asset strategy, LLR will enhance profitability by accelerating rent growth amid strong tenant demand and leverage the 4% portfolio-wide rent gap. In terms of excess return strategy, it will expand revenues by advancing initiatives to redevelop the Suminoe leasehold land site, continue to source deals akin to Amagasaki where LLR would invest in lease-up, value add deals using sidecar funds, as well as continue to source additional development projects.

One thing to keep in mind is that Tokyo logistics facilities comparable to LLR's portfolio have recently been consistently traded in the mid- to upper 3% cap rate range.

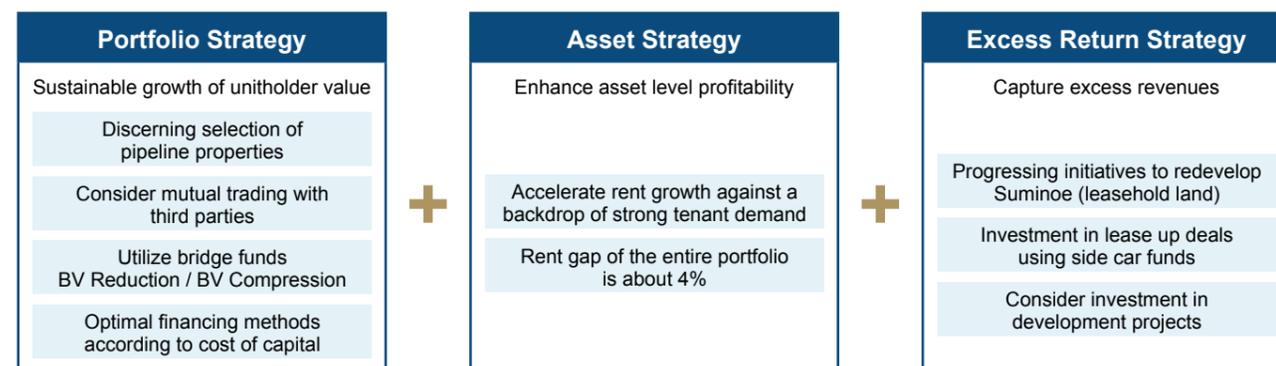
Appraisal cap rates have already declined to the low 4% range and could fall further, meaning that whether a REIT is trying to acquire a property from its sponsor or from the broader market, this must be done at a tight cap rate. Logistics REITs are no exception. However, LLR has used this active management strategy to continue securing highly profitable, accretive properties.

Furthermore, even with two POs, due to the fact that LLR was able to raise more equity than initially anticipated, LLR was able to reduce its LTV slightly, even as it grew DPU. At 42.4%, it remains firmly within its target stabilized range of 40-45%. Raising LTV to the upper limit of 45% would open up an additional 12 billion yen in debt capacity. With the extra equity capital, LLR was also able to increase its cash on hand for its balance sheet. When combined with the 6 billion yen on hand, total "dry powder" totals 18 billion yen in acquisition capacity available for strategic deals.

Overall, LLR's goal is to deliver 4% growth in normalized DPU with 1% from the portfolio strategy, 1% from the asset strategy, and 2% from the excess return strategy, albeit with some variance each year, as evidenced by the 7% growth this year.

Aim to Achieve DPU Growth of over 4% Annually Going Forward through Active Management

Three Pillars of Active Management



Q5

What areas of focus are of high priority for LLR going forward?

The first area of focus is to continue finding excess return strategy deals to demonstrate to the market that strategies like LOGIPORT Amagasaki and Suminoe (leasehold land) can be replicated.

The second area of focus is to look at the available pipeline that is ready and given how LLR's implied cap rate and cost of equity are very attractive at this point in time, LLR looks to 2020 with an eye toward continuing its external growth.

The third area of focus is to continue to close the rental gap and push forward with internal growth, whenever leases renew. The 4% rent gap currently existing between LLR's in-place portfolio average and LLR's target rents should continue to decrease.

As indicated by the strategy outlined above, LLR's priorities are maintaining a strong portfolio and management strategy that can deliver a healthy DPU, but it also sees great merit in leading the way in environmental sustainability measures.

Fourth is in addition to the LaSalle's group-wide efforts, LLR itself is making a concerted effort to tackle unsustainable practices in the industry through a range of ESG initiatives. This fiscal period, it received a five-star rating from GRESB, the highest rating possible, which was an improvement from last year's four star rating. With respect to CASBEE, three of its properties obtained S ranks, the highest CASBEE rating. With respect to Building-Housing Energy-Efficiency Labeling System ("BELS"), two properties were awarded five stars and were both classified as ready to be a net zero-energy building ("ZEB Ready"). LLR has also been evaluated favorably by SMBC, MUFG, and the Japan Credit Rating for its ESG initiatives.

In closing, LLR was again able to achieve its best financial results since its IPO in this 7th fiscal period. Its active management strategy, as evidenced by steady growth in DPU and NAV, is delivering results. Backed by the LaSalle Group's expertise as a pioneering leader in logistics real estate investment and development, LLR is committed to continuing to distinguish itself from other J-REITs with disciplined external growth and shrewd internal growth. I thank you for your interest in this report, your invaluable loyalty thus far, and your continued support moving forward.

Diversified Strategic Options Based on the Properties in the Pipeline

Portfolio Strategy: Abundant Pipeline of Properties Totaling 130 Billion Yen

LLR's current pipeline of Income Producing Assets totals 130 billion yen. LOGIPORT Kawasaki Bay, LOGIPORT Amagasaki, LOGIPORT Sakai, and LOGIPORT Shin Moriya are each construction completed properties and they are each 100% occupied.



Operating Achievements

A Series of Initiatives in Active Management Including Public Offerings and Their Achievements

Evolution of the Portfolio

Implementing LLR's active management strategy led to better results including more properties, larger unrealized capital gains which enhanced NAV.

	End of the 6th FP (1)	Dispositions	Asset Replacement Decided on Apr. 15 and Assets Acquired upon 1st PO		After 1st PO	Assets Acquired upon 2nd PO	After 2nd PO (2)	(2) - (1)
			Land and Bldg.	Leasehold Land				
Number of properties	11	2	4	2	15	2	16	+5
Acquisition Price (mn yen)	188,440	10,400	27,030	5,519	210,589	35,097	245,686	+57,246
Appraisal (mn yen)	203,920	11,310	28,680	6,160	227,450	38,800	266,250	+62,330
Unrealized Gain / Gain on Sale (Note 1) (mn yen)	15,818	1,776	1,191	332	16,456	3,266	19,722	+3,904
NOI Yield (Note 2)	4.9%	4.2%	4.9%	—	4.9%	5.1%	4.9%	±0%
After Depreciation NOI Yield (Note 3)	4.1%	3.5%	4.0%	4.2%	4.1%	4.1%	4.1%	±0%
Occupancy Rate (Note 4)	98.8%	100%	100%	100%	98.9%	99.7%	99.0%	+0.2%
Avg. Building Age (Note 2) (Note 4)	12.7	5.5	1.4	—	11.6	7.6	11.2	-1.5
LTV	43.6%	—	—	—	43.3%	—	42.4%	-1.2%
NAV per unit (yen) (Note 5)	109,773	—	—	—	110,944	—	119,615	+9,842

Note 1: "Unrealized Capital Gain / Gain on Sale" indicates the gains on sale for LP Nagareyama A and LP Hiratsuka Shinmachi, and unrealized capital gains (difference between appraisal value and book value at respective times; for newly acquired properties, the amount calculated by adding miscellaneous expenses to the acquisition price) for other properties.

Note 2: "NOI Yield" and "Average Building Age" are calculated by excluding leasehold land.

Note 3: "After Depreciation Yield" indicates the percentage of the amount, which is obtained by deducting the actual depreciation expenses (or estimates by the asset management company for newly acquired properties) from the net operating income under the direct capitalization method described in the appraisal report, to the acquisition price.

Note 4: For "Occupancy Rate" and "Average Building Age," the figures through "After 1st PO" are as of March 31, 2019, and the figures for the 2nd PO and thereafter are as of June 30, 2019.

Note 5: "NAV per Unit" for "After 1st PO" indicates the calculated figure for the period after the asset replacement determined on April 15, 2019 is completed, based on the figure of "End of the 6th FP." "NAV per Unit" for "After 2nd PO" indicates the calculated figure based on the 16 properties LLR owns as of September 30, 2019.

LLR Included into a Globally Recognized Real Estate Index

With an expansion of its market capitalization, LLR was successfully incorporated into the FTSE EPRA/NAREIT Global Real Estate Index (the "Index").

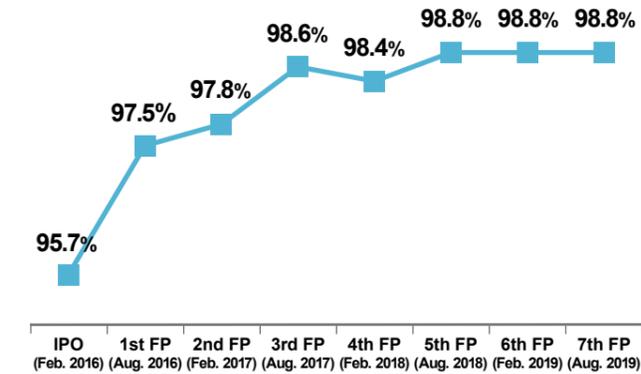
The Index is a real estate investment index developed and publicized by the FTSE Group, a financial data provider, in cooperation with the European Public Real Estate Association ("EPRA") and the National Association of Real Estate Investment Trusts ("NAREIT"). The Index is widely adopted by institutional investors, etc. globally as their benchmark for international real estate investments.



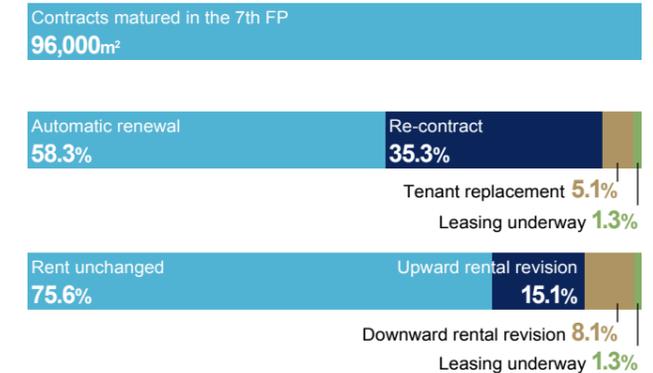
Internal Growth Strategy

Occupancy Rate and Fixed Term Lease Assets

Occupancy



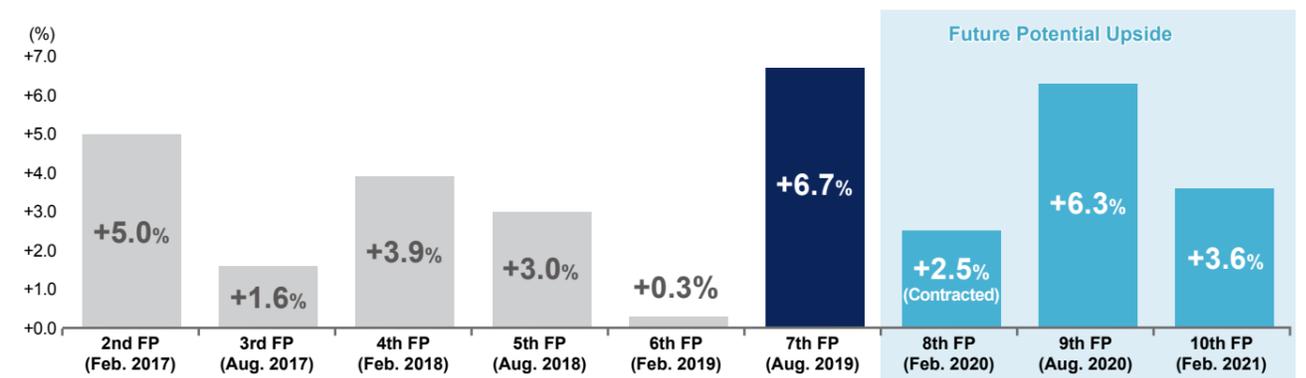
Renewal of contracts for spaces of some 96,000m² that matured in the 7th FP



Note: The percentages represent the ratios to the spaces for which contracts matured during the 7th fiscal period (warehouse portions only, excluding temporary use).

Rental Revisions Track Record for Fixed Term Lease Assets and Future Rental Increase Potential

Rent increased by 6.7% upon rental revision in the 7th fiscal period; already informally agreed with a rental increase of 2.5% for the 8th fiscal period.



Rent Gap

The gap between the target rents and ongoing rents is approximately 4%, providing enough room for future internal growth.



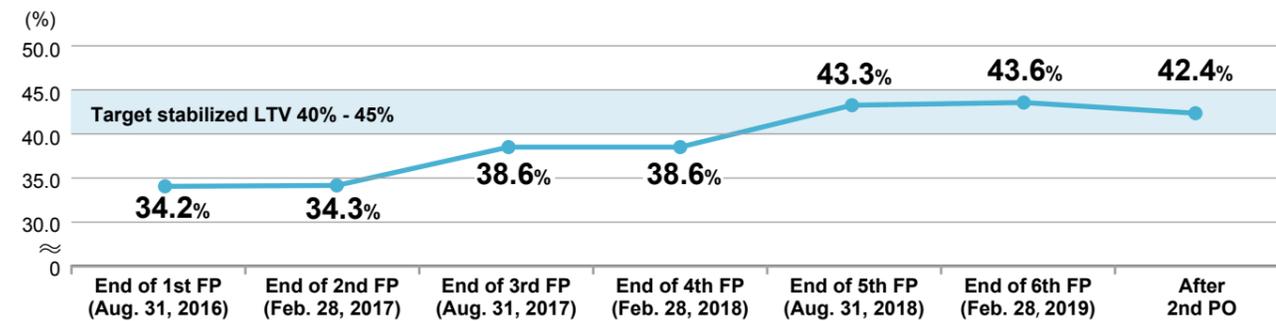
Financial Strategy (As of September 30, 2019)

Debt Summary

Ratio of interest-bearing debt to total assets (LTV) (Note 1)(Note 2)	42.4%	Long-term issuer rating (Japan Credit Rating Agency, Ltd.)	AA- (Stable)
Average remaining years of debt	4.8 years	Fixed rate ratio	92.7%

Note 1: Calculated by dividing interest-bearing debt by total assets.
Note 2: After completion of asset acquisition given the increase in investment units issued by the 2nd IPO.

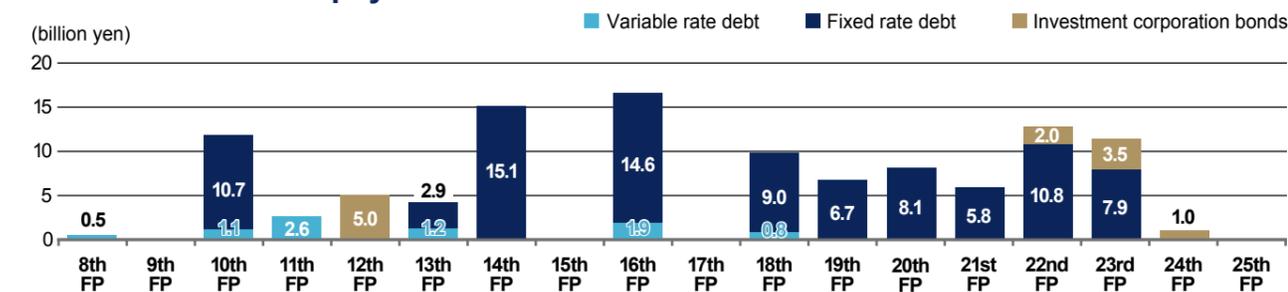
LTV Management



Breakdown of Interest-Bearing Debt (by financial institution)

Financial Institution	Billion yen	Share
MUFG Bank	23.6	21.2%
Mizuho Bank	18.6	16.7%
Sumitomo Mitsui Banking	16.6	14.9%
Sumitomo Mitsui Trust Bank	12.4	11.2%
Development Bank of Japan	9.4	8.5%
Shinsei Bank	4.6	4.2%
Resona Bank	4.4	4.0%
Fukuoka Bank	4.0	3.6%
Nomura Trust Bank	2.4	2.2%
Chugoku Bank	1.4	1.3%
Nishi Nippon City Bank NEW	1.0	0.9%
77 Bank	0.9	0.8%
Investment corporation bonds	11.5	10.3%

Diversification of Repayment Dates



Property and Corporate Level Income Statement, DPU Summary, and Yield Summary

	(in millions of yen unless otherwise specified)	6th FP actuals	7th FP actuals
Property Level			
Number of Properties		11	17
Real estate leasing revenues			
RENT + CAM + Parking + Leased Roof + Other Income		5,433	5,674
Utilities charge reimbursement		305	313
Real estate tax refund		54	9
Total real estate leasing revenues		5,792	5,997
Real estate leasing expenses (Excluding depreciation)			
Outsourced contract costs		-299	-332
Utilities expenses		-302	-312
Repair and maintenance		-111	-90
Taxes and public dues		-423	-477
Other leasing expenses		-35	-43
Total real estate leasing expenses		-1,172	-1,256
NOI (Excluding gain on sales of real estate properties)		4,620	4,740
Depreciation expense		-688	-729
NOI after depreciation		3,931	4,011
Gain on sales of real estate properties		-	945
Corporate Level			
Corporate level expenses			
Asset management fee		-705	-772
Asset custody and administrative fee		-28	-29
Directors' compensations		-3	-3
Audit fee		-10	-10
Other operating expenses		-85	-76
Total corporate level expenses		-831	-891
Operating Profit		3,100	4,064
Non-operating income			
Interest income and interest on refund		0	0
Non-operating expenses			
Interest expenses		-230	-243
Interest expenses on investment corporation bonds		-25	-26
Amortization of deferred organization expenses		-3	-3
Amortization of investment corporation bond		-5	-5
Amortization of investment unit issuance expenses		-	-2
Investment unit public offering expenses		-	-17
Borrowing related expenses		-50	-76
Total non-operating expenses		-316	-376
Ordinary Income		2,784	3,688
Income taxes		-1	-0
Net Income		2,783	3,687
Retained earnings brought forward		0	0
Unappropriated retained earnings		2,783	3,688
DPU Summary			
Unappropriated retained earnings		2,783	3,688
Total number of investment units issued and outstanding (unit)		1,100,000	1,210,000
EPU (yen per unit)		2,530	3,048
Acc. depr. for the current FP - Acc. Depr. of the previous FP		688	614
About 30% of the above		205	183
Total number of investment units issued and outstanding (unit)		1,100,000	1,210,000
Distributions in excess of EPU (yen per unit)		187	152
EPU (yen per unit)		2,530	3,048
Distributions in excess of EPU (yen per unit)		187	152
DPU (yen per unit)		2,717	3,200
Yield Summary			
NOI (Annualized = NOI x 2) ^(Note 2)		9,240	9,481
NOI After depreciation (NOI After depr. x 2) ^(Note 2)		7,862	8,022
Acquisition price		188,440	211,573
NOI yield		4.9%	4.5%
After depreciation NOI yield		4.2%	3.8%
Tangible fixed asset book value		188,101	211,292
NOI yield		4.9%	4.5%
After depreciation NOI yield		4.2%	3.8%
Appraisal value		203,920	231,790
Unrealized capital gain		15,818	20,497
Unrealized capital gain		8.4%	9.7%

Note 1: These figures use numerical values based on management accounting and may differ from values based on financial accounting.
Note 2: NOI and NOI after depreciation do not include impact acquisitions and disposition of properties made during the year.

Prime Logistics Report

Tokyo and Osaka are Target Markets

Prospective Portfolio Composition



Note: "Tokyo Area" is defined as the area that's within a 60km radius from JR Tokyo station and "Osaka Area" is defined as the area that's within a 45km radius from JR Osaka station.

Characteristics of "Prime Logistics"

Suitable Sites

1. Excellent access to high consumption areas (dense population areas)
2. Close proximity to highway interchange nodes
3. Located in industrial use zoned areas that allow for 24 hour operations
4. Easy public transportation access in order to attract employees

Large Scale

1. In general, GFA is greater than 16,500m²

High Specifications

1. Effective ceiling heights are greater than 5.5m, floor loads can handle in excess of 1.5 t/m², and column spacing is typically 10m x 10m
2. Large ramp ways for direct truck access to the upper floors or freight elevators with sufficient loading capacity
3. Designed with flexible bay partitioning
4. Ample office space
5. High safety features with seismic isolation or resistance performance

Example of a Suitable Site in the Case of LOGIPORT Hashimoto



Advantage of High Functionality Functional Features of Prime Logistics

Large-Scale Ramp Ways
Enables truck access to the upper floors, or there are vertical conveyors with sufficient loading capacity.

High-End Specifications
Effective ceiling heights, floor loading, and column spacing to enhance storage efficiency and work productivity.

Flexible Partitioning of Bays
Designed with truck berths, vertical conveyor layouts, fire prevention compartmentalization.

Office Space
Ample office space.

Seismic Isolation/Earthquake Resistance
Lateral and vertical motion dampeners.

Environmental, Energy Efficiency

Solar panels for renewable energy utilization	Exterior walls, sandwich panel system for thermal insulation and airtightness	Automatic lighting sensors for corridors and bathrooms	Obtained S and A rankings, based on CASBEE evaluation for new and existing built
24-7, 365 days, fire prevention center	Cafeteria space for employees during breaks	Convenience stores on-sight for employee satisfaction	Operation of a commuter bus from the nearest station

LaSalle Group's Professional Support Contributes to Greater Unitholder Value

Development, Investment, and Leasing Track Record of Logistics Properties in Japan

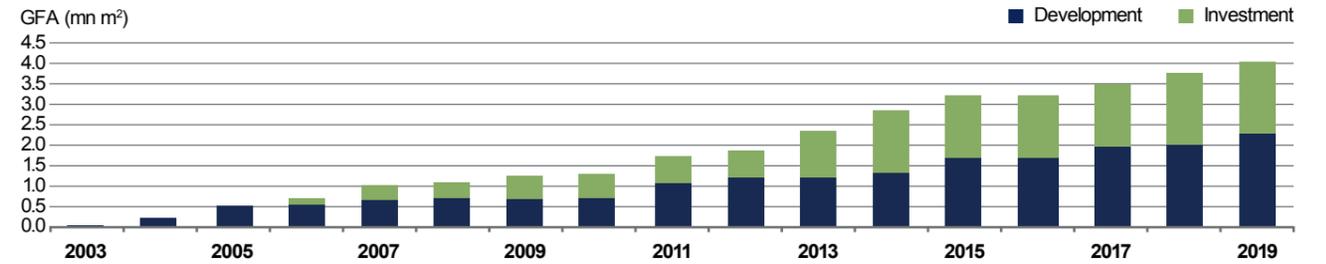
Robust Experience in Development, Investment, and Leasing ^(Note 1)

Cumulative development ^(Note 2)	Approx. 2.35 mn m²	Leasing experience	Approx. 3.51 mn m²
Cumulative acquisitions	Approx. 1.82 mn m²	Large scale development share within Tokyo ^(Note 3)	Approx. 17%

Note 1: As of August 31, 2019.

Note 2: Includes properties scheduled to be developed.

Development/Investment Area (cumulative base) ^(Note 2)



Note 3: Source: Rental Logistics Facilities with Gross Floor Area of at Least 100,000m² Developed by Private-Sector Companies and Located in the Tokyo Metropolitan Area (as of December 31, 2018) by CBRE.

Achievements as Front Runner of Developing and Investing in Advanced Logistics Facilities in Japan

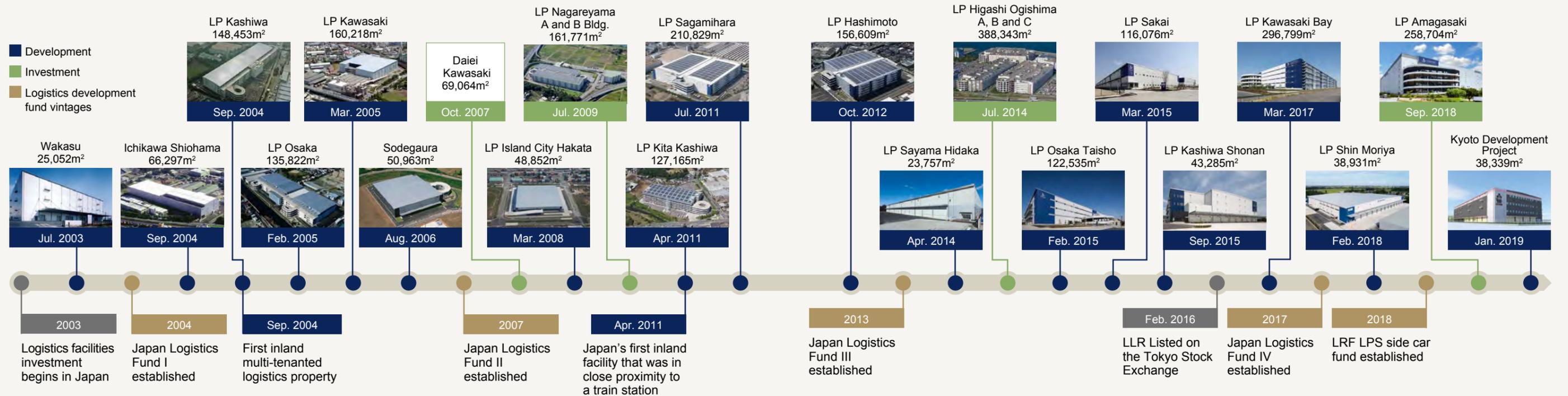
■ Front runner of developing and investing in advanced logistics facilities
Began in the Japanese market in 2003, cultivating the market ahead of major domestic developers

■ Formed a logistics development fund at the dawn of the industry
Formed a development fund specialized in logistics properties in 2004, when the industry was being created

*Refers to rental logistics facilities that were developed by real estate investment companies or real estate developers, etc. and large-scale logistics facilities with GFA of at least 100,000m²

■ Japan's first inland, multi-tenanted logistics facility in close proximity to a train station*
Japan's first inland, multi-tenanted facility in close proximity to a train station (LP Kita Kashiwa) completed in 2012 to lead the industry

■ One of Japan's largest multi-tenanted logistics facilities*
One of Japan's largest multi-tenanted logistics facilities (LP Kawasaki Bay) completed in June 2019



Note 1: Each point of time in the above chart indicates the time when transaction agreements for acquiring the relevant land and buildings were concluded.

Note 2: The figures above the photos in the above chart indicates the gross floor area of respective properties.

Note 3: As of the date of this document, LLR has not decided acquisition of any of the properties in the above chart, and there is no guarantee that LLR can acquire it in the future.

Note 4: The floor areas of buildings are based on the building certificates and drawings, etc. and may not be identical with the floor areas in the registry.

Note 5: The building names are what the LaSalle Group uses to identify each property, and may not be identical with the current names.

The LaSalle Group's Initiatives on Sustainability

Initiatives on Sustainability

At the LaSalle Group, in addition to being an industry leader in promoting sustainability through various organizations, an in-house Global Sustainability Committee has been established, which is conscious of the challenges involved with environmental (E), societal (S), and governance (G) (collectively “ESG”) best practices and these measures are being incorporated on a group-wide basis.

Became a Signatory of the United Nation's Principles for Responsible Investment (July 2009)



Founding Member of the ULI Greenprint Center



GRESB Member



The LaSalle Group agrees to the recommendations made by the Task Force on Climate-Related Financial Disclosures (“TCFD”)



LaSalle ESG Organizational Chart



Align Unitholder Interests with LaSalle Group Interests

47,700 units	Same boat investment into LLR made by LaSalle Group and JLL
Investment Unit Ownership Association	Promote the alignment of economic interests between LLR unitholders and LaSalle Group Directors and Employees
Share Buyback System Already in Place	Amendment of Asset Management Agreement enabling share buybacks and share extinguishment

Certifications and Acknowledgements Awarded to LLR

GRESB Real Estate Assessment

The GRESB Real Estate Assessment is an annual benchmark for environmental, social and governance (“ESG”) considerations in the real estate sector. LLR obtained “Green Star,” the highest ranking, in the Assessment conducted in 2019, while also acquiring the rank of “5 Stars” in the GRESB Rating.



CASBEE Building Evaluation

CASBEE offers a method to evaluate and rank a building's environmental performance. It is a system to comprehensively evaluate the environmental performance from such aspects as reduction of environmental load, including energy saving, resource saving and recycling performance, and considerations to views.



S Rank ★★★★★



S Rank ★★★★★



S Rank ★★★★★

DBJ Green Building Certification

Developed independently by Development Bank of Japan Inc. (“DBJ”), this certification system is a comprehensive scoring model and a comprehensive evaluation system designed to certificate real estate that demonstrates considerations for the environment and society (“Green Buildings”), based on evaluation ranks on a five star scale.



Star Rating ★★★★★



Star Rating ★★★★★

Building-Housing Energy-efficiency Labeling System (“BELS”)

BELS is a third party certification system that displays the energy saving performance of buildings. From April 2016, real estate companies were required to strive toward energy conservation practices per the Act on Building Energy Consumption Enhancement Improvement Act (Building Energy Conservation Law). A Net Zero Energy Building (“ZEB”) is a building which produces energy through solar power generation, and by offsetting energy consumption via energy production, its aim is to significantly reduce net energy consumption all the way to the point where it would be a net zero energy consuming building.



Ranking ★★★★★
ZEB Ready

SMBC Environmental Consideration Rating

Upon implementing loans and setting loan conditions, the SMBC Funding Program Based on Evaluation of Environmental Considerations evaluates how a company endeavors on environmental awareness, based on the proprietary evaluation criteria prepared by Sumitomo Mitsui Banking Corporation and The Japan Research Institute, Limited.



J-REITs' ESG Evaluation Conducted by MUFG and Supported by JCR

This ESG evaluation is supported by Japan Credit Rating (“JCR”) and managed by Mitsubishi-UFJ Research and Consulting, whereby these firms score and evaluate a given entity's ESG initiatives.

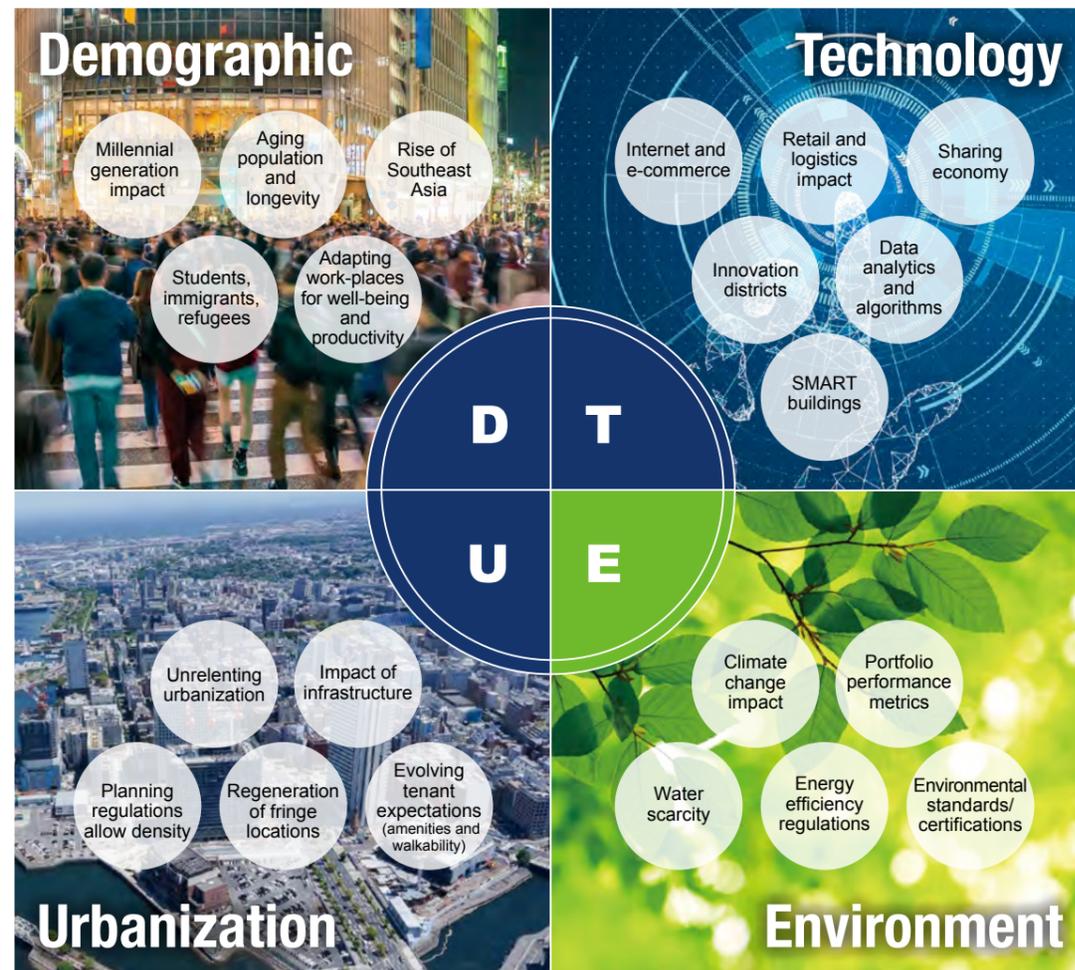


The LaSalle Group's Initiatives on Sustainability

DTU (Demographics, Technology and Urbanization) + E (Environmental Change)

- As part of its initiatives on sustainability, the LaSalle Group started the DTU research program, which is designed to analyze the long-term real estate trends from the three factors of Demographics, Technology and Urbanization.
- By adding another factor of E (Environmental Change) to the DTU research program, the LaSalle Group makes an even wider analysis as to what advantages investors can obtain from sustainability initiatives.
 - The E-Factors include climate change impact, energy conservation, recycling of resources, reduction of carbon footprint and environmental standards and certifications of buildings.
 - Because of reinforced regulations and business requirements, the E-Factors such as sustainability and resilience to environmental change of a building are now an important consideration in conducting real estate investment.
 - National and local governments also attach importance to the energy consumption performance of buildings. Constructing and operating buildings that demonstrate awareness of the E-Factors are considered to take a major role in enhancing energy use efficiency.

Secular Demand Drivers for Real Estate DTU + E



Portfolio Summary

The Portfolio Comprises Large Logistics Facilities Located in the Tokyo and Osaka Areas

Overview of the Portfolio ^(Note 1)

Asset size	245.6 bn yen	Tokyo area/ Osaka area	100.0%
Total GFA ^(Note 2)	1.46 mn m ²	No. of properties ^(Note 4)	16 properties
Appraisal NOI yield ^(Note 3)	4.9%	Occupancy rate	98.1%

Note 1: 16 assets owned by LLR as of September 30, 2019.
 Note 2: 14 income producing properties excluding the 2 leasehold land assets.
 Note 3: Appraisal NOI divided by acquisition price.
 Note 4: 14 income producing properties including 2 leasehold land assets.

Characteristics of the Portfolio

Investment Area Ratios ^(Note)

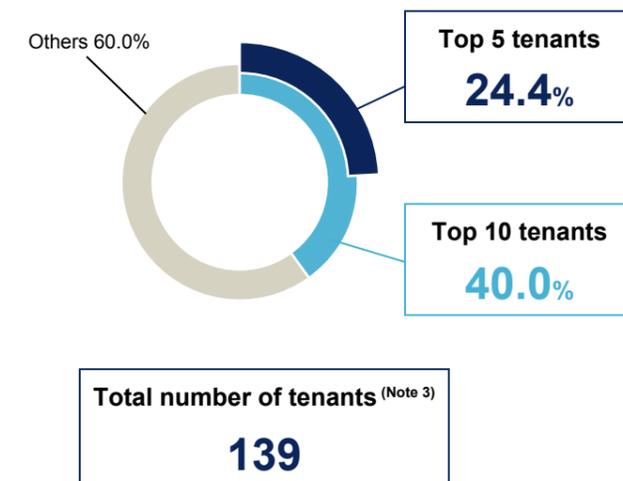
LLR	
Tokyo, Saitama, Chiba, Kanagawa	Kyoto, Osaka, Hyogo
70.8%	29.2%
J-REIT average (logistics only)	
Tokyo, Saitama, Chiba, Kanagawa	Kyoto, Osaka, Hyogo, Other
60.6%	19.0% 20.4%

Average GFA ^(Note)

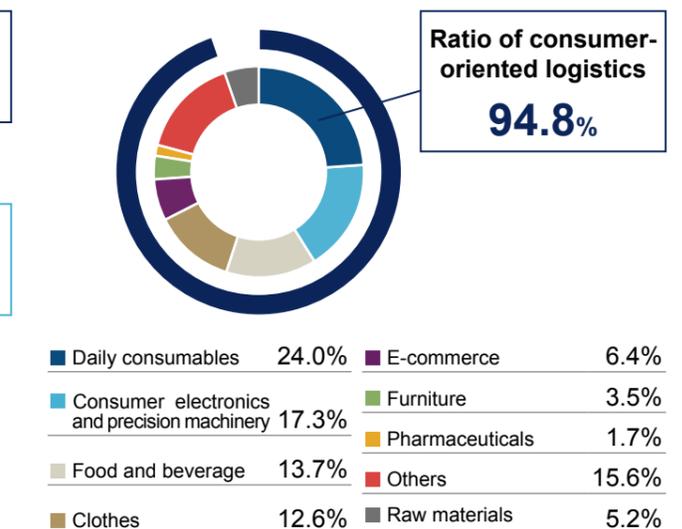
LLR
104,314m ²
J-REIT average (logistics only)
36,121m ²

Note: "Investment Area Ratios" and "Average GFA" are calculated based on the total floor area, on a GFA basis, for all logistics properties that have been acquired by LLR and other logistics focused J-REITs as of September 30, 2019 and August 31, 2019, respectively. Leasehold land assets have been excluded.

Tenant Diversification ^{(Note 1) (Note 2)}



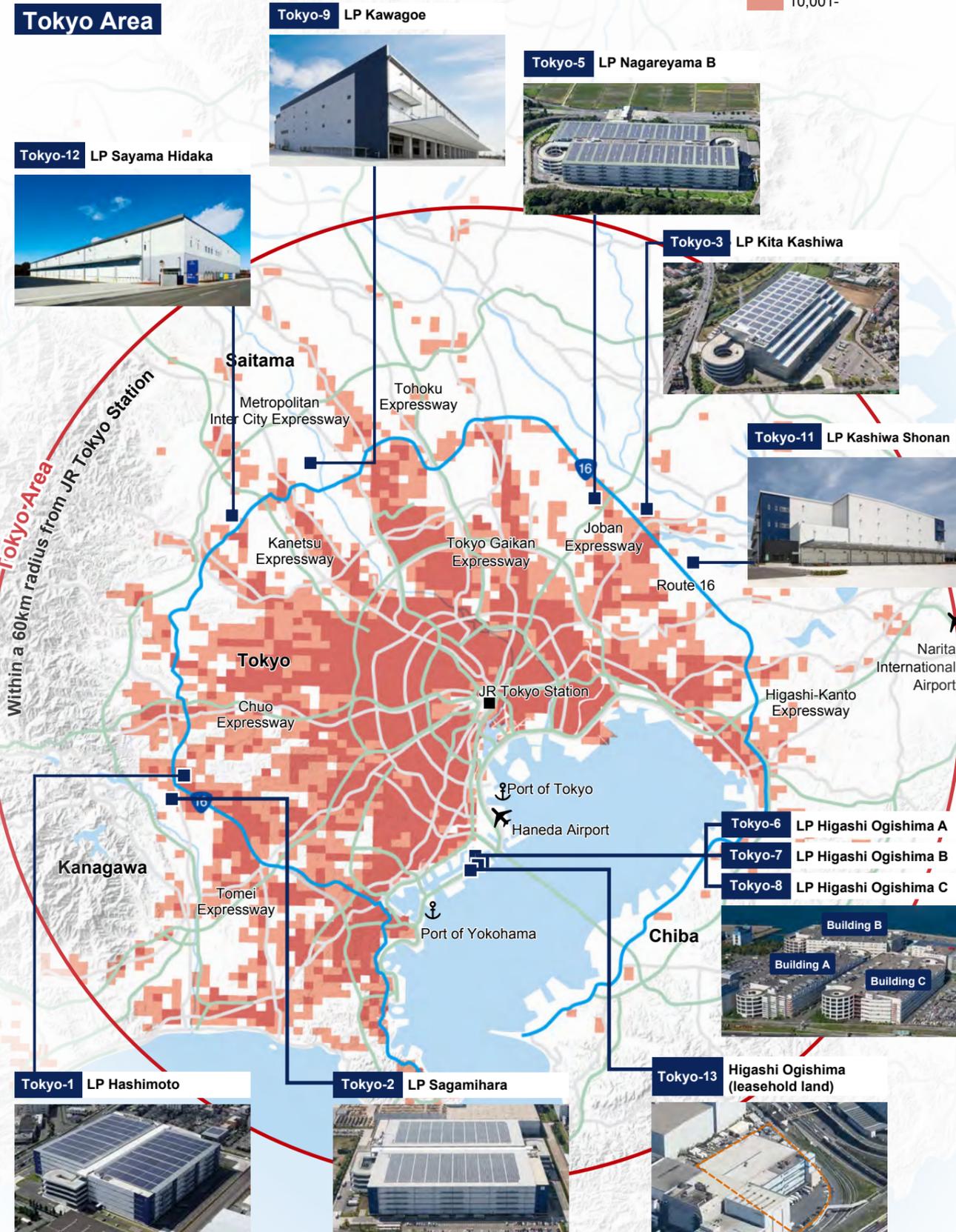
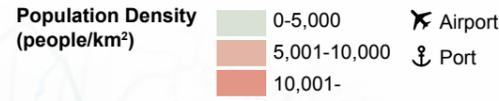
Diversification of End Users by Business Type ^{(Note 1) (Note 4)}



Note 1: As of August 31, 2019, comprised of 14 assets, excluding leasehold land assets.
 Note 2: Based on leased area.
 Note 3: The figure includes tenant overlaps; the net number of tenants without counting overlapping tenants multiple times is 127.
 Note 4: Calculated on the basis of leased area (for warehouse sections only).

Portfolio Maps

Tokyo Area



Osaka-5 LP Amagasaki



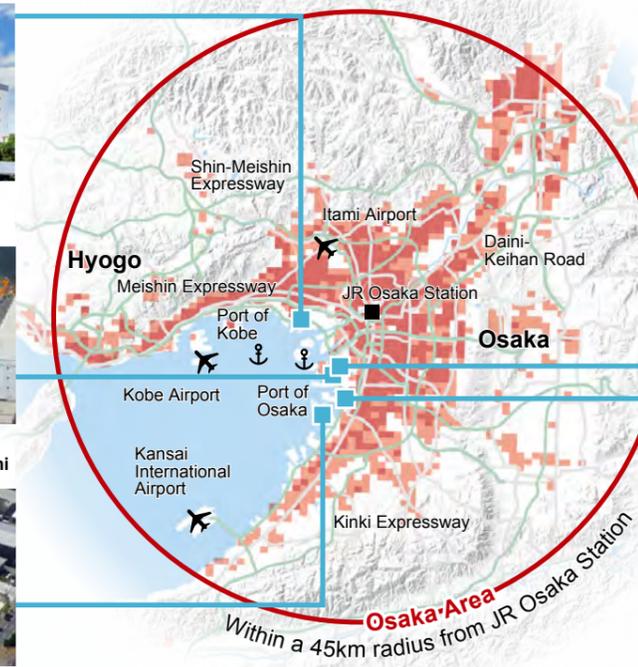
Osaka-4 Suminoe (leasehold land)



Osaka-2 LP Sakai Chikko Shinmachi



Osaka-3 LP Osaka Taisho



Osaka-1 LP Sakai Minamijimacho



Source: Population density is prepared by the Asset Manager based on "1/2 (500m) Data by Local Grid" of the "Ranking Mesh Map - Grid Square Statistics of 2015 Population Census" by the Statistics Bureau, Ministry of Internal Affairs and Communications, which is based on the results of the 2015 population census conducted on October 1, 2015.

Portfolio List

Property No.	Property Name	Location	GFA (m ²)	Acquisition Price (billion yen)	Appraisal Value (Note 2) (billion yen)	Property Age (Note 3) (years)	PML (Note 4) (%)
Tokyo-1	LOGIPORT Hashimoto (Note 5)	Sagamihara, Kanagawa	145,801	21.2	23.1	5	1.3
Tokyo-2	LOGIPORT Sagamiara (Note 6)	Sagamihara, Kanagawa	200,045	23.0	25.5	6	0.5
Tokyo-3	LOGIPORT Kita Kashiwa	Kashiwa, Chiba	104,302	25.3	29.5	7	0.9
Tokyo-5	LOGIPORT Nagareyama B	Nagareyama, Chiba	133,414	26.6	29.8	11	2.3
Tokyo-6	LOGIPORT Higashi Ogishima A	Kawasaki, Kanagawa	100,235	19.0	19.8	32	6.5
Tokyo-7	LOGIPORT Higashi Ogishima B	Kawasaki, Kanagawa	117,546	19.1	21.6	28	6.2
Tokyo-8	LOGIPORT Higashi Ogishima C	Kawasaki, Kanagawa	116,997	23.7	25.4	18	6.3
Tokyo-9	LOGIPORT Kawagoe	Kawagoe, Saitama	50,742	11.9	12.2	9	4.4
Tokyo-11	LOGIPORT Kashiwa Shonan	Kashiwa, Chiba	40,878	9.3	10.4	1	1.6
Tokyo-12	LOGIPORT Sayama Hidaka	Hidaka, Saitama	23,570	6.4	6.5	4	3.5
Tokyo-13	Higashi Ogishima (leasehold land)	Kawasaki, Kanagawa	-	1.1	1.5	-	-
Osaka-1	LOGIPORT Sakai Minamijimacho	Sakai, Osaka	30,696	8.1	8.5	3	6.5
Osaka-2	LOGIPORT Sakai Chikko Shinmachi	Sakai, Osaka	20,428	4.1	4.6	1	7.6
Osaka-3	LOGIPORT Osaka Taisho (Note 7)	Osaka, Osaka	117,037	17.6	18.6	2	8.4
Osaka-4	Suminoe (leasehold land)	Osaka, Osaka	-	4.3	4.6	-	-
Osaka-5	LOGIPORT Amagasaki (Note 8)	Amagasaki, Hyogo	258,704	24.5	27.6	10 (Note 9)	5.7
Total/Average (16 properties)			1,460,401	245.6	269.3	11	2.7

Note 1: As of September 30, 2019.

Note 2: Appraisal values are as of August 31, 2019 (or sum total of appraisal values as of August 31, 2019 for the interest acquired through the first public offering and as of July 31, 2019 for the interest acquired through the second public offering for Osaka-3; and as of July 31, 2019 for Osaka-5).

Note 3: Property age is calculated by summing up the period from the date of new construction indicated on the registry of the major building through the end of September 2019, rounded off to the nearest integer. The average figure for the entire portfolio is weighted by the acquisition price, rounded off to the nearest integer.

Note 4: PML levels are as of August 2019, and based off of Tokyo Marine Nichido's "14 property earthquake risk survey portfolio analysis report."

Note 5: Acquisition price and appraisal values for LOGIPORT Hashimoto indicate the amounts equivalent to LLR's joint co-ownership (55%) in the trust beneficially interest it has acquired, while the GFA shows the figure for the entire property.

Note 6: Acquisition price and appraisal values for LOGIPORT Sagamiara indicate the amounts equivalent to LLR's joint co-ownership (51%) in the trust beneficially interest it has acquired, while the GFA shows the figure for the entire property.

Note 7: Acquisition price and appraisal value for LOGIPORT Osaka Taisho indicate the amounts equivalent to LLR's joint co-ownership (62.5%) in the trust beneficially interest it has acquired, while the GFA shows the figure for the entire property.

Note 8: Acquisition price and appraisal value for LOGIPORT Amagasaki indicate the amounts equivalent to LLR's joint co-ownership (51%) in the trust beneficially interest it has acquired, while the GFA shows the figure for the entire property.

Note 9: Construction work for converting a factory to a logistics facility by the previous owner completed in October 2017.

Details of Portfolio



Tokyo-11 LOGIPOINT Kashiwa Shonan

- Located in close proximity to National Route 16, and is conveniently located as a logistics hub for access to each location in the Greater Tokyo Area, including Tokyo, Chiba and Saitama
- Located in Shonan Industrial Complex, where many large-scale logistics facilities are located, allowing for operation 24 hours a day, 365 days a year
- Environmentally friendly and energy-efficient logistics facility with LED lighting installed throughout the entire building and tree-planted parking lots

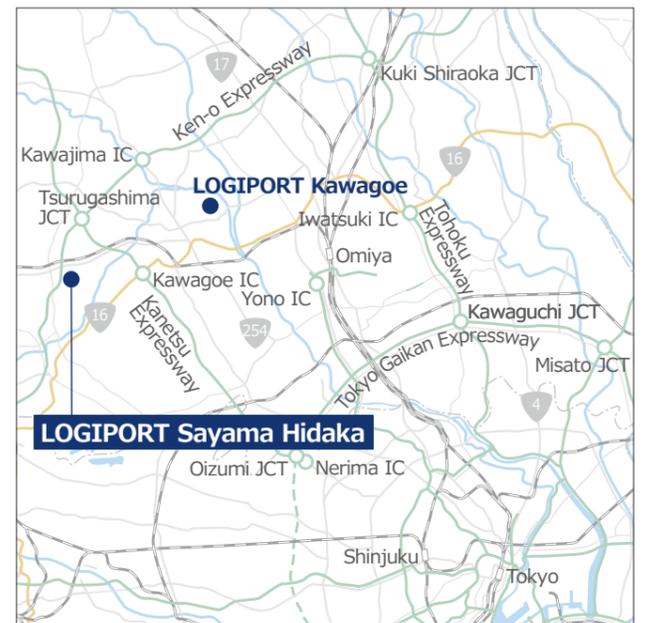


Location	Kashiwa, Chiba
GFA	40,878.58m²
NRA	40,773m²
Acquisition price	9,300 million yen
Appraisal value	10,400 million yen
Share of portfolio	3.8%
Built	July 2018
Occupancy	100.0%



Tokyo-12 LOGIPOINT Sayama Hidaka

- Located in close proximity to National Route 16, and approx. 2.5km from Sayama Hidaka IC, the building serves as a logistics hub with good access to a wide range of area including Tokyo consumption area, Tama region and Central Saitama region
- The general specification of the building is very versatile to accommodate a wide range of tenants. With 3 freight elevators, 2 vertical conveyors and plenty of truck berths, the building offers high convenience for users



Location	Hidaka, Saitama
GFA	23,570.37m²
NRA	23,565m²
Acquisition price	6,430 million yen
Appraisal value	6,560 million yen
Share of portfolio	2.6%
Built	January 2016
Occupancy	100.0%





Details of Portfolio



Tokyo-13 Higashi Ogishima (leasehold land)

- Located in Kawasaki-city, Kanagawa, with convenient access to Port of Kawasaki, Haneda Airport, Port of Tokyo and more
- Located approx. 1.4km from Higashi Ogishima IC on the Bayshore Route, the building offers easy access to consumption area such as Tokyo, Kawasaki-city and Yokohama-city
- The tenant, F-LINE K.K., a logistics company composed of several domestic food manufacture companies, uses the property as refrigerating storage
- LLR secures stable land rent income during the period of the fixed-term land lease contract for business purposes, and aims for the possibility of redevelopment

Location	Kawasaki, Kanagawa
GFA	—
NRA	11,472m²
Acquisition price	1,189 million yen
Appraisal value	1,560 million yen
Share of portfolio	0.5%
Built	—
Occupancy	100.0%



Osaka-3 LOGIPORT Osaka Taisho | 62.5% trust co-ownership interest

- Located in Taisho-ku, Osaka-city, Osaka, within a 5km radius from Namba/ Shinsaibashi area and 10km radius from Umeda area. It is located in a favorable location which contributes to efficient and optimized logistics, by efficiently covering the large consumption area in Greater Kansai Area along with speedy distribution to Central Osaka Area
- Able to secure workforce as it is located near a residential area and is accessible from several bus routes from the nearest station, Taisho Station on the JR Osaka Loop Line and Osaka Metro Nagahori Tsurumiryokuchi Line
- Advantageous logistics facility of over 110,000m² GFA and with two-way ramp-ways. Equipped with basic specification such as pillar width of approx. 11m×10m, ceiling height of 5.5m and floor weight capacity of 1.5t/m²

Location	Osaka, Osaka
GFA	117,037.14m²
NRA	106,929m²
Acquisition price	17,655 million yen
Appraisal value	18,640 million yen
Share of portfolio	7.2%
Built	February 2018
Occupancy	99.9%



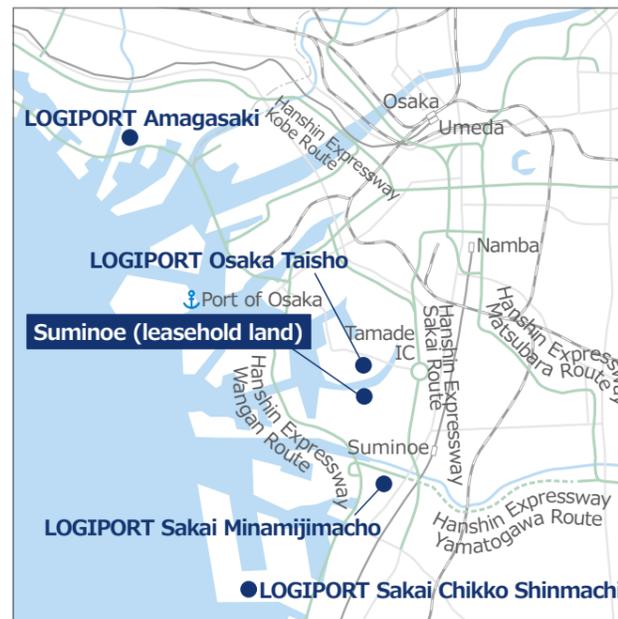
Details of Portfolio



Osaka-4 Suminoe (leasehold land)

- Located in Suminoe-ku, Osaka-city, Osaka. With approx. 2.5km to Tamade IC on the Hanshin Expressway No.15 Sakai Route, it lies very close to Port of Osaka and nearby cities. Suminoe-ku is one of the main logistics areas in Osaka-city and has good access to large consumption areas
- The surrounding area is an industrial area in which warehouses and businesses are located, allowing for business operations such as 24 hour operation and frequent delivery
- The building on the land is used as a factory by Mitsui E&S Power Systems Inc.

Location	Osaka, Osaka
GFA	–
NRA	25,571m²
Acquisition price	4,330 million yen
Appraisal value	4,620 million yen
Share of portfolio	1.8%
Built	–
Occupancy	100.0%



Osaka-5 LOGIPOINT Amagasaki | 51% trust co-ownership interest

- Located in close proximity to Amagasaki Suehiro IC on the Hanshin Expressway Bayshore Route 5, and approx. 2.5 km direct distance to Amagasaki Nishi IC on Hanshin Expressway Kobe Route 3, with convenient access to several expressways
- Convenient access to Port of Osaka and Port of Kobe in an area enabling broad distribution. The property is in close proximity to central Osaka, a large consumption area, with good access to frequently used main routes
- Located in Amagasaki waterfront where many factories and warehouses are concentrated, allowing for efficient operations 24 hours a day, and frequent delivery
- Large logistics facility with over 250,000m² GFA. Specification includes a ramp-way accessible from all floors, common amenity functions and annex warehouse for hazardous items etc., suitable for various cargo

Location	Amagasaki, Hyogo
GFA	258,704.56m²
NRA	216,458m²
Acquisition price	24,582 million yen
Appraisal value	27,600 million yen
Share of portfolio	10.0%
Built	April 2009
Occupancy	90.5%



Details of Portfolio



Tokyo-1 LOGIPOINT Hashimoto | 55% trust co-ownership interest

- Adjacent to National Route 16 for convenient access to high consumption areas such as Tokyo and Yokohama
- Convenient access to Metropolitan Inter-City Expressway allows for wider distribution to other areas
- Convenient walking distance from stations on JR lines (e.g. Hashimoto Station) and location adjacent to retail and residential areas
- Equipped with high specifications such as spiral ramps or slopes and large-scale per-floor area of 23,000m²



Location	Sagamihara, Kanagawa
GFA	145,801.69m²
NRA	130,052m²
Acquisition price	21,200 million yen
Appraisal value	23,100 million yen
Share of portfolio	8.6%
Built	January 2015
Occupancy	99.8%



Tokyo-2 LOGIPOINT Sagamihara | 51% trust co-ownership interest

- Adjacent to National Route 16 for convenient access to high consumption areas such as Tokyo and Yokohama
- Convenient access to Metropolitan Inter-City Expressway via Sagamihara and Sagamihara-Aikawa interchanges allowing wider distribution to other areas
- Location near large residential areas which offers attractive environment for employment
- One of the largest scale logistics facilities in Tokyo Metropolitan area with GFA 200,000m²
- Equipped with high quality building specifications for logistics such as spiral ramps or slopes and earthquake-absorbing structure



Location	Sagamihara, Kanagawa
GFA	200,045.57m²
NRA	180,971m²
Acquisition price	23,020 million yen
Appraisal value	25,500 million yen
Share of portfolio	9.4%
Built	August 2013
Occupancy	99.7%

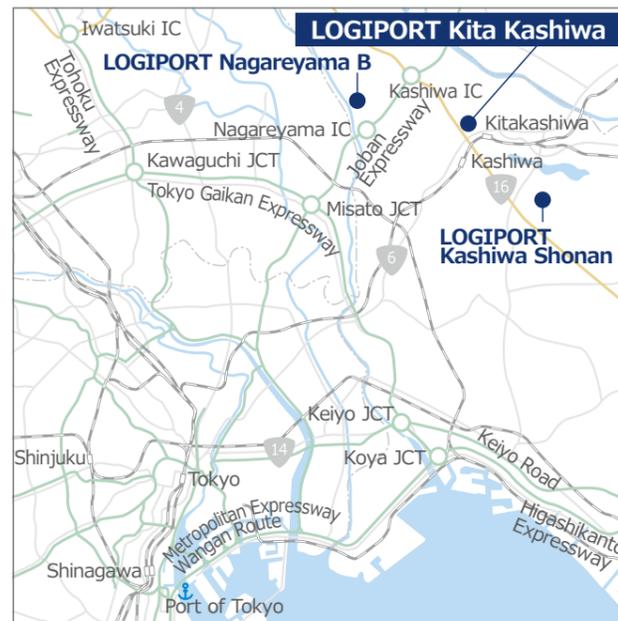


Details of Portfolio



Tokyo-3 LOGIPORT Kita Kashiwa

- Located in Kashiwa-city, a dense distribution area for deliveries to Tokyo Metropolitan area
- Located near National Route 6 and National Route 16 and approximately 6km from Kashiwa interchange on the Joban Expressway, which provides convenience for distribution center
- A 6-minute walk from Kita Kashiwa station of JR Joban line, accessible by bus and located near residential areas which offers attractive environment for employment
- Equipped with high quality building specifications such as spiral ramps or slopes and large-scale per-floor area of maximum 18,000m²



Location	Kashiwa, Chiba
GFA	104,302.62m²
NRA	100,349m²
Acquisition price	25,300 million yen
Appraisal value	29,500 million yen
Share of portfolio	10.3%
Built	October 2012
Occupancy	100.0%



Tokyo-5 LOGIPORT Nagareyama B

- Located near the Nagareyama interchange on the Joban Expressway which connects to Metropolitan Expressway via Misato junction, which allows broad access to all of Tokyo's Metropolitan areas
- Delivery to various areas possible by using National Route 16
- LOGIPORT Nagareyama A is equipped with vertical conveyors and offers optimal specifications for storage needs
- LOGIPORT Nagareyama B is equipped with high quality building specifications such as spiral ramps or slopes and large-scale GFA of more than 130,000m²



Location	Nagareyama, Chiba
GFA	133,414.76m²
NRA	112,684m²
Acquisition price	26,600 million yen
Appraisal value	29,800 million yen
Share of portfolio	10.8%
Built	July 2008
Occupancy	99.9%



Details of Portfolio



Tokyo-6, Tokyo-7 and Tokyo-8

LOGIPOINT Higashi Ogishima A, B, and C

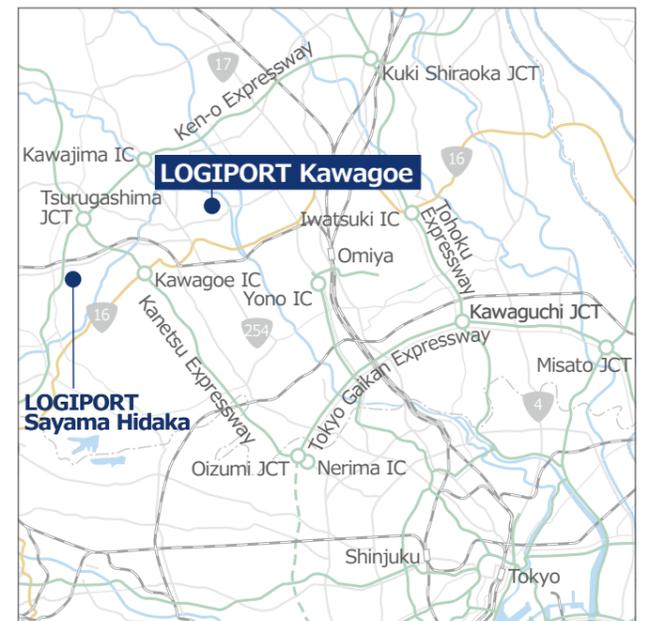
- Accessible to major transportation infrastructures such as the Higashi Ogishima interchange on the Metropolitan Expressway Bay Shore Route, the Yokohama port, the Tokyo port and Haneda Airport
- Located near areas of high consumption such as central Tokyo, Kawasaki and Yokohama
- Dense areas of factories and logistics facilities
- Kawasaki port harbor road Higashi Ogishima Mizuecho line expected to complete in 2023
- Large-scale facility equipped with high quality building specifications such as spiral ramps or slopes



	LOGIPOINT Higashi Ogishima A	LOGIPOINT Higashi Ogishima B	LOGIPOINT Higashi Ogishima C
Location	Kawasaki, Kanagawa	Kawasaki, Kanagawa	Kawasaki, Kanagawa
GFA	100,235.67m ²	117,546.26m ²	116,997.14m ²
NRA	85,281m ²	103,731m ²	114,925m ²
Acquisition price	19,000 million yen	19,120 million yen	23,700 million yen
Appraisal value	19,800 million yen	21,600 million yen	25,400 million yen
Share of portfolio	7.7%	7.8%	9.6%
Built	April 1987	April 1991	September 2001
Occupancy	96.7%	95.2%	98.9%

Tokyo-9 LOGIPOINT Kawagoe

- Good access to Saitama and Tokyo, which are large consumption areas and by using the Ken-o or Kanetsu Expressways, this location offers great distribution coverage across the Tokyo Metropolitan area
- Close to National Route 16 and Route 254, which are main roads within the Tokyo metropolitan area and good access to the Kanetsu Expressway, Ken-o Expressway, and Shuto Expressways
- The surrounding area is an aggregation of logistics facilities and other industrial use
- Bus access from Kawagoe and Ageo stations are in walking distance, frequent bus service (over 100 round trips each weekday)



Location	Kawagoe, Saitama
GFA	50,742.47m ²
NRA	53,088m ²
Acquisition price	11,950 million yen
Appraisal value	12,200 million yen
Share of portfolio	4.9%
Built	January 2011
Occupancy	100.0%

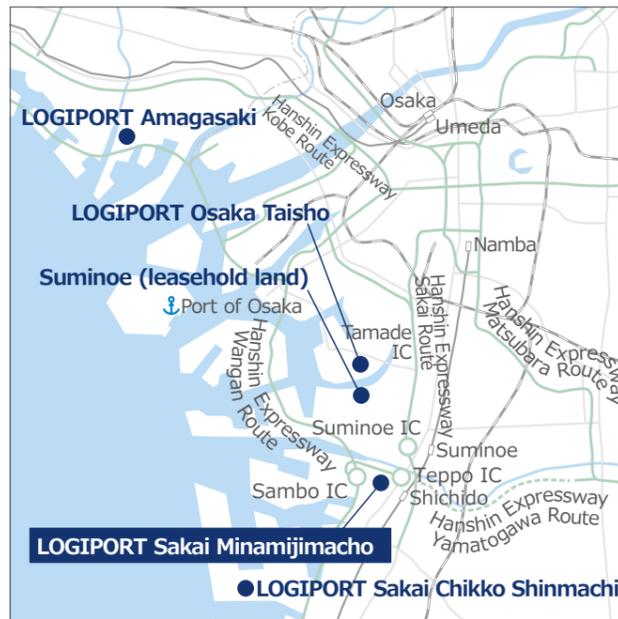


Details of Portfolio



Osaka-1 LOGIPOINT Sakai Minamijimacho

- Good access to Osaka, which have large consumption areas
- By opening the Yamatogawa Line, this location offers great distribution coverage across the Kansai area
- Good access to the expressway at approximately 1.6km to the Sambo interchange and approximately 0.5km to the Teppo gateway
- The surrounding area is an aggregation of logistics facilities and other industrial use
- Approximately 10 minutes on foot from the Shichido Station and excellent location to secure employees



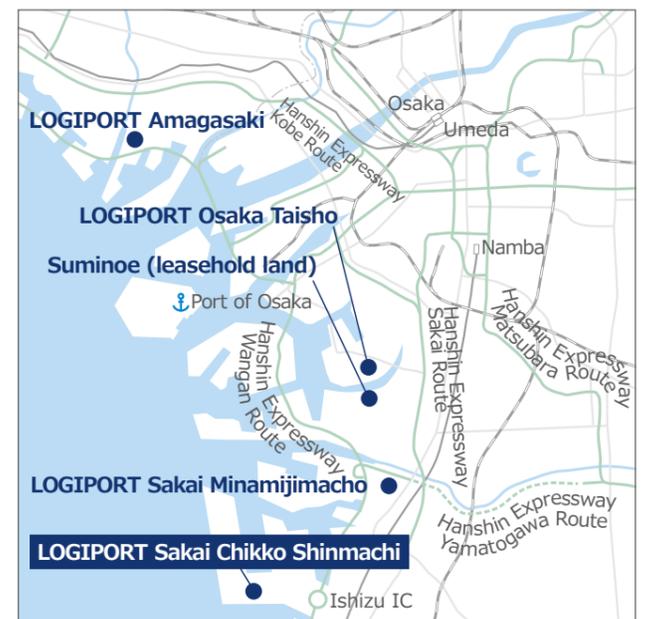
Location	Sakai, Osaka
GFA	30,696.61m²
NRA	30,690m²
Acquisition price	8,150 million yen
Appraisal value	8,510 million yen
Share of portfolio	3.3%
Built	October, 2016
Occupancy	100.0%



Osaka-2 LOGIPOINT Sakai Chikko Shinmachi

- Good access to a wide catchment throughout the Kansai area, via the Hanshin Expressway
- Good access to the expressway at approximately 3.0km to the Ishizu interchange along the Hanshin Expressway
- Freight elevators with a loading capacity of 3.5 tons and vertical conveyors throughout

Location	Sakai, Osaka
GFA	20,428.39m²
NRA	20,427m²
Acquisition price	4,160 million yen
Appraisal value	4,600 million yen
Share of portfolio	1.7%
Built	August 2018
Occupancy	100.0%



About LaSalle Inc.

LaSalle Inc. is one of the world's leading real estate investment managers that builds trust through a distinctive combination of knowledge, people and client focus. LaSalle Inc. is an operationally independent subsidiary of Jones Lang LaSalle Inc. ("JLL"), a global professional real estate services and advisory firm.

As of December 31, 2018



Approx.
90,000
Employees

in

80
Countries

Market cap
Approx. **\$5.8 bn**
(listed on the NYSE)

As of June 30, 2019



750+
Employees
in
17
Countries

Approx.
\$67.8 bn
Global Assets
Under
Management

400+
Investors
in
30+
Countries

Commingled Funds
Open and closed-end funds offering investors a strategic focus on attractive regions, styles and sectors.

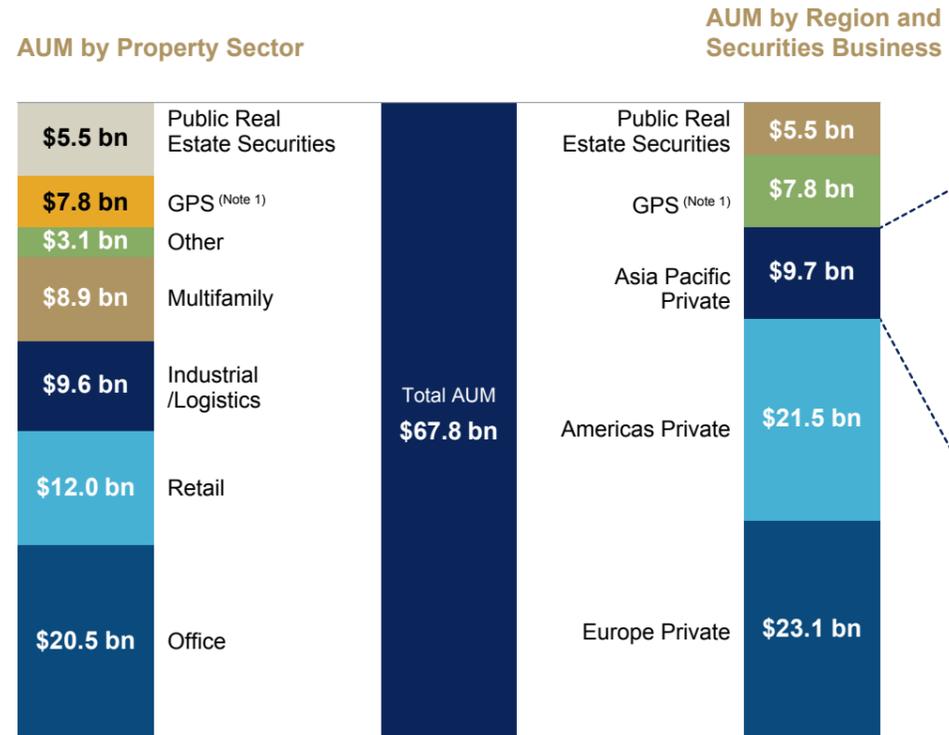
Separate Accounts
Customized mandates meeting the individual investment objectives of clients around the world.

Global Public Securities
Actively managed global real estate securities programs offering diverse investment options.



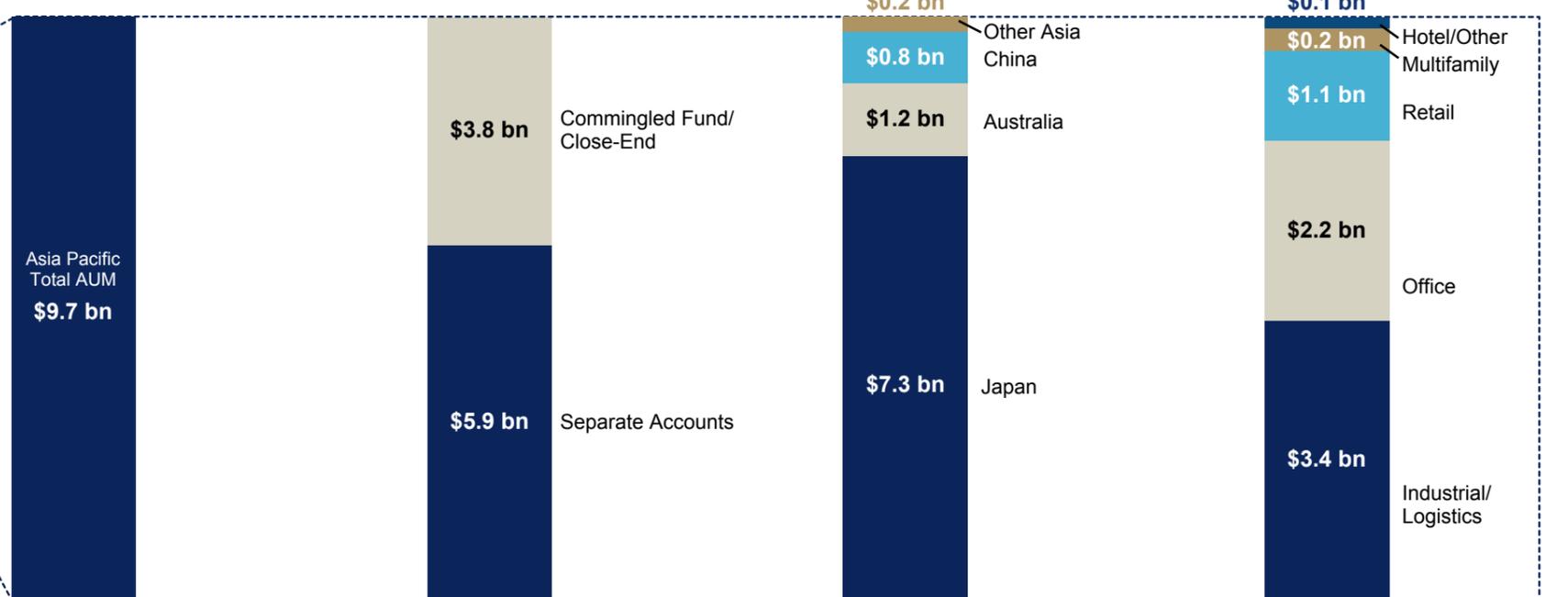
LaSalle Inc. Global AUM

As of June 30, 2019



LaSalle Inc. Asia AUM

As of June 30, 2019



Source: LaSalle Investment Management.
Note 1: Global Partners Solutions: Fund of funds

Operation and Governance Emphasizing Unitholders' Interests and Transparency

LLR and the Asset Manager implement appropriate measures to protect the interests of unitholders and minimize conflicts of interest while taking advantage of the support of the LaSalle Group. In addition, the Asset Manager is compensated through an asset management fee linked in part to LLR's earnings per unit ("EPU"), contributing to the alignment of its interests with those of unitholders.

EPU Linked Asset Management Fee Structure

The Asset Manager receives management fees, which comprises type 1 - 5 management fee as described below:

Management Fee Components of Asset Manager

Recurring Management Fees

1 Type 1 management fee (asset-based fees)

Up to 0.22% per year of total assets (as stated in the balance sheets at the end of the immediately preceding fiscal period)

2 Type 2 management fee (operating income-based fees)

(Immediately preceding fiscal period's ordinary income + depreciation expense + deferred assets amortization – transfer gains and losses of specified assets – appraisal gain or loss) x 5.8% (as an upper limit)

3 Type 3 management fee (EPU-based fees)

(Type 1 management fee + type 2 management fee) multiplied by the EPU after adjustment and multiplied by 0.026% (as an upper limit)

Acquisition/Disposition Fees

4 Type 4 management fee (acquisition and disposition fees)

Up to 1.0% of the sales price (the sales price as stated in the purchase and sale agreement in case of an acquisition/disposition)

Merger Fee

5 Type 5 management fee (merger fees)

Up to 1.0% of the aggregated appraisal amount, as of the effective date of a merger, of a party's assets to be transferred to an established or surviving entity pursuant to said merger

Note: On November 22, 2019 at the 3rd General Unitholders Meeting, a new asset management fee structure was decided which revised the Articles of Incorporation. Since this new asset management fee structure will come into effect on March 1, 2020, the table above shows the old asset management fee structure before the revision.

Alignment of Interest between Unitholders and LaSalle Group

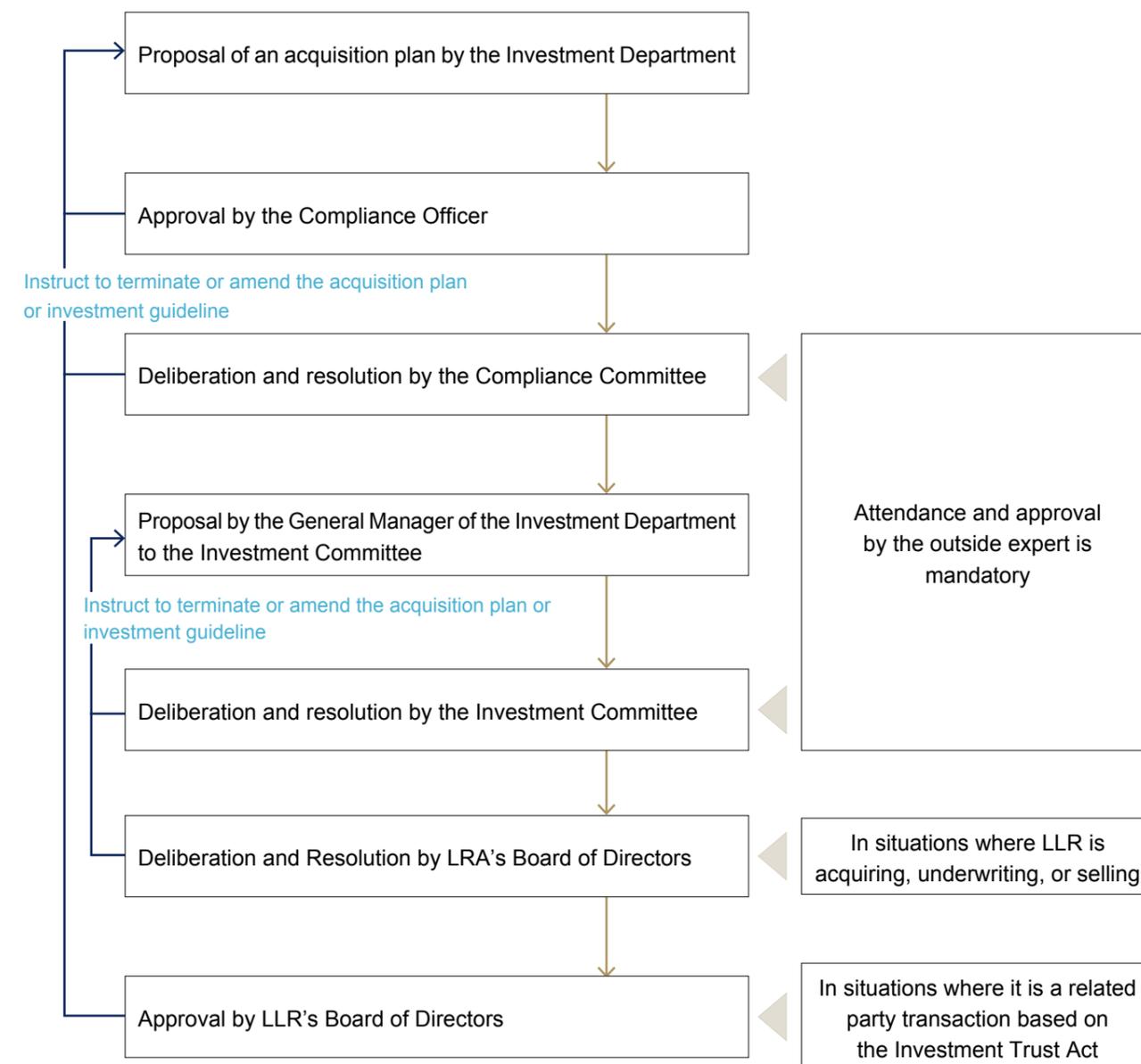
The LaSalle Group and JLL hold 47,700 units, demonstrating alignment of interest.

Moreover, LLR's asset management fees are structured to be aligned with unitholders' interests and outside experts on the investment committee have veto rights for new acquisitions among other governance regulations. LLR continuously pursues a conservative strategy to deliver consistent competitive performance.

Decision Making Flowchart for Related Party Transactions

A transparent and robust governance structure speaks to the clear decision making flowchart of the Asset Manager as it relates to related party transactions. All related party transactions are subject to approvals by the Compliance Committee and the Investment Committee.

Measures to Prevent Conflict of Interests in Related Party Transactions



With respect to the decision making involving related party transactions, approval from the outside expert in the Compliance Committee and outside expert in the Investment Committee must be obtained. In addition, approval from the board of directors of LLR is also mandatory.

Note: The chart above illustrates the decision making flow that requires approval by the board of directors of LLR.

Risk Factors

An investment in LLR's units includes significant risks. The principal risks include the following.

Property and Business Risks

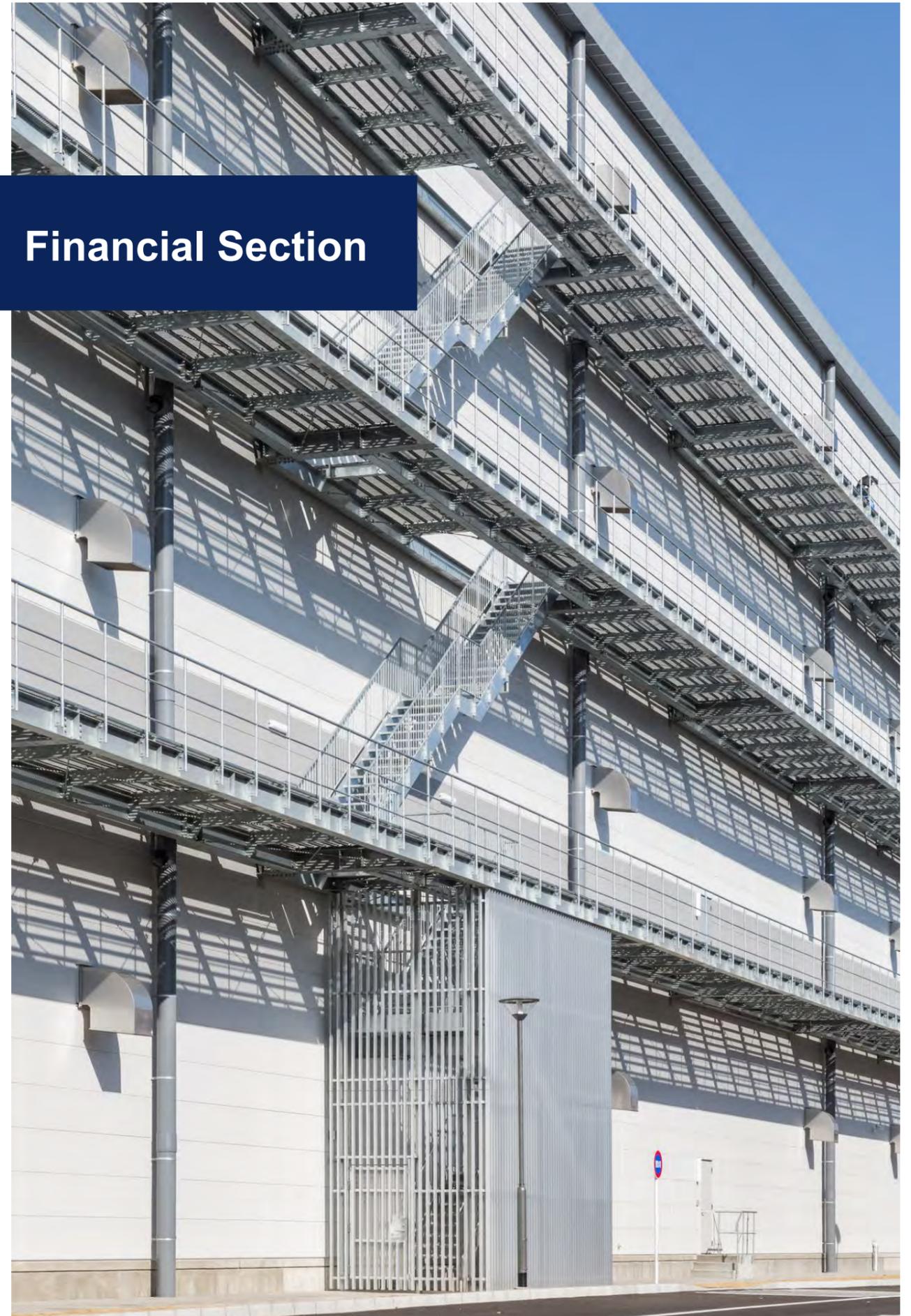
- LLR has a limited operating history.
- The Asset Manager has limited experience in operating a J-REIT.
- LLR's financial forecasts and other targets are necessarily speculative and subject to uncertainties.
- Any adverse conditions in the Japanese economy could adversely affect LLR.
- LLR's strategy of investing in logistics facilities may entail risks uncommon to other J-REITs that invest in a broader range of real estate or real estate-related assets.
- LLR may not be able to acquire properties to execute its growth and investment strategy in a manner that is accretive to earnings, and the scope of the pipeline support provided by the Sponsor is limited to the provision of information at the Sponsor's discretion.
- Illiquidity in the real estate market may limit LLR's ability to grow or adjust its portfolio.
- The past experience of the LaSalle Group in the Japanese real estate market is not an indicator or guarantee of LLR's future results.
- LLR's reliance on the Sponsor and other LaSalle Group companies could have a material adverse effect on its business.
- There are potential conflicts of interest between LLR and certain LaSalle Group companies, including the Asset Manager, Sponsor Funds and other JLL group companies.
- LLR faces significant competition in seeking tenants and it may be difficult to find replacement tenants.
- LLR's properties may cater to a single tenant, making it difficult to find replacement tenants.
- Increases in prevailing market interest rates, including as a result of the Bank of Japan's additional monetary easing, could increase LLR's interest expenses and may result in a decline in the market price of its units.
- Seven of the eleven properties in LLR's portfolio each comprise over 10.0% by acquisition price, which could have an adverse effect on the business, financial condition and results of operation.
- LLR may suffer large losses if any of its properties incurs damage from a natural or man-made disaster or in the event of an accident or disaster stemming from faulty installation or age-related deterioration.
 - Damage to any one or more of the properties in LLR's portfolio, due to natural disaster, such as a flood, earthquake, or tsunami, or due to a man-made disaster, such as a fire or accident, could adversely affect LLR's business, and financial conditions, and result in a decline in operating results. For example, Japan is earthquake-prone and has historically experienced numerous large earthquakes that have resulted in extensive property damage, such as the Great East Japan Earthquake in 2011, which resulted in a tsunami and leakage of radioactive material at the Fukushima nuclear power plants. Furthermore, tenants or the infrastructure and access to LLR properties may be adversely affected by any natural disaster, causing tenants to leave properties or seek lower rents.
 - In addition, LLR may be required to compensate its tenants or third parties in the event of an accident or disaster at any of its properties stemming from any faulty installation or age-related deterioration, such as an elevator accident or water leakage, that results in injury, death or other damage to tenants or third parties.
 - To the extent reasonably available, LLR intends to carry casualty insurance covering all of its properties for many types of casualty losses with policy specification and insured limits that LLR believes are adequate and appropriate under the current circumstances. In particular, LLR will consider obtaining earthquake insurance coverage for those properties with a PML due to an earthquake, exceeding 15%, which currently does not apply to any of the properties within the existing portfolio of assets under management ("**AUM**").
- Any property defect may adversely affect LLR's financial condition and results of operation.
- LLR's portfolio contains certain properties located on reclaimed land, which is subject to unique risks, including land liquefaction.
- The properties in LLR's portfolio are concentrated in the Tokyo area, and it may have additional property concentration in the Osaka area in the future.
- LLR may decide to acquire its own units on the market but there can be no assurance that LLR will successfully acquire such units to the extent planned, or at all or be able to cancel or dispose of any such units in a manner beneficial to LLR.
- Any inability to obtain financing for future acquisitions could adversely affect the growth of LLR's portfolio.
- Liquidity and other limitations on LLR's activities under debt financing arrangements may adversely affect the business, financial condition and results of operation.
- LLR's policy to make distributions to unitholders in excess of retained earnings is subject to a number of uncertainties.
- LLR may invest in properties that are under development or those with low occupancy, and such investments may subject LLR to various risks.
- Acquisition of land in which third parties hold leasehold interests and own the buildings on the land may subject LLR to various risks.
- A high LTV ratio may increase exposure to changes in interest rates and have a material adverse effect on results of operations.

- LLR may suffer impairment losses relating to its properties.
- Decreases in tenant leaseholder deposits and/or security deposits may increase LLR's funding costs.
- LLR's lack of control over operating costs may adversely affect its business.
- LLR may lose rental revenues in the event of lease terminations, decreased lease renewals, or the default of a tenant as a result of financial difficulty or insolvency, and is exposed to the risk of careless or imprudent management of properties by tenants.
- Master lease agreements expose LLR to certain risks.
- The cost of complying with regulations applicable to LLR's properties could adversely affect the results of its operations.
- LLR relies on expert appraisals and engineering, environmental and seismic reports, which are subject to significant uncertainties.
- LLR relies on industry and market data that are subject to significant uncertainties.
- LLR's buildings may violate earthquake resistance or other building codes, and any such buildings may collapse in even minor earthquakes or may be required to be strengthened or demolished by LLR at significant expense.
- The environmental assessments of properties made prior to ownership may not uncover all environmental liabilities, and Japanese laws subject property owners to strict environmental liabilities.
- LLR may incur additional costs due to preferential purchase rights, rights of first refusal or other similar rights held by lessees or tenants.
- Entering into forward commitment contracts or contracts to purchase properties under development may expose LLR to contractual penalties and market risks.
- LLR may be exposed to regulatory and financial risks related to climate change.
- LLR's success depends on the performance of service providers to which LLR is required to assign various key functions.
- LLR's performance depends on the efforts of key personnel of the Asset Manager.
- Unitholders have limited control over changes in LLR's investment policies.
- J-REITs and their asset managers are subject to tight supervision by the regulatory authorities.
- LLR's failure to satisfy a complex series of requirements pursuant to Japanese tax regulations would disqualify itself from certain taxation benefits and significantly reduce cash distributions to its unitholders.
- If the Japanese tax authorities disagree with the interpretations of the Japanese tax laws and regulations LLR used for prior periods, LLR may be forced to pay additional taxes for those periods.
- LLR may not be able to benefit from reductions in certain real estate taxes enjoyed by qualified J-REITs.
- Changes in Japanese tax laws may significantly increase the LLR's tax burden.
- LLR expects to be treated as a "passive foreign investment company" for U.S. federal income tax purposes.
- Unitholders may be subject to U.S. Foreign Account Tax Compliance Act ("**FATCA**") withholding tax after 2018.

Legal and Regulatory Risks

- LLR's ownership rights in some properties may be declared invalid or limited.
- LLR may lose its rights in a property LLR intended to acquire if the purchase of the property is characterized as a secured financing.
- LLR's leasehold or subleasehold rights may be terminated or may not be asserted against a third party in some cases.
- Some of LLR's properties may be held in the form of a property or trust co-ownership interest, and LLR's rights relating to such properties may be affected by the intentions of other co-owners.
- LLR may hold interests in some properties through preferred shares of Japanese special purpose companies (*tokutei mokuteki kaisha*) in the future, and illiquidity in the market for such shares may limit LLR's ability to sell its interest, and the rights relating to the properties held by such special purposes companies may be limited.
- LLR may hold interests in some properties through Japanese anonymous association (*tokumei kumiai*) agreements. LLR may have difficulty selling such interests due to limited market liquidity for such interests, and LLR's rights relating to such properties may be limited.
- LLR owns all of its properties through trust beneficiary interests and may suffer losses as a trust beneficiary.
- There are important differences regarding the rights of unitholders in a J-REIT compared to those of shareholders in a corporation.
- The Alternative Investment Fund Managers Directive ("**AIFMD**") may negatively affect LLR's ability to market its units within the European Economic Area ("**EEA**") and increase compliance costs associated with the marketing of LLR's units in the EEA.
- LLR's units may be deemed to constitute "plan assets" for Employee Retirement Income Security Act ("**ERISA**") purposes, which may lead to the rescission of certain transactions, tax or fiduciary liability and it being held in violation of ERISA requirements.

Financial Section



Balance Sheets

	Thousands of yen	
	As of	
	August 31, 2019	February 28, 2019
ASSETS		
Current assets		
Cash and deposits (Notes 3 and 4)	¥ 6,744,682	¥ 6,828,982
Cash and deposits in trust (Notes 3 and 4)	4,236,219	3,745,887
Operating accounts receivable	177,092	170,324
Prepaid expenses	130,339	121,307
Consumption taxes receivable	357,627	–
Other	686	114
Total current assets	11,646,648	10,866,616
Non-current assets		
Property and equipment (Note 6)		
Buildings in trust	70,432,223	63,449,320
Structures in trust	29,308	12,173
Tools, furniture and fixtures in trust	10,405	5,743
Land in trust	145,322,177	128,520,999
Less: accumulated depreciation	(4,501,937)	(3,886,993)
Total property and equipment	211,292,178	188,101,244
Investments and other assets		
Investment securities (Note 4)	1,237,993	1,237,993
Long-term prepaid expenses	424,220	385,679
Deferred tax assets (Note 13)	3	20
Lease and guarantee deposits	10,000	10,000
Total investments and other assets	1,672,218	1,633,694
Total non-current assets	212,964,396	189,734,938
Deferred assets		
Deferred organization expenses	7,922	11,578
Investment unit issuance expenses	22,584	–
Investment corporation bond issuance costs	52,023	57,679
Total deferred assets	82,530	69,258
Total Assets	¥224,693,574	¥200,670,813
LIABILITIES		
Current liabilities		
Operating accounts payable	¥ 190,204	¥ 169,693
Short-term loans payable	1,930,000	–
Current portion of long-term loans payable (Notes 4 and 11)	1,300,000	1,300,000
Accounts payable	882,739	816,141
Accrued expenses	7,788	5,163
Income taxes payable	677	1,029
Accrued consumption taxes	–	143,084
Advances received	1,051,574	978,731
Other	654,639	451,088
Total current liabilities	6,017,624	3,864,931
Non-current liabilities		
Investment corporation bonds payable (Notes 4 and 12)	11,500,000	11,500,000
Long-term loans payable (Notes 4, 5 and 11)	82,931,000	74,731,000
Tenant leasehold and security deposits in trust (Note 4)	2,469,743	2,384,175
Total non-current liabilities	96,900,743	88,615,175
Total Liabilities	102,918,368	92,480,106
NET ASSETS (Note 10)		
Unitholders' equity		
Unitholders' capital	118,086,775	105,406,965
Units authorized:		
10,000,000 units as of August 31, 2019 and February 28, 2019		
Units issued and outstanding:		
1,210,000 units as of August 31, 2019 and		
1,100,000 units as of February 28, 2019		
Surplus		
Retained earnings	3,688,431	2,783,741
Total unitholders' equity	121,775,206	108,190,706
Total Net Assets	121,775,206	108,190,706
Total Liabilities and Net Assets	¥224,693,574	¥200,670,813

The accompanying notes are an integral part of these financial statements.

Statements of Income

	Thousands of yen	
	For the periods ended	
	August 31, 2019	February 28, 2019
Operating revenues (Note 8)		
Rent revenue	¥5,483,767	¥5,206,141
Other lease business revenue	513,295	586,316
Gain on sales of real estate properties	945,267	–
Total operating revenue	6,942,330	5,792,458
Operating expenses (Note 8)		
Expenses related to rent business	1,985,716	1,860,667
Asset management fee	772,387	705,203
Asset custody and administrative fee	29,145	28,141
Directors' compensations	3,600	3,600
Audit fee	10,500	10,000
Other operating expenses	76,284	84,389
Total operating expenses	2,877,633	2,692,001
Operating income	4,064,697	3,100,457
Non-operating revenues		
Interest income	54	47
Interest on tax refund	–	659
Total non-operating income	54	707
Non-operating expenses		
Interest expenses	243,788	230,646
Interest expenses on investment corporation bonds	26,786	25,963
Amortization of deferred organization expenses	3,656	3,656
Amortization of investment unit issuance expense	2,053	–
Amortization of investment corporation bond issuance costs	5,656	5,656
Investment unit public offering expenses	17,573	–
Borrowing related expenses	76,843	50,917
Total non-operating expenses	376,358	316,839
Ordinary income	3,688,393	2,784,324
Income before income taxes	3,688,393	2,784,324
Income taxes - current	686	1,036
Income taxes - deferred	17	(14)
Total income taxes	703	1,021
Net income	3,687,689	2,783,302
Retained earnings brought forward	741	439
Retained earnings at end of period	¥3,688,431	¥2,783,741

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Net Assets

	Number of units	Thousands of yen		
		Unitholders' capital	Retained earnings	Total net assets
Balance as of August 31, 2018 (Note 10)	1,100,000	¥105,611,565	¥2,697,639	¥108,309,204
Distributions in excess of retained earnings		(204,600)		(204,600)
Distributions of retained earnings			(2,697,200)	(2,697,200)
Net income			2,783,302	2,783,302
Balance as of February 28, 2019 (Note 10)	1,100,000	105,406,965	2,783,741	108,190,706
Issuance of new investment units	110,000	12,885,510		12,885,510
Distributions in excess of retained earnings		(205,700)		(205,700)
Distributions of retained earnings			(2,783,000)	(2,783,000)
Net income			3,687,689	3,687,689
Balance as of August 31, 2019 (Note 10)	1,210,000	¥118,086,775	¥3,688,431	¥121,775,206

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

	Thousands of yen	
	For the periods ended	
	August 31, 2019	February 28, 2019
Cash flows from operating activities:		
Income before income taxes	¥3,688,393	¥2,784,324
Depreciation	729,248	688,532
Amortization of deferred organization expenses	3,656	3,656
Amortization of investment unit issuance expenses	2,053	–
Amortization of investment corporation bond issuance costs	5,656	5,656
Interest income	(54)	(47)
Interest expenses	270,575	256,609
Decrease (increase) in operating accounts receivable	(6,767)	13,416
Decrease (increase) in consumption taxes refund receivable	(459,634)	307,011
Decrease (increase) in prepaid expenses	(9,031)	(6,861)
Decrease (increase) in long-term prepaid expenses	(38,541)	51,284
Increase (decrease) in operating accounts payable	20,511	(21,852)
Increase (decrease) in accounts payable	128,534	(23,209)
Increase (decrease) in accrued consumption taxes	(41,077)	21,261
Increase (decrease) in advances received	72,842	15,472
Decrease in property, plant and equipment in trust due to sale	6,931,344	–
Other, net	20,775	(55)
Subtotal	11,318,485	4,095,199
Interest income received	54	47
Interest expenses paid	(267,949)	(257,021)
Income taxes paid	(1,037)	(743)
Net cash provided by (used in) operating activities	11,049,553	3,837,483
Cash flows from investing activities:		
Purchase of property and equipment in trust	(30,913,462)	(78,946)
Purchase of investment securities	–	(1,237,693)
Proceeds from tenant leasehold and security deposits in trust	227,466	22,853
Repayments of tenant leasehold and security deposits in trust	(67,430)	(13,307)
Net cash provided by (used in) investing activities	(30,753,426)	(1,307,094)
Cash flows from financing activities:		
Proceeds from short-term loans payable	7,490,000	–
Repayments of short-term loans payable	(5,560,000)	–
Proceeds from long-term loans payable	8,200,000	1,221,000
Proceeds from issuance of investment units	12,860,871	–
Payment of distributions of retained earnings	(2,782,046)	(2,697,337)
Payment of distributions in excess of retained earnings	(205,610)	(204,610)
Net cash provided by (used in) financing activities	20,003,214	(1,680,948)
Net increase (decrease) in cash and cash equivalents	299,340	849,440
Cash and cash equivalents at beginning of period	9,446,103	8,596,663
Cash and cash equivalents at end of period (Note 3)	¥9,745,444	¥9,446,103

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

1. Organization and Basis of Presentation

a) Organization

With LaSalle REIT Advisors as the organizer, LaSalle LOGIPORT REIT (hereinafter referred to as “LLR”) was established with capital of 150 million yen (1,500 units) on October 9, 2015 pursuant to the Act on Investment Trusts and Investment Corporations (hereinafter referred to as “the Investment Trusts Act,” Act No. 198 of 1951, including subsequent amendments), and was listed on the J-REIT section of the Tokyo Stock Exchange (Securities Code: 3466) on February 17, 2016.

On June 5, 2019 and June 28, 2019, LLR issued new investment units (104,761 units) through a public offering and additional investment units (5,239 units) through a third-party allotment associated with the aforementioned public offering, respectively. As a result, the total number of issued and outstanding investment units as of August 31, 2019 was 1,210,000 units.

On February 17, 2016, LLR acquired and began managing eight properties (combined acquisition price of 161,440 million yen). Since its listing, LLR has acquired nine properties (combined acquisition price of 57,053 million yen) and disposed joint co-ownership interests in two properties (combined joint co-ownership interest of 6,920 million yen was sold) during the subsequent fiscal periods. As a result, LLR owned 17 properties (combined acquisition price of 211,573 million yen) as of August 31, 2019.

These 17 properties (with total leasable floor area of 917,578 square-meters) comprise LLR’s asset holdings as of August 31, 2019, and the occupancy rate for the entire portfolio as of August 31, 2019 was 98.8%.

b) Basis of Presentation

The accompanying financial statements have been prepared in accordance with the provisions set forth in the Investment Trusts Act and the Japanese Financial Instruments and Exchange Act and their related accounting regulations. They are also in conformity with accounting principles generally accepted in Japan (hereinafter referred to as “Japanese GAAP”), which are different in certain aspects as to the application and disclosure requirements from the International Financial Reporting Standards.

The accompanying financial statements have been reformatted and translated into English from the financial statements of LLR prepared in accordance with Japanese GAAP, and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Act. In preparing these financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan.

As permitted by the regulations under the Financial Instruments and Exchange Act of Japan, amounts of less than one thousand yen have been omitted. As a result, the totals shown in the accompanying financial statements do not necessarily agree with the sums of the individual amounts.

2. Summary of Significant Accounting Policies

a) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and cash in trust, floating deposits, deposits in trust and short-term investments that are very liquid and realizable with a maturity of three months or less when purchased, and that are subject to insignificant risks of changes in value.

b) Investment securities

Available-for-sale securities without fair market value are valued using the moving average cost method.

c) Property and Equipment

Depreciation of property and equipment, including property and equipment in trust, is calculated by the straight-line method over the estimated useful lives as follows:

Buildings	2-79 years
Structures	10-45 years
Tools, furniture and fixtures	6-15 years

d) Tax on Property and Equipment

With respect to property taxes, city planning taxes and depreciable asset taxes, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as leasing expenses.

Of the amounts paid for the acquisition of real estate properties or beneficiary rights in trust of real estate, the amount estimated for property tax is capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses. Capitalized property taxes amounted to 86,594 thousand yen for the period ended August 31, 2019, and are not applicable for the period ended February 28, 2019.

e) Organization Expenses

All organization expenses are amortized using the straight-line method over five years.

f) Investment unit issuance expenses

Investment unit issuance expenses are amortized using the straight-line method over three years.

g) Investment Corporation Bond Issuance Costs

Investment corporation bond issuance costs are amortized using the straight-line method over the respective terms of the bonds.

h) Hedge Accounting

LLR enters into derivative transactions in order to hedge against risks defined in its Articles of Incorporation. In compliance with the general risk management policy, LLR uses interest rate swaps for the purpose of hedging its risk exposure associated with interest on variable rate loans payable. Where deferral accounting is generally adopted for hedge transactions, LLR applies deferred hedge accounting. However, special accounting treatment provided under Japanese GAAP is applied to those interest rate swaps that meet the criteria for special accounting treatment. Under the special accounting treatment, interest rate swaps are not measured at fair value, but the differential paid or received amount under the swap agreements is recognized and included in interest expense or income, respectively.

Assessment of the hedge effectiveness has been omitted since all interest rate swaps meet the specific matching criteria under the special accounting treatment.

i) Beneficiary Rights in Trust

As to beneficiary rights in trust, all assets and liabilities for assets in trust, as well as the related income generated and expenses incurred, are recorded in the relevant balance sheets and statements of income accounts.

The following material items of assets in trust recognized in the relevant account items are listed separately on the balance sheets.

- (i) Cash 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

j) Consumption Taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes. Net payable to, or receivable from tax authorities is recognized as consumption taxes payable or receivable on the balance sheets, and net movement is treated as operating cash flows in the statements of cash flows. The nondeductible portion of consumption taxes imposed in connection with assets was charged to expense in the period incurred.

Notes to Financial Statements

3. Cash and Cash Equivalents

The relationship between cash and cash equivalents in the statements of cash flows and the balance sheets is as follows:

	Thousands of yen	
	As of	
	August 31, 2019	February 28, 2019
Cash and deposits	¥6,744,682	¥6,828,982
Cash and deposits in trust	4,236,219	3,745,887
Restricted deposits in trust (Note)	(1,235,457)	(1,128,766)
Cash and cash equivalents	¥9,745,444	¥9,446,103

(Note) Restricted deposits held in trust are reserved for the refund of leases and guarantee deposits received from tenants.

4. Financial Instruments

a) Detailed Information on Financial Instruments

(i) Policy for Financial Instruments

At the time of acquisition of new portfolio assets, LLR procures funds through the issuance of investment units, borrowings from financial institutions or issuing investment corporation bonds.

LLR manages surplus funds as deposits, taking security and liquidity into account with due consideration of market conditions and its own cash flow situation.

In addition, LLR uses derivatives transactions to hedge against interest rate fluctuation risks and other risks associated with loans and other funding sources, and does not engage in speculative transactions.

(ii) Financial Instruments, their Risks and Risk Management System

LLR manages surplus funds as deposits, and although they are exposed to credit risks such as the solvency of the financial institutions where they are deposited, LLR makes deposits carefully for short-term deposit maturities only, taking security and liquidity into account with due consideration of market conditions and its own cash flow situation.

LLR uses borrowings and investment corporation bonds for purposes such as procuring funds for the acquisition of real estate properties, repayment of borrowings and redemption of investment corporation bonds. Although they are exposed to liquidity risks at the time of repayment, LLR mitigates liquidity risk by staggering repayment dates, diversifying its financing sources and securing liquidity, and manages liquidity risk by methods such as preparing cash flow plans. In addition, among borrowings, as some of the loans are in the form of floating rate exposures, exposed to the risk of rising interest rates, LLR endeavors to keep the impact of higher interest payments on operations to a minimum by maintaining a conservative ratio of interest-bearing debt and by increasing the ratio of long-term loans payable in its borrowings.

(iii) Supplemental Explanation Regarding Fair Values of Financial Instruments

The fair value of financial instruments include the value based on market prices, but when there is no market price available, the value is determined through a reasonable estimation. Certain assumptions are used in the calculation of their estimated values and thus, when different assumptions are used, the resulting estimated values may be different.

b) Estimated Fair Value of Financial Instruments

The book value, fair value and differences between the two values as of August 31, 2019 and February 28, 2019 are as follows. Financial instruments for which the fair value is difficult to estimate are excluded from the following table (see Note 2 below).

	Thousands of yen		
	As of August 31, 2019		
	Book value	Fair value	Difference
(1) Cash and deposits	¥ 6,744,682	¥ 6,744,682	¥ –
(2) Cash and deposits in trust	4,236,219	4,236,219	–
Total assets	¥10,980,902	¥10,980,902	¥ –
(3) Short-term loans payable	1,930,000	1,930,000	–
(4) Current portion of long-term loans payable	1,300,000	1,300,000	–
(5) Investment corporation bonds payable	11,500,000	11,618,300	118,300
(6) Long-term loans payable	82,931,000	83,511,702	580,702
Total liabilities	¥97,661,000	¥98,360,002	¥ 699,002
(7) Derivative transactions	¥ –	¥ –	¥ –

	Thousands of yen		
	As of February 28, 2019		
	Book value	Fair value	Difference
(1) Cash and deposits	¥ 6,828,982	¥ 6,828,982	¥ –
(2) Cash and deposits in trust	3,745,887	3,745,887	–
Total assets	¥10,574,870	¥10,574,870	¥ –
(4) Current portion of long-term loans payable	1,300,000	1,300,033	33
(5) Investment corporation bonds payable	11,500,000	11,570,800	70,800
(6) Long-term loans payable	74,731,000	75,335,713	604,713
Total liabilities	¥87,531,000	¥88,206,547	¥ 675,547
(7) Derivative transactions	¥ –	¥ –	¥ –

(Note 1) Methods to estimate fair values of financial instruments

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

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

(3) Short-term loans payable, (4) Current portion of long-term loans payable

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

(5) Investment corporation bonds payable

The reference statistical prices disclosed by the Japan Securities Dealers Association are used as the fair value.

(6) Long-term loans payable

The fair value of long-term loans payable is determined based on the present value of contractual cash flows which would be applicable to new loans payable under the same conditions and terms.

(7) Derivative transactions

Please refer to Note 5, “Derivative Transactions.”

Notes to Financial Statements

(Note 2) Financial instruments for which fair value is extremely difficult to estimate

As Investment securities and Tenant leasehold & security deposits in trust have no observable and available market price, and it is impracticable to reasonably estimate their future cash flows, the fair value is not disclosed.

	Thousands of yen	
	As of	
	As of August 31, 2019	February 28, 2019
Investment securities	¥1,237,993	¥1,237,993
Tenant leasehold and security deposits in trust	2,469,743	2,384,175

(Note 3) Redemption schedule for monetary claims after August 31, 2019.

	Thousands of yen					
	As of August 31, 2019					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and deposits	¥ 6,744,682	¥ -	¥ -	¥ -	¥ -	¥ -
Cash and deposits in trust	4,236,219	-	-	-	-	-
Total	¥10,980,902	¥ -	¥ -	¥ -	¥ -	¥ -

Redemption schedule for monetary claims after February 28, 2019.

	Thousands of yen					
	As of February 28, 2019					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and deposits	¥ 6,828,982	¥ -	¥ -	¥ -	¥ -	¥ -
Cash and deposits in trust	3,745,887	-	-	-	-	-
Total	¥10,574,870	¥ -	¥ -	¥ -	¥ -	¥ -

(Note 4) Repayment schedule for investment corporation bonds, short-term and long-term loans payable after August 31, 2019.

	Thousands of yen					
	As of August 31, 2019					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Short-term loans payable	¥ 1,930,000	¥ -	¥ -	¥ -	¥ -	¥ -
Investment corporation bonds payable	-	-	5,000,000	-	-	6,500,000
Long-term loans payable	1,300,000	13,390,000	4,211,000	15,110,000	16,560,000	33,660,000
Total	¥ 3,230,000	¥13,390,000	¥9,211,000	¥15,110,000	¥16,560,000	¥40,160,000

Repayment schedule for investment corporation bonds and long-term loans payable after February 28, 2019.

	Thousands of yen					
	As of February 28, 2019					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds payable	¥ -	¥ -	¥ 5,000,000	¥ -	¥ -	¥ 6,500,000
Long-term loans payable	1,300,000	10,740,000	2,650,000	19,321,000	16,560,000	25,460,000
Total	¥ 1,300,000	¥10,740,000	¥ 7,650,000	¥19,321,000	¥16,560,000	¥31,960,000

5. Derivative Transactions

For the periods ended August 31, 2019 and February 28, 2019, LLR only utilized interest rate swaps, which qualified for hedge accounting and met the special matching criteria, as described below.

Hedge accounting method	Type of derivative transaction	Primary hedged item	Thousands of yen			
			As of August 31, 2019			
			Contract amount		Fair value	Fair value measurement
Total	Due after one year					
Special treatment for interest rate swaps	Interest rate swaps Receive floating/Pay fixed	Long-term loans payable	¥49,520,000	¥49,520,000	(Note)	(Note)

(Note) Interest rate swaps, designated as hedged items, under the special accounting treatment are accounted for as the integral part of long-term loans payable. Therefore, the fair value is included in long-term loans payable disclosed in the aforementioned Note 4, "Financial Instruments, b) Estimated Fair Value of Financial Instruments, (6) Long-term loans payable".

Hedge accounting method	Type of derivative transaction	Primary hedged item	Thousands of yen			
			As of February 28, 2019			
			Contract amount		Fair value	Fair value measurement
Total	Due after one year					
Special treatment for interest rate swaps	Interest rate swaps Receive floating/Pay fixed	Long-term loans payable	¥41,320,000	¥41,320,000	(Note)	(Note)

(Note) Interest rate swaps, designated as hedged items, under the special accounting treatment are accounted for as the integral part of long-term loans payable. Therefore, the fair value is included in long-term loans payable disclosed in the aforementioned Note 4, "Financial Instruments, b) Estimated Fair Value of Financial Instruments, (6) Long-term loans payable".

6. Property and Equipment

The following table summarizes the property and equipment as of August 31, 2019 and February 28, 2019.

	Thousands of yen					
	As of August 31, 2019					
	At cost			Ending balance	Accumulated depreciation	Book value
Beginning balance	Increase	Decrease				
Buildings in trust	¥63,449,320	¥9,775,783	¥2,792,880	¥70,432,223	¥4,499,296	¥65,932,927
Structures in trust	12,173	17,135	-	29,308	2,300	27,008
Tools, furniture and fixtures in trust	5,743	4,878	216	10,405	340	10,064
Land in trust	128,520,999	21,053,729	4,252,551	145,322,177	-	145,322,177
Total	¥191,988,237	¥30,851,526	¥7,045,648	¥215,794,115	¥4,501,937	¥211,292,178

(Note) The increase for period ended August 31, 2019, was a result of the acquisition of six properties during the period with a total value of 30,722,463 thousand yen. In addition, the decrease for period ended August 31, 2019, was a result of the disposition of two properties during the period with a total value of 6,931,344 thousand yen.

Notes to Financial Statements

	Thousands of yen					
	As of February 28, 2019					
	At cost			Ending balance	Accumulated depreciation	Book value
Beginning balance	Increase	Decrease				
Buildings in trust	¥63,305,225	¥144,095	¥ –	¥63,449,320	¥3,885,164	¥59,564,155
Structures in trust	10,775	1,398	–	12,173	1,729	10,444
Tools, furniture and fixtures in trust	495	5,248	–	5,743	98	5,644
Land in trust	128,520,999	–	–	128,520,999	–	128,520,999
Total	¥191,837,495	¥150,741	¥ –	¥191,988,237	¥3,886,993	¥188,101,244

7. Investment and Rental Properties

LLR owns leased logistics properties mainly in the Tokyo and Osaka areas for the purpose of earning rent income. The opening book value, changes during the fiscal period and the fiscal period end fair value of the properties are as follows:

	Thousands of yen	
	For the periods ended	
	August 31, 2019	February 28, 2019
Book value (Note 1)		
Balance at the beginning of the period	¥188,101,244	¥188,639,035
Changes during the period (Note 2)	23,190,934	(537,791)
Balance at the end of the period	¥211,292,178	¥188,101,244
Fair value at the end of the period (Note 3)	¥231,790,000	¥203,920,000

(Note 1) Book value is calculated by deducting accumulated depreciation from the acquisition cost.

(Note 2) The decrease for period ended February 28, 2019, was a result of the recognition of depreciation expenses of 688,532 thousand yen. In addition, the increase for period ended August 31, 2019, was a result of the acquisition of six properties during the period with a total value of 30,722,463 thousand yen. The decrease for period ended August 31, 2019, was a result of the disposition of two properties during the period with a total value of 6,931,344 thousand yen and the recognition of depreciation expenses of 729,248 thousand yen, respectively.

(Note 3) The fair value at the end of the period is stated at the appraisal value obtained from an independent real estate appraiser.

8. Property-related Revenues and Expenses

The following table summarizes the revenues and expenses generated from property leasing activities for the periods ended August 31, 2019 and February 28, 2019.

	Thousands of yen	
	For the periods ended	
	August 31, 2019	February 28, 2019
(1) Real estate leasing revenues		
Rent revenue		
Rent income	¥4,991,417	¥4,719,997
Common service fee	492,350	486,144
Total	¥5,483,767	¥5,206,141
Other lease business revenue		
Utilities charge reimbursement	¥ 313,976	¥ 305,398
Parking revenue	141,777	136,378
Other lease revenues	57,541	144,539
Total	¥ 513,295	¥ 586,316
Total real estate leasing revenues	¥5,997,063	¥5,792,458
(2) Real estate leasing expenses		
Leasing expenses		
Outsourcing costs	¥ 268,586	¥ 273,608
Utilities expenses	312,352	302,420
Taxes and public dues	477,423	423,841
Insurance premiums	10,505	9,959
Repair and maintenance	90,277	111,015
Depreciation	729,248	688,532
Other leasing expenses	97,321	51,288
Total real estate leasing expenses	¥1,985,716	¥1,860,667
(3) Real estate leasing profit ((1) - (2))	¥4,011,347	¥3,931,791

The following table summarizes the gain on sales of real estate properties for the period ended August 31, 2019.

	Thousands of yen		
	LOGIPORT Nagareyama A (40% joint co-ownership interest)	LOGIPORT Hiratsuka-shinmachi (80% joint co-ownership interest)	Total
	Sales proceed	¥1,800,000	¥6,160,000
Cost of properties sold	1,381,785	5,549,558	6,931,344
Other sales expenses	19,899	63,488	83,388
Gain on sales of real estate properties	¥ 398,314	¥ 546,953	¥ 945,267

9. Leases

The future minimum rent revenue from tenants, subsequent to fiscal period end, under non-cancelable operating leases of properties is as follows:

	Thousands of yen	
	As of	
	August 31, 2019	February 28, 2019
Due within one year	¥ 7,994,988	¥ 7,298,611
Due after one year	19,229,325	18,656,470
Total	¥27,224,314	¥25,955,082

Notes to Financial Statements

10. Net Assets

a) Stated Capital

LLR issues only non-par value units in accordance with the Investment Trusts Act, and all issue amounts of new units are designated as stated capital. LLR maintains at least 50,000 thousand yen as minimum net assets as required by Article 67, Paragraph 4 of the Investment Trusts Act.

b) Unitholders' Capital

Unitholders' capital as of August 31, 2019 and February 28, 2019 consists of the following items:

	Thousands of yen	
	As of	
	August 31, 2019	February 28, 2019
Unitholders' capital, gross	¥119,249,475	¥106,363,965
Deduction from unitholders' capital;		
Accumulated distributions in excess of retained earnings	(1,162,700)	(957,000)
Unitholders' capital	¥118,086,775	¥105,406,965

c) Distributions

With regards to the distributions for this fiscal period, in an effort to include LLR's profit distributions as tax deductible expenses in accordance with Section 1 of Article 67-15 of the Special Taxation Measures Act, the distribution amount represents the entire unappropriated retained earnings for the fiscal period, excluding fractional amounts less than one yen.

	Yen			
	For the periods ended			
	August 31, 2019		February 28, 2019	
	Total	Per unit	Total	Per unit
I Unappropriated retained earnings	¥ 3,688,431,723		¥2,783,741,863	
II Distributions in excess of retained earnings				
Deduction from unitholders' capital	183,920,000		205,700,000	
III Distributions				
Distributions of retained earnings	3,688,080,000	3,048	2,783,000,000	2,530
Distributions in excess of retained earnings	183,920,000	152	205,700,000	187
Total distributions	3,872,000,000	3,200	2,988,700,000	2,717
IV Retained earnings carried forward	¥ 351,723		¥ 741,863	

Pursuant to the "Distribution Policy" as defined in Article 36, Paragraph 1 of Article 2 of incorporation of LLR, the amount of distributions shall be the amount which does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act.

Based on the policy, LLR declared the distribution amount of 3,688,080,000 yen and 2,783,000,000 yen for the periods ended August 31, 2019 and February 28, 2019, respectively. These amounts were equivalent to the maximum integral multiples of number of investment units issued and outstanding as of the fiscal period.

Based on the distribution policy as defined in Article 36, Paragraph 2 of incorporation, LLR shall make distributions in excess of retained earnings, as a return of unitholders' capital, each fiscal period on a continuous basis.

Accordingly, LLR declared distributions in excess of retained earnings of 183,920,000 yen and 205,700,000 yen, as a return of unitholders' capital, which was the amount equivalent to approximately 30% of the amount remaining after deducting the total amount of accumulated depreciation as of the previous period from the total amount of accumulated depreciation as of the current fiscal period of 614,944,649 yen and 688,532,290 yen for the periods ended August 31, 2019 and February 28, 2019, respectively.

11. Short-term and Long-term Loans Payable

Short-term and long-term loans payable consisted of bank borrowings under loan agreements. The following table summarizes the short-term and long-term loans payable as of August 31, 2019 and February 28, 2019.

	Thousands of yen	
	As of	
	August 31, 2019	February 28, 2019
0.20330% unsecured short-term loans due 2019	¥1,390,000	¥ –
0.21996% unsecured short-term loans due 2020	540,000	–
Total short-term loans payable	¥1,930,000	¥ –
0.42000% unsecured long-term loans due 2021	¥4,620,000	¥4,620,000
0.41323% unsecured long-term loans due 2021 (*)	6,120,000	6,120,000
0.68000% unsecured long-term loans due 2023	5,890,000	5,890,000
0.67680% unsecured long-term loans due 2023 (*)	9,220,000	9,220,000
0.79000% unsecured long-term loans due 2024	2,870,000	2,870,000
0.76155% unsecured long-term loans due 2024 (*)	6,190,000	6,190,000
0.89000% unsecured long-term loans due 2025	4,160,000	4,160,000
0.88680% unsecured long-term loans due 2025 (*)	4,910,000	4,910,000
0.98000% unsecured long-term loans due 2026	1,510,000	1,510,000
0.93127% unsecured long-term loans due 2026 (*)	2,250,000	2,250,000
0.25659% unsecured long-term loans due 2019	1,300,000	1,300,000
0.42945% unsecured long-term loans due 2022	2,990,000	2,990,000
0.40159% unsecured long-term loans due 2023	1,900,000	1,900,000
0.47128% unsecured long-term loans due 2023	5,600,000	5,600,000
0.26909% unsecured long-term loans due 2021	2,650,000	2,650,000
0.51435% unsecured long-term loans due 2025 (*)	6,750,000	6,750,000
0.59950% unsecured long-term loans due 2026 (*)	5,880,000	5,880,000
0.43671% unsecured long-term loans due 2022	1,221,000	1,221,000
0.34020% unsecured long-term loans due 2026 (*)	3,100,000	–
0.42105% unsecured long-term loans due 2027 (*)	5,100,000	–
Total long-term loans payable	¥84,231,000	¥76,031,000

The stated interest rate is the weighted average interest rate during the period ended August 31, 2019. For certain loans (*) for which LLR uses interest rate swaps to hedge their interest rate risk exposure, the effective interest rate which includes the effect of the interest rate swap is stated.

The redemption schedule for long-term loans subsequent to August 31, 2019 is disclosed in Note 4, "Financial Instruments."

Current portion of long-term loans payable is included in long-term loans payable.

12. Investment Corporation Bonds Payable

The investment corporation bonds payable will be redeemed on a lump-sum basis at their contractual maturity dates. The following table summarizes the investment corporation bonds payable as of August 31, 2019 and February 28, 2019.

	Issued date	Maturity date	Interest rate	Thousands of yen	
				As of	
				August 31, 2019	February 28, 2019
1st unsecured bond	February 15, 2017	February 15, 2022	0.260%	¥ 4,000,000	¥ 4,000,000
2nd unsecured bond	February 15, 2017	February 15, 2027	0.580%	2,000,000	2,000,000
3rd unsecured bond	July 13, 2017	July 13, 2027	0.650%	3,500,000	3,500,000
4th unsecured bond	December 21, 2017	December 21, 2021	0.170%	1,000,000	1,000,000
5th unsecured bond	December 21, 2017	December 21, 2027	0.630%	1,000,000	1,000,000
Total				¥11,500,000	¥11,500,000

Notes to Financial Statements

13. Income Taxes

LLR is subject to Japanese corporate income taxes on its taxable income. The tax effect of temporary differences that give rise to a significant portion of the deferred tax assets and liabilities as of August 31, 2019 and February 28, 2019 are as follows:

	Thousands of yen	
	As of	
	August 31, 2019	February 28, 2019
Enterprise tax payable	¥ 3	¥ 20
Total deferred tax assets	3	20
Net deferred tax assets	¥ 3	¥ 20

Reconciliation of major items that caused differences between the statutory tax rate and effective tax rate with respect to pre-tax income reflected in the accompanying statements of income for the periods ended August 31, 2019 and February 28, 2019 are as follows:

	For the periods ended	
	August 31, 2019	February 28, 2019
Statutory tax rate	31.51%	31.51%
Adjustments:		
Deductible distributions	(31.51%)	(31.50%)
Other	0.02%	0.03%
Actual effective income tax rate	0.02%	0.04%

14. Per Unit Information

The following table summarizes per unit information for the fiscal period ended August 31, 2019 and February 28, 2019.

	Yen	
	For the periods ended	
	August 31, 2019	February 28, 2019
Net income per unit		
Basic net income per unit	¥ 3,201	¥ 2,530
Weighted average number of units outstanding	1,151,954	1,100,000

	Yen	
	As of	
	August 31, 2019	February 28, 2019
Net assets per unit	¥ 100,640	¥ 98,355

(Note) Net income per unit is calculated by dividing net income by the average number of investment units for the period. Net income for the basis for calculating net income per unit are 3,687,689 thousand yen and 2,783,302 thousand yen for the period ended August 31, 2019 and February 28, 2019, respectively. The diluted net income per unit is not stated here as there are no diluted investment units.

15. Transactions with Related Parties

a) Transactions and Account Balances with the Parent Company and Major Unitholders

(For the period ended August 31, 2019)

None

(For the period ended February 28, 2019)

None

b) Transactions and Account Balances with Affiliates

(For the period ended August 31, 2019)

None

(For the period ended February 28, 2019)

None

c) Transactions and Account Balances with Companies under Common Control

(For the period ended August 31, 2019)

Classification	Name of the company	Address	Stated capital (thousands of yen)	Type of business	Percentage of voting rights owned	Relation		Type of transaction (Note 2)	Transaction amount (thousands of yen) (Note 1)	Account	Ending balance (thousands of yen) (Note 1)
						Common board member	Business relationship				
Subsidiary of an affiliate	LaSalle REIT Advisors K.K.	Chiyoda-ku, Tokyo	¥164,500	Investment management business	–	Executive Director of LLR and President & CEO of the Asset Manager	Asset Manager	Payment of asset management fee (Note 3)	¥1,152,517	Accounts payable	¥724,925

(Note 1) The transaction amounts do not include the consumption tax whereas the tax is included in the ending balance.

(Note 2) The terms and conditions of these transactions were executed based on market practices.

(Note 3) The asset management fees, attributable to property acquisitions and property dispositions, were 300,530 thousand yen and 79,600 thousand yen, respectively.

(For the period ended February 28, 2019)

Classification	Name of the company	Address	Stated capital (thousands of yen)	Type of business	Percentage of voting rights owned	Relation		Type of transaction (Note 2)	Transaction amount (thousands of yen) (Note 1)	Account	Ending balance (thousands of yen) (Note 1)
						Common board member	Business relationship				
Subsidiary of an affiliate	LaSalle REIT Advisors K.K.	Chiyoda-ku, Tokyo	¥164,500	Investment management business	–	Executive Director of LLR and President & CEO of the Asset Manager	Asset Manager	Payment of asset management fee (Note 3)	¥717,413	Accounts payable	¥654,242

(Note 1) The transaction amounts do not include the consumption tax whereas the tax is included in the ending balance.

(Note 2) The terms and conditions of these transactions were executed based on market practices.

(Note 3) The Asset management fee above includes management fees of 12,210 thousand yen capitalized as part of acquisition costs of investment securities.

Notes to Financial Statements

16. Segment Information

Segment Information

Segment information has been omitted as LLR has only one segment, which is real estate leasing business.

Related Information

(For the period ended August 31, 2019)

a) Information by Products and Services

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

b) Information by Geographic Region

(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 statements of income.

(ii) Property and Equipment

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

c) Information by Major Customers

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

(For the period ended February 28, 2019)

a) Information by Products and Services

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

b) Information by Geographic Region

(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 statements of income.

(ii) Property and Equipment

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

c) Information by Major Customers

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

17. Subsequent Events

a) Issuance of new investment units

LLR adopted a resolution on the issuance of new investment units as described below at the Board of Directors meeting held on September 4, 2019, and the payment was completed on September 18, 2019, for the issuance of new investment units through a public offering and on October 10, 2019, for the issuance of new investment units through a third-party allotment.

(Issuance of new investment units through a public offering)

Number of investment units issued	145,714 units
Issue price	148,005 yen per unit
Total issue price	21,566,400,570 yen
Issue value	142,995 yen per unit
Total issue value	20,836,373,430 yen
Payment date	September 18, 2019

(Issuance of new investment units through a third-party allotment)

Number of investment units issued	7,286 units
Issue value	142,995 yen per unit
Total issue value	1,041,861,570 yen
Payment date	October 10, 2019
Subscriber	Nomura Securities Co., Ltd.

b) Borrowing of funds

LLR decided to borrow the following funds on September 19, 2019, and borrowed the funds on September 25, 2019.

Classification	Lender	Amount borrowed (million yen)	Interest rate (Note 4) (Note 5)	Borrowing Date	Borrowing Method	Repayment Date	Repayment Method	Collateral
Short-term	Syndicated facility consisting of MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Banking Corporation as arrangers (Note 1)	1,100	Base interest rate (1-month Japanese yen TIBOR by Japanese Bankers Association) + 0.1625%			September 25, 2020		
Long-term	Syndicated facility ⁰ consisting of MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Banking Corporation as arrangers (Note 1)	800	Base interest rate (3-month Japanese yen TIBOR by Japanese Bankers Association) + 0.3000%	September 25, 2019	Borrowing based on a separate term loan agreement dated September 19, 2019, with the lenders shown on the left	September 25, 2024	Lump sum at maturity	Unsecured Unguaranteed
Long-term	Syndicated facility consisting of MUFG Bank, Ltd., Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 2)	5,700	Base interest rate (3-month Japanese yen TIBOR by Japanese Bankers Association) + 0.3200%			February 15, 2027		
Long-term	Syndicated facility consisting of MUFG Bank, Ltd., Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 3)	7,900	Base interest rate (3-month Japanese yen TIBOR by Japanese Bankers Association) + 0.3500%			July 13, 2027		

(Note 1) The syndicated facility was established by the Sumitomo Mitsui Trust Bank, Limited.

(Note 2) The syndicated facility consists of Resona Bank, Limited, The Bank of Fukuoka, Ltd., Shinsei Bank, Limited, The Nomura Trust and Banking Co., Ltd., The Chugoku Bank, Ltd., and The Nishi-Nippon City Bank, Ltd.

(Note 3) The syndicated facility consists of the arrangers and the Development Bank of Japan Inc.

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

(Note 5) The initial interest payment date for the short-term loan is October 31, 2019, and subsequent interest payment dates are the last day of every month thereafter as well as the repayment date (or the following business day if that day falls on a day that is not a business day, or the immediately preceding business day if that day falls in the next calendar month). The initial interest payment date for the long-term loans is November 30, 2019, and subsequent interest payment dates are the last day of every February, May, August, and November thereafter as well as the repayment date (or the following business day if that day falls on a day that is not a business day, or the immediately preceding business day if that day falls in the next calendar month). As for floating interest rates for the short-term loan, the base interest rate applied to the interest calculation period for the interest payment date refers to the Japanese Yen Tokyo Interbank Offered Rate ("TIBOR") for one-month deposits published by the Japan Bankers Association (JBA) TIBOR Administration (General Incorporated Association) two business days before the interest payment date for the immediately preceding interest calculation period (however, for the initial calculation period, the applicable date is the borrowing date). For the long-term loans, the base interest rate applied to the interest calculation period for the interest payment date refers to the Japanese Yen Tokyo Interbank Offered Rate ("TIBOR") for three-month deposits published by the JBA TIBOR Administration (General Incorporated Association) two business days before the interest payment date for the immediately preceding interest calculation period (however, for the initial calculation period, the applicable date is the borrowing date). Please refer to the JBA TIBOR Administration's website (<http://www.jbatibor.or.jp/english/>) for changes in the JBA Japanese Yen TIBOR.

(Note 6) An interest rate swap agreement was concluded on September 20, 2019, to fix the payment interest rate and hedge the risk of rising interest rates on these borrowings as follows.

Counterparty	Nomura Securities Co., Ltd.
Notional principal	5,700 million yen
Interest rate	Fixed payment interest rate 0.3625% Variable receipt interest rate 3-month Japanese yen TIBOR by Japanese Bankers Association + 0.3200%
Starting date	September 25, 2019
Ending date	February 15, 2027
Interest payment date	The initial interest payment date is November 30, 2019, and subsequent interest payment dates are the last day of every February, May, August, and November thereafter, and the repayment date (or the following business day if that day falls on a day that is not a business day or the immediately preceding business day if that day falls in the next calendar month).

* The interest rate for these borrowings was effectively fixed at 0.3625% with the signing of the interest rate swap agreement.

(Note 7) An interest rate swap agreement was concluded on September 20, 2019, to fix the payment interest rate for these borrowings and hedge the risk of rising interest rates on these borrowings as follows.

Counterparty	Nomura Securities Co., Ltd.
Notional principal	7,900 million yen
Interest rate	Fixed payment interest rate 0.4035% Variable receipt interest rate 3-month Japanese yen TIBOR by Japanese Bankers Association + 0.3500%
Starting date	September 25, 2019
Ending date	July 13, 2027
Interest payment date	The initial interest payment date is November 30, 2019, and subsequent interest payment dates are the last day of every February, May, August, and November thereafter, and the repayment date (or the following business day if that day falls on a day that is not a business day or the immediately preceding business day if that day falls in the next calendar month).

* The interest rate for these borrowings was effectively fixed at 0.4035% with the signing of the interest rate swap agreement.

c) Acquisition of assets

LLR decided to acquire trust beneficial interests pertaining to the following assets at the Board of Directors meeting held on September 4, 2019, and acquired the assets on September 25, 2019. "Acquisition Price" is the purchase price for each of the trust beneficiary interests as shown in the joint co-ownership interest purchase agreement for the trust beneficiary interests in the 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
Osaka area	Osaka-3	LOGIPORT Osaka Taisho	Osaka-shi, Osaka	10,515	OTL1 GK
Osaka area	Osaka-5	LOGIPORT Amagasaki	Amagasaki-shi, Hyogo	24,582	Amagasaki Property TMK
Total				35,097	

Independent Auditor's Report



Independent Auditor's Report

To the Board of Directors of LaSalle LOGIPORT REIT

We have audited the accompanying financial statements of LaSalle LOGIPORT REIT ("the Company"), which comprise the balance sheet as at August 31, 2019, and the statement of income, statement of changes in net assets and statement of cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2019, and its financial performance and cash flows for the six months then ended in accordance with accounting principles generally accepted in Japan.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 17 to the financial statements, which states that the Company issued new investment units.

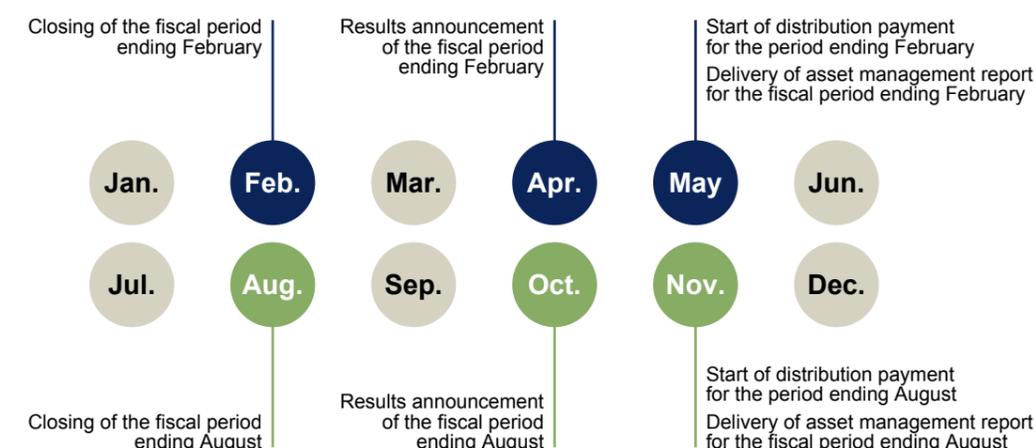
PricewaterhouseCoopers Aarata LLC

November 28, 2019

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Investor Information

Schedule of Annual IR-Related Events



Unitholder Metrics

The following charts illustrate various metrics for measuring unitholders.

As of August 31, 2019

Top Unitholders

	Number of Units	Ratio (%)
Japan Trustees Services Bank, Ltd. (Trust Account)	271,629	22.44%
The Master Trust Bank of Japan, Ltd. (Trust Account)	249,520	20.62%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	51,424	4.24%
NSI CUSTOMER SECURED 30.7. OMNIBUS ^(Note)	46,200	3.81%
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	34,593	2.85%
STATE STREET BANK WEST CLIENT-TREATY 505234	14,844	1.22%
Rakuten General Insurance Co., Ltd.	14,244	1.17%
SSBTC CLIENT OMNIBUS ACCOUNT	12,986	1.07%
SMBC Nikko Securities Inc.	12,177	1.00%
THE HACHIJUNI BANK,LTD.	12,028	0.99%
Totals	719,645	59.47%

Note: NSI CUSTOMER SECURED 30.7 OMNIBUS holds in custody the investment units of LLR owned by Jones Lang LaSalle Co-Investment, Inc., which is a subsidiary of JLL. All of the investment units indicated above (46,200 units) are beneficially owned by Jones Lang LaSalle Co-Investment, Inc.

Breakdown of Units Held by Unitholder Type



Unitholder Breakdown by Unitholder Type

