

15th Fiscal Period Semi-Annual Report (Asset Management Report)

March 1, 2023 to August 31, 2023



Basic Philosophy of LaSalle LOGIPORT REIT

LaSalle LOGIPORT REIT (“LLR”) intends to build a high-quality portfolio through investments in logistics facilities, particularly focused on investments in “prime logistics” facilities located in the Tokyo and Osaka areas.

Sponsored by LaSalle Investment Management K.K. (“LaSalle K.K.”) of the LaSalle Group, the corporate group of one of the world’s leading real estate investment managers, LLR seeks to enhance unitholder value through aiming to achieve steady growth in cash flow and asset value over the long term by leveraging the LaSalle Group’s global real estate investment knowledge as well as the investment management capabilities built on its extensive track record in developing and investing in logistics facilities in Japan.

Table of Contents

Message to Unitholders	1
Operational Highlights	2
LaSalle Group’s Sponsor Support	4
Initiatives on ESG	5
Portfolio Maps	6
Major Properties in the Portfolio	8
Risk Factors	9
Financial Section	
Balance Sheet	14
Statement of Income	16
Statement of Changes in Net Assets	17
Statement of Cash Distributions	18
Statement of Cash Flows	19
Notes to Financial Statements	20
Supplementary Schedules	35
Independent Auditor’s Report	41
Investor Information	44

Message to Unitholders



Taira Jigami

Executive Director
LaSalle LOGIPORT REIT

President and CEO
LaSalle REIT Advisors K.K.

On behalf of LLR, I would like to express sincere gratitude for your loyal patronage.

Thanks to the continued support of unitholders, LLR has successfully completed its 15th fiscal period (ended August 2023).

The logistics real estate market continues to keep on growing steadily against the backdrop of the expansion of the e-commerce market and movements to improve the efficiency of supply chains by companies. On the other hand, uncertainties still persist in macroeconomic and capital market trends due to rising global inflationary pressures. Amid such circumstances, LLR steadily managed a portfolio worth 380.9 billion yen composed of 22 properties in the 15th fiscal period. As a result, a high period-average occupancy rate of 99.0% was achieved. These endeavors allowed LLR to post operating revenues of 11,215 million yen, operating income of 5,741 million yen, ordinary income of 5,090 million yen, and net income of 5,089 million yen, with a distribution per unit (“DPU”) of 3,090 yen.

Furthermore, in terms of environmental (E), social (S), and governance (G) (collectively “ESG”) aspects, initiatives for energy conservation and energy creation are also being carried out steadily toward the global challenge of realizing carbon neutrality. In addition to the arrangement for electricity generated from renewable energy sources at properties owned by LLR to be consumed on site, initiatives for the electricity to be supplied to other properties as well are also underway.

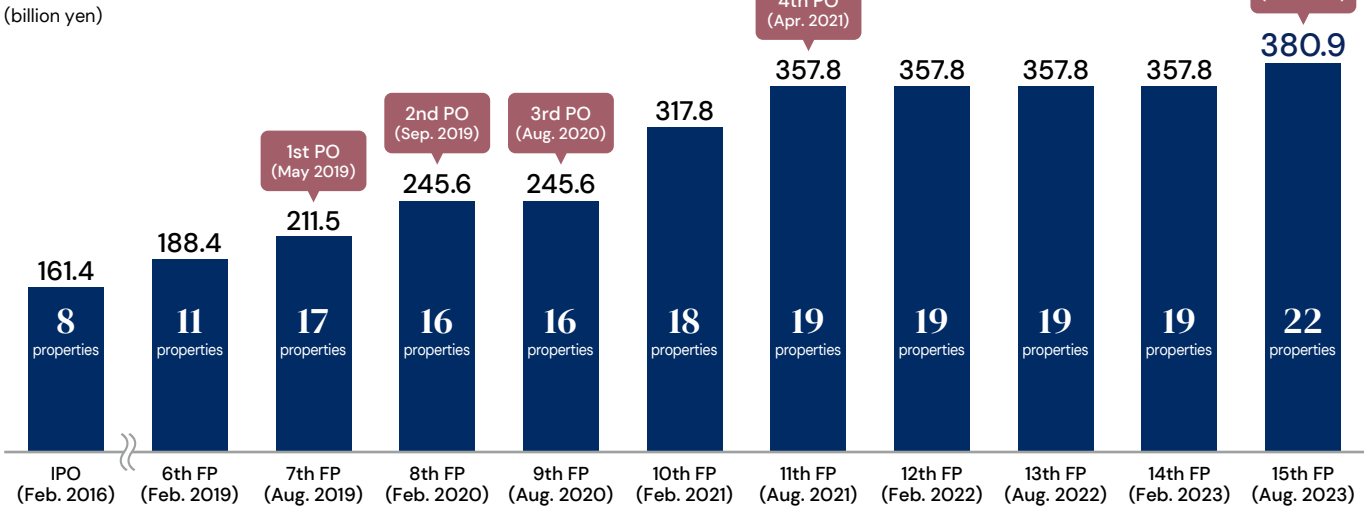
Going forward, while fulfilling the social responsibility of leading logistics infrastructure, LLR is resolved to endeavor to continuously enhance unitholder value. To do so, LLR will keep leveraging the LaSalle Group’s global real estate investment knowledge as well as the investment management capabilities built on its extensive experience in developing and investing in logistics facilities in Japan.

Your continued support of LLR is deeply appreciated.

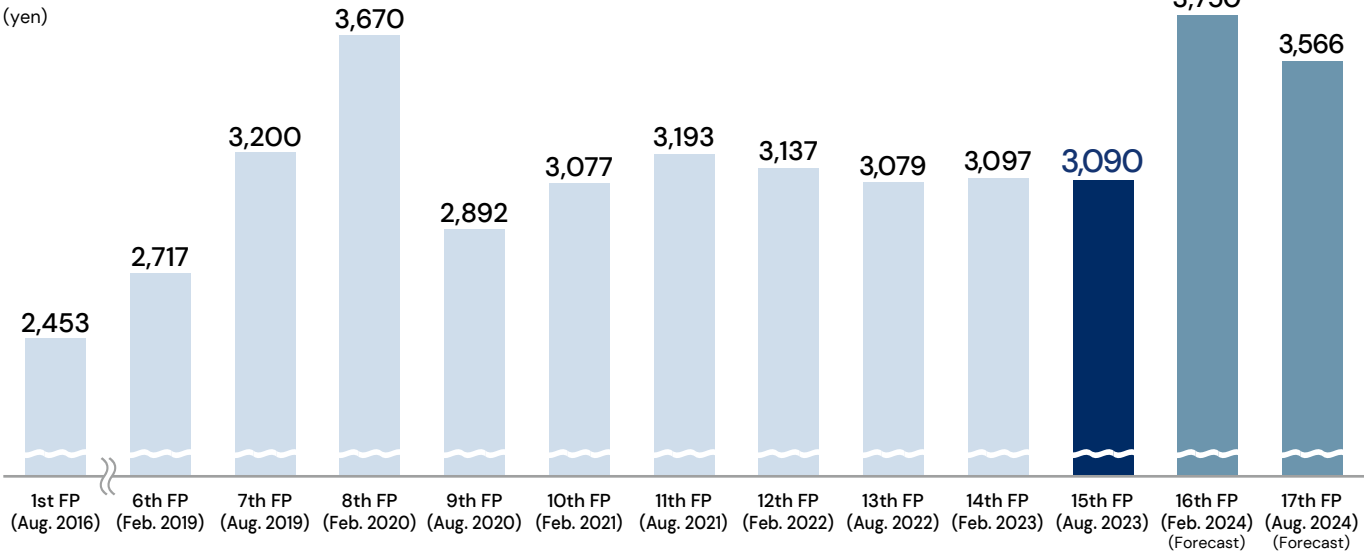
Operational Highlights

Distribution Per Unit			
15th Fiscal Period (Actual)	16th Fiscal Period (Forecast)	17th Fiscal Period (Forecast)	
3,090 _{yen}	3,750 _{yen}	3,566 _{yen}	
Operating Revenues	Operating Income	Net Income	Loan to Value ("LTV")
11,215 _{mn yen}	5,741 _{mn yen}	5,089 _{mn yen}	42.1 %
Long-term Issuer Rating	Total Assets Under Management ("AUM")	Portfolio Size	Period-end Occupancy Rate
AA (Stable) (Japan Credit Rating Agency, Ltd.)	380.9 _{bn yen}	22 _{properties}	99.0 %

Change in AUM Over Time



Change in DPU (including distributions in excess of retained earnings)



Total pipeline amounting to approximately 270 billion yen

Sponsor Development Projects (10 properties / 940,000m ²)			
			
LOGIPORT Kobe Nishi Completed in Nov. 2021	Matsudo Logistics Center Completed in Jan. 2022	LOGIPORT Nagoya Completed in Jul. 2023	LOGIPORT Tama Mizuho Scheduled completion in Jun. 2024
			
LOGIPORT Fukuoka Kasuya Scheduled completion in Aug. 2024	Tokyo Shinonome Logistics Center Scheduled completion in Nov. 2024		

Value-add Investments (9 properties in bridge funds 320,000m ² / 3 development projects 60,000m ²)			
Bridge Fund			Development Projects
			
LOGIPORT Kazo Completed in Jul. 2021	Urawa Misono Project Completed in Feb. 2022	Konosu Project Completed in Jan. 2023	Matsudo Project Scheduled completion in Sep. 2024
			
Iruma Project Completed in Apr. 2023	Osaka Suminoe Logistics Center Completed in Mar. 2023	Iwanuma Project Scheduled completion in Jan. 2024	Sendai Project Scheduled completion in H1 2026
			
Amagasaki Project Scheduled completion in Feb. 2024	Nanko Logistics Center (Under operation)	Yachiyo Logistics Center (Under operation)	Higashi Ogishima (leasehold land)

Note: The CG for "LOGIPORT Tama Mizuho," "LOGIPORT Fukuoka Kasuya," "Tokyo Shinonome Logistics Center," "Iwanuma Project," "Amagasaki Project," "Matsudo Project," and "Sendai Project" are in the planning stage, and are therefore subject to change. Unauthorized reproduction of the CG is prohibited.

LaSalle Group's Sponsor Support

Leveraging off of LaSalle Group’s asset management capabilities

LaSalle Group is a leading real estate investment management firm providing investment management services in the U.S., Europe, and the Asia Pacific region.



Achievements as front runner of developing and investing in advanced logistics facilities in Japan



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: As of the date of this document, the above chart includes properties LLR has not decided to acquire, and there is no guarantee that LLR can acquire them in the future.

Note 3: The building names are what the LaSalle Group uses to identify each property, and may not be identical with the current names.

Initiatives on ESG

Environmental Initiatives

Targets (by 2030)

- Grasp all properties' electricity consumption
- Reduce greenhouse gas emissions by 50% relative to a 2019 baseline in terms of CO₂ emissions intensity on a gross floor area ("GFA") basis
- Reduce water usage by 16% relative to a 2019 baseline in terms of water use intensity on a GFA basis
- Reduce waste and increase recycling

Third-Party Evaluations/Certifications

GRESB Real Estate Assessment

Acquired "5 Stars"
(highest rating in relative evaluation)
and "Green Star"
(top-class rating in absolute evaluation)



Third-Party Environmental Certifications

Acquisition rate
99.4 % (excluding leasehold land)
(as of the end of August 2023)

Received a ZEB rating,
the highest rating for
ZEB (Net Zero Energy
Building) at LOGIPORT
Kawasaki Bay

Certification / Evaluation	Number of Properties	Ratio (GFA-based)
CASBEE Real Estate Certification	21	99.4%
BELS		

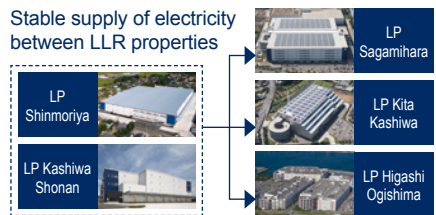
Examples of Initiatives



Introducing LED lighting



Introducing solar energy panels



Off-site PPA (renewable electricity supply between LLR properties)

Social Initiatives

Examples of Initiatives



Cooperation agreement on disaster management with local governments



Donation of reserves in preparation for disasters



Disaster drills and fire-fighting drills

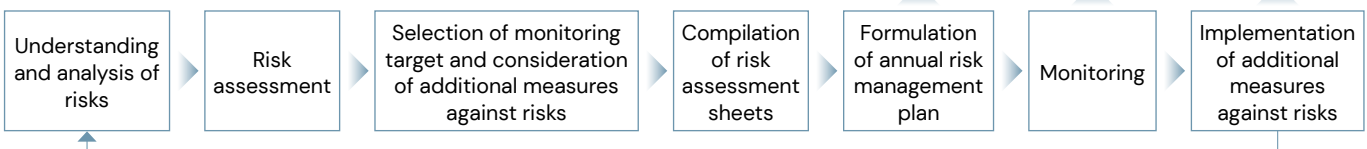


Participation in clean campaign

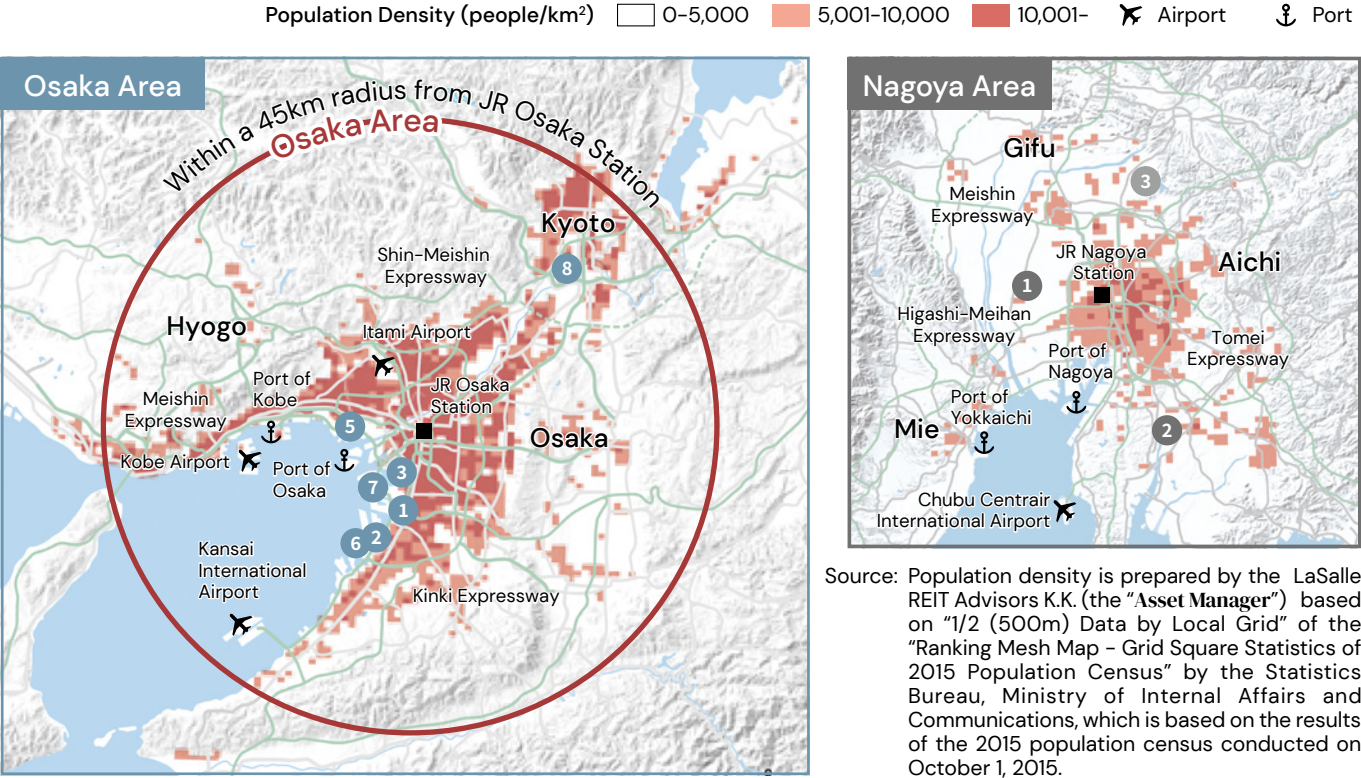
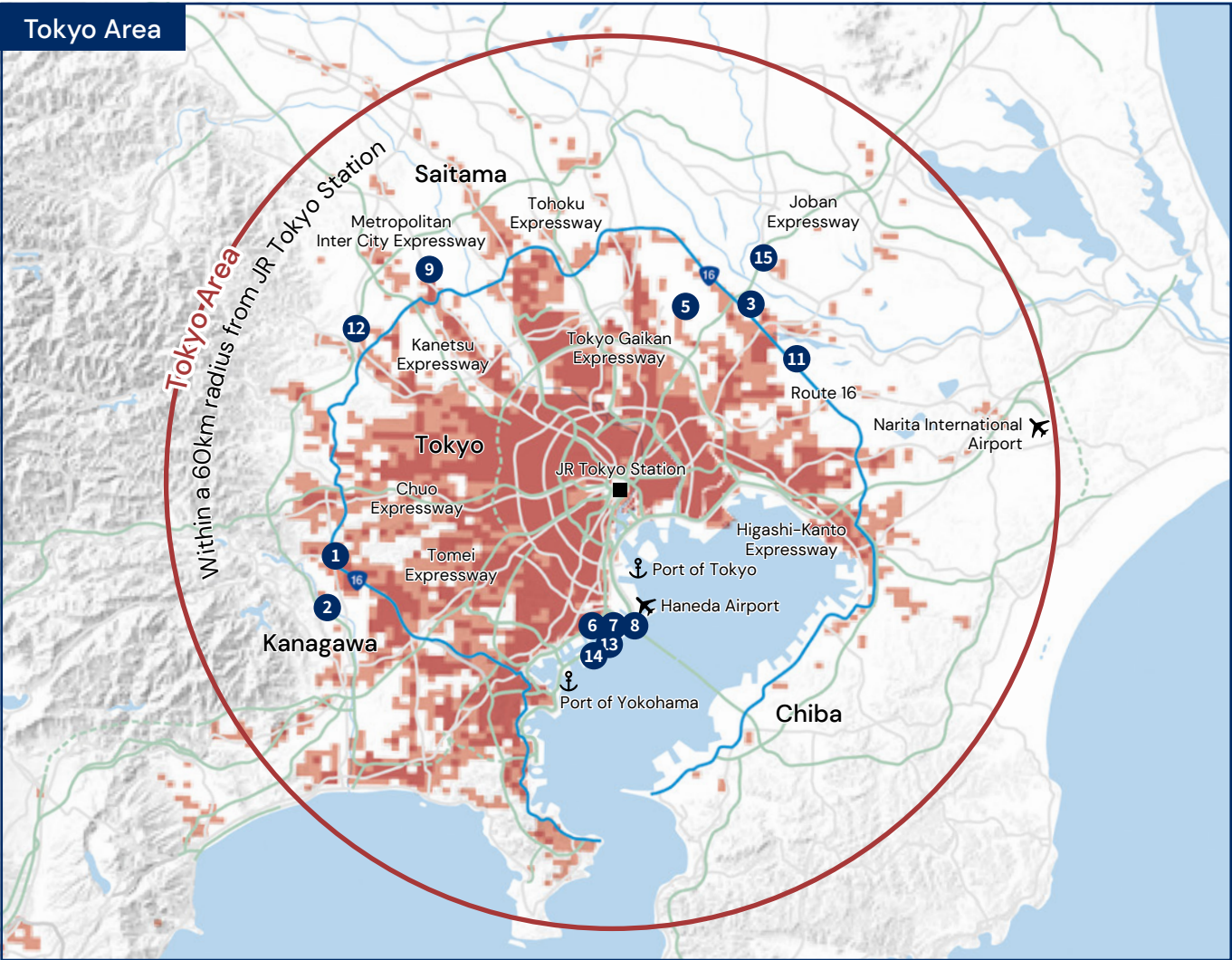
Governance Initiatives

Development and Supervision of Risk Management System

Process of Risk Management



Portfolio Maps Major Assets Owned by LLR



Portfolio List

Property No.	Property Name	Location	Acquisition Price (million yen)	Appraisal Value (million yen)	NOI Yield (Note 2) (%)
Tokyo-1	LOGIPORT Hashimoto (Note 3)	Sagamihara, Kanagawa	21,200	26,500	4.4
Tokyo-2	LOGIPORT Sagamihara (Note 3)	Sagamihara, Kanagawa	23,020	29,100	4.6
Tokyo-3	LOGIPORT Kita Kashiwa	Kashiwa, Chiba	25,300	33,500	4.9
Tokyo-5	LOGIPORT Nagareyama B	Nagareyama, Chiba	26,600	33,800	5.0
Tokyo-6	LOGIPORT Higashi Ogishima A	Kawasaki, Kanagawa	19,000	20,200	4.8
Tokyo-7	LOGIPORT Higashi Ogishima B	Kawasaki, Kanagawa	19,120	22,700	5.1
Tokyo-8	LOGIPORT Higashi Ogishima C	Kawasaki, Kanagawa	23,700	28,300	4.9
Tokyo-9	LOGIPORT Kawagoe	Kawagoe, Saitama	11,950	12,900	4.5
Tokyo-11	LOGIPORT Kashiwa Shonan	Kashiwa, Chiba	9,300	11,000	4.9
Tokyo-12	LOGIPORT Sayama Hidaka	Hidaka, Saitama	6,430	6,880	4.4
Tokyo-13	Higashi Ogishima (leasehold land)	Kawasaki, Kanagawa	1,189	1,790	3.6
Tokyo-14	LOGIPORT Kawasaki Bay (Note 3)	Kawasaki, Kanagawa	32,200	37,000	4.2
Tokyo-15	LOGIPORT Shinmoriya	Tsukubamirai, Ibaraki	8,580	10,600	4.9
Osaka-1	LOGIPORT Sakai Minamijimacho	Sakai, Osaka	8,150	9,890	4.8
Osaka-2	LOGIPORT Sakai Chikko Shinmachi	Sakai, Osaka	4,160	5,160	5.5
Osaka-3	LOGIPORT Osaka Taisho (Note 3)	Osaka, Osaka	17,655	21,600	4.6
Osaka-5	LOGIPORT Amagasaki	Amagasaki, Hyogo	48,200	62,500	5.3
Osaka-6	LOGIPORT Sakai (Note 3)	Sakai, Osaka	12,075	13,600	4.8
Osaka-7	LOGIPORT Osaka Bay	Osaka, Osaka	40,000	46,400	4.2
Osaka-8	LOGIPORT Kyoto	Yawata, Kyoto	13,015	13,200	3.9
Other-1	Aisai Logistics Center	Aisai, Aichi	4,045	4,430	4.2
Other-2	Kariya Logistics Center	Kariya, Aichi	6,045	6,790	4.3
Total/Average (22 properties)			380,934	457,840	4.7
LLR-3	Preferred Securities of Kansai 1 Property TMK		501	—	—
LLR-4	Preferred Securities of Japan Logistics Development 1 TMK		135	—	—
LLR-5	TK Equity Interest of LRF2 Properties GK		600	—	—
LLR-6	Preferred Securities of Japan Logistic Development 2 TMK		475	—	—

Note 1: Figures as of August 31, 2023 for 22 properties and real estate backed securities owned by LLR as of August 31, 2023 are indicated.

Note 2: NOI yield is the ratio of net operating income based on a direct capitalization method indicated in the appraisal report as of August 31, 2023, as a percentage of the acquisition price, rounded to one decimal place.

Note 3: Acquisition price and appraisal value show the amounts equivalent to LLR's co-ownership interest in the trust beneficiary interests.



Major Properties in the Portfolio



Risk Factors

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

Property and Business Risks

- Any adverse conditions in the Japanese economy, including those resulting from inflation, future changes in monetary policy and interest rates, and banking sector instability as well as liquidity issues in some major economies, could adversely affect LLR.
- Russia's military offensive in Ukraine, the subsequent sanctions against Russia and the withdraw of many major corporations from Russia and the resulting adverse impact on the global economy from a number of factors including higher energy prices and inflation, increases to interest rates by central banking authorities, supply chain disruptions, lower global trade volumes, and higher volatility in financial markets.
- Any adverse impact of the military conflict in Israel and potential escalation of tensions in the Middle East.
- Public health issues, such as any future impact from the spread of coronavirus ("COVID-19") or other communicable diseases, may have an adverse impact on LLR's operations, business and financial condition.
- LLR's financial forecasts and other targets are necessarily speculative and subject to uncertainties.
- 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 LaSalle REIT Advisors K.K. (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 monetary easing, could increase LLR's interest expenses and may result in a decline in the market price of its units.
- LLR's portfolio contains several large properties comprising a large portion of the portfolio 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. Climate change may increase the frequency or severity of natural disasters, or increase the cost of reducing risks associated with natural disasters.
 - 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").

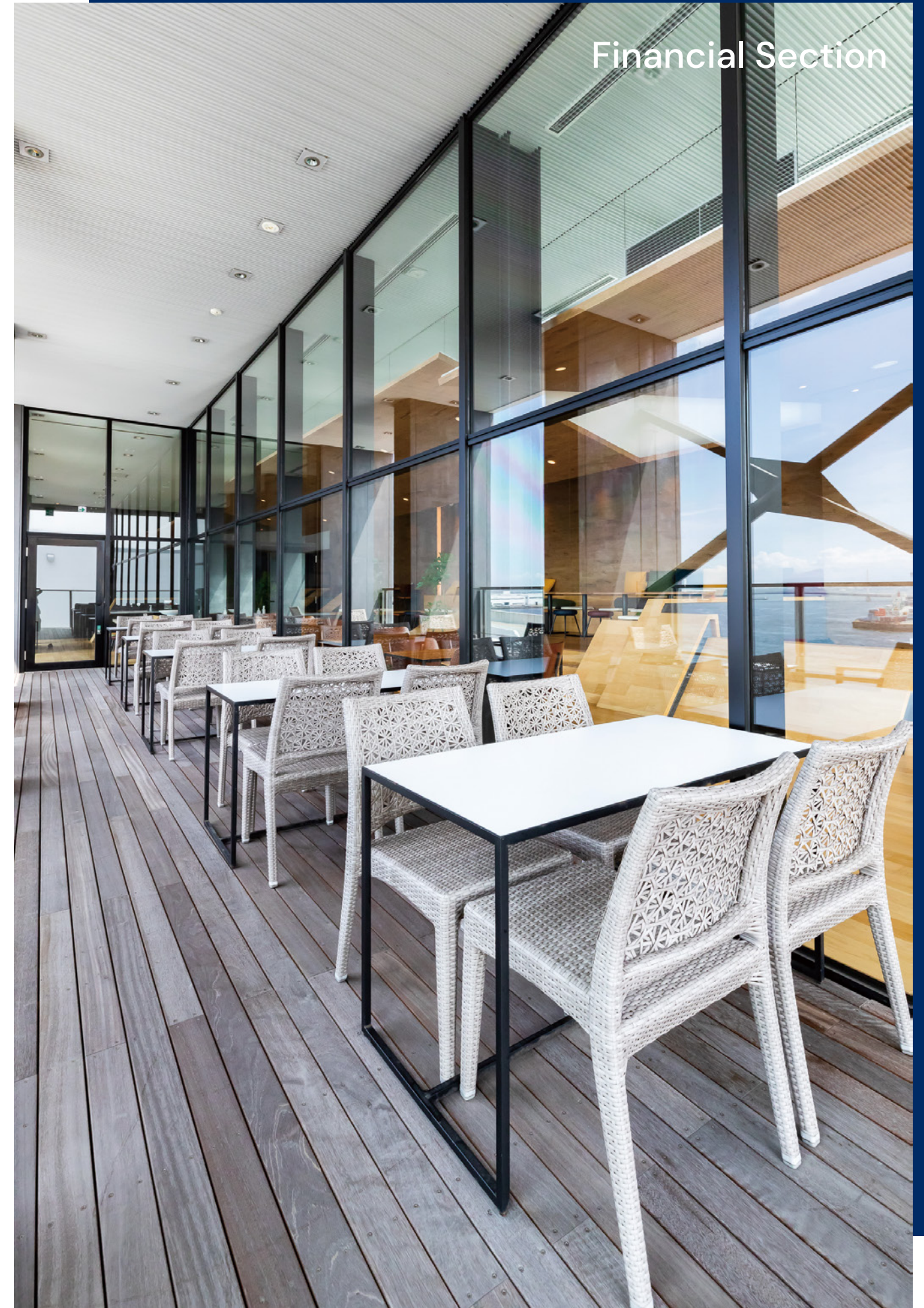
Risk Factors

- Any property defect or non-conformity 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 and Osaka areas, and it may have additional property concentration in other regional core cities 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 or to refinance LLR's existing debt 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 may not be able to make distributions in excess of retained earnings as contemplated by LLR's distribution policy.
- 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 loan to value ("LTV") ratio may increase exposure to changes in interest rates and have a material adverse effect on results of operations.
- A downgrading of LLR's credit rating may affect its ability to refinance or newly issue investment corporation bonds.
- 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 or properties with low occupancy 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 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.
- There are risks associated with overlapping investments with funds managed by the LaSalle Group. Since 2021, the LaSalle Group has established LaSalle Asia Opportunity Fund VI ("LAO VI"), a comprehensive, closed ended private fund that invests in office, retail, residential, warehousing and logistics, hotels, and other commercial properties, and manages assets in the Asia-Pacific region, including Japan. LAO VI is an opportunistic fund ("Opportunistic Fund") that seeks higher target returns than LLR. LAO VI is granted a priority to consider any real estate investment opportunities, within its investment strategy, sourced by LaSalle Group. Although LAO VI is an Opportunistic Fund, and therefore its primary investment targets are different from those of LLR, there may be overlaps in investment targets of logistics facility developments and low occupancy properties, etc., which are targeted as part of LLR's Excess Returns Strategy. For this reason, regarding the potential acquisition opportunities for development properties, low occupancy properties, etc. obtained by the Asset Manager from third parties, an order of priority will be established between the Asset Manager and the LaSalle Group, and the Asset Manager will begin consideration of the potential acquisition opportunity only if the LaSalle Group decides not to pursue it for LAO VI. As such, LLR may not be able to secure all of the potential acquisition opportunities that overlaps with LAO VI, if LAO VI decides to pursue them.

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 owns 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.
- LLR's properties for which third parties hold leasehold interests in the land and own the buildings thereupon may subject LLR to various risks.
- 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 holds interests in some properties through preferred securities of Japanese special purpose companies (*tokutei mokuteki kaisha*), 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 purpose companies may be limited.
- LLR may acquire interests in some properties through Japanese anonymous association (*tokumei kumiai*) agreements and real estate related loans. 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 most 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 the United Kingdom, and increase compliance costs associated with the marketing of LLR's units in the EEA or the United Kingdom.
- LLR's units may be deemed to constitute "plan assets" under the United States Employee Retirement Income Security Act ("ERISA") Plan Asset Regulation, which may lead to the rescission of certain transactions, tax or fiduciary liability, and it being held in violation of certain ERISA and Internal Revenue Code requirements.



Balance Sheet

	Thousands of yen	
	As of	
	August 31, 2023	February 28, 2023
ASSETS		
Current assets		
Cash and deposits (Note 3)	¥ 17,951,390	¥ 20,742,816
Cash and deposits in trust (Note 3)	7,939,192	7,044,401
Operating accounts receivable	499,547	487,725
Prepaid expenses	260,319	267,742
Consumption taxes refund receivable	675,014	–
Other	469	469
Total current assets	27,325,933	28,543,154
Non-current assets		
Property and equipment (Note 6)		
Buildings in trust	139,633,302	130,154,362
Structures in trust	199,523	185,038
Machinery and equipment in trust	214,383	214,383
Tools, furniture and fixtures in trust	33,802	32,520
Land in trust	250,477,043	236,108,725
Construction in progress in trust	183,202	18,247
Less: accumulated depreciation	(14,622,287)	(13,153,556)
Total property and equipment	376,118,970	353,559,721
Investments and other assets		
Investment securities (Note 4)	1,761,354	845,499
Long-term prepaid expenses	771,764	821,163
Deferred tax assets (Note 13)	1	22
Lease and guarantee deposits	10,000	10,000
Lease and guarantee deposits in trust	10,137	10,137
Total investments and other assets	2,553,258	1,686,823
Total non-current assets	378,672,229	355,246,545
Deferred assets		
Investment unit issuance expenses	21,267	33,659
Investment corporation bond issuance costs	51,078	55,851
Total deferred assets	72,346	89,510
Total Assets	¥406,070,509	¥383,879,210

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

	Thousands of yen	
	As of	
	August 31, 2023	February 28, 2023
LIABILITIES		
Current liabilities		
Operating accounts payable	¥ 399,283	¥ 403,745
Short-term loans payable (Note 11)	10,400,000	–
Current portion of long-term loans payable (Notes 4 and 11)	9,060,000	16,560,000
Accounts payable	1,805,469	1,725,674
Accrued expenses	6,233	9,724
Income taxes payable	619	1,062
Accrued consumption taxes	–	240,936
Advances received	2,054,545	1,915,843
Other	1,404,752	1,343,644
Total current liabilities	25,130,905	22,200,631
Non-current liabilities		
Investment corporation bonds payable (Notes 4 and 12)	13,500,000	13,500,000
Long-term loans payable (Notes 4, 5 and 11)	138,060,000	130,560,000
Tenant leasehold and security deposits in trust	4,348,307	4,161,710
Total non-current liabilities	155,908,307	148,221,710
Total Liabilities	181,039,212	170,422,342
NET ASSETS (Note 10)		
Unitholders' equity		
Unitholders' capital	219,940,189	208,357,618
Units authorized:		
10,000,000 units as of August 31, 2023 and February 28, 2023		
Units issued and outstanding:		
1,868,000 units as of August 31, 2023 and 1,785,000 units as of February 28, 2023		
Surplus		
Retained earnings	5,091,107	5,099,250
Total unitholders' equity	225,031,296	213,456,868
Total Net Assets	225,031,296	213,456,868
Total Liabilities and Net Assets	¥406,070,509	¥383,879,210

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

Statement of Income

	Thousands of yen	
	For the periods ended	
	August 31, 2023	February 28, 2023
Operating revenues (Notes 8 and 17)		
Rental revenues	¥10,259,910	¥10,064,316
Other rental revenues	955,831	917,936
Total operating revenue	11,215,742	10,982,252
Operating expenses (Note 8)		
Property-related expenses	4,010,406	3,819,218
Asset management fee	1,342,691	1,347,676
Asset custody and administrative fee	39,773	40,479
Directors' compensations	5,400	5,400
Audit fee	14,000	12,000
Bad debt expenses	68	–
Other operating expenses	61,542	60,005
Total operating expenses	5,473,881	5,284,780
Operating income	5,741,860	5,697,472
Non-operating revenues		
Interest income	129	131
Reversal of distributions payable	504	593
Total non-operating income	633	724
Non-operating expenses		
Interest expenses	435,584	400,500
Interest expenses on investment corporation bonds	39,903	38,646
Amortization of investment unit issuance expense	22,598	22,031
Amortization of investment corporation bond issuance costs	4,772	4,772
Investment unit public offering expenses	27,652	–
Borrowing related expenses	121,504	132,758
Total non-operating expenses	652,016	598,708
Ordinary income	5,090,478	5,099,488
Income before income taxes	5,090,478	5,099,488
Income taxes – current	639	1,082
Income taxes – deferred	21	2
Total income taxes	660	1,085
Net income	5,089,817	5,098,403
Retained earnings brought forward	1,290	846
Retained earnings at end of period	¥ 5,091,107	¥ 5,099,250

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

Statement of Changes in Net Assets

	Number of units	Thousands of yen		
		Unitholders' capital	Retained earnings	Total net assets
Balance as of August 31, 2022 (Note 10)	1,785,000	¥208,786,018	¥5,068,461	¥213,854,479
Distributions in excess of retained earnings		(428,400)		(428,400)
Distributions of retained earnings			(5,067,615)	(5,067,615)
Net income			5,098,403	5,098,403
Balance as of February 28, 2023 (Note 10)	1,785,000	¥208,357,618	¥5,099,250	¥213,456,868
Issuance of new investment units		12,012,756		12,012,756
Distributions in excess of retained earnings		(430,185)		(430,185)
Distributions of retained earnings			(5,097,960)	(5,097,960)
Net income			5,089,817	5,089,817
Balance as of February 28, 2023 (Note 10)	1,868,000	¥219,940,189	¥5,091,107	¥225,031,296

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

Statement of Cash Distributions

Yen				
For the periods ended				
August 31, 2023		February 28, 2023		
	Total	Per unit	Total	Per unit
I Unappropriated retained earnings	¥5,091,107,467		¥5,099,250,013	
II Distributions in excess of retained earnings				
Deduction from unitholders' capital	681,820,000		430,185,000	
III Distributions				
Distributions of retained earnings	5,090,300,000	2,725	5,097,960,000	2,856
Distributions in excess of retained earnings	681,820,000	365	430,185,000	241
Total distributions	5,772,120,000	3,090	5,528,145,000	3,097
IV Retained earnings carried forward	¥ 807,467		¥ 1,290,013	

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.

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 5,090,300,000 yen and 5,097,960,000 yen for the periods ended August 31, 2023 and February 28, 2023, 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.

Based on this policy, the amount roughly equivalent to 30% of the 1,468,730,876 yen that is the amount remaining after deducting the total amount of accumulated depreciation recorded in the previous period from the total amount of accumulated depreciation calculated for this fiscal period was calculated to be 438,980,000 yen. In addition, the amount equivalent to a one-time increase in property-related expenses (mainly outsourcing costs) and a one-time decrease in distribution per unit due to the issuance of new investment units, etc. was calculated to be 242,840,000 yen. As a result, LLR declared 681,820,000 yen as the total amount of distributions of earnings in excess of retained earnings (amount of contributions refunded that under tax law is equivalent to a capital- refund distribution) for the periods ended August 31, 2023. And LLR declared distributions in excess of retained earnings of 430,185,000 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 1,439,473,778 yen for the periods ended February 28, 2023.

Statement of Cash Flows

Thousands of yen		
For the periods ended		
	August 31, 2023	February 28, 2023
Cash flows from operating activities:		
Income before income taxes	¥ 5,090,478	¥ 5,099,488
Depreciation	1,468,730	1,439,473
Amortization of investment unit issuance expenses	22,598	22,031
Amortization of investment corporation bond issuance costs	4,772	4,772
Interest income	(129)	(131)
Interest expenses	475,488	439,146
Decrease (increase) in operating accounts receivable	(11,822)	25,929
Decrease (increase) in consumption taxes refund receivable	(797,431)	–
Decrease (increase) in prepaid expenses	7,423	(17,682)
Decrease (increase) in long-term prepaid expenses	49,398	(408)
Increase (decrease) in operating accounts payable	(4,461)	55,549
Increase (decrease) in accounts payable	55,091	29,848
Increase (decrease) in accrued consumption taxes	(118,519)	(57,037)
Increase (decrease) in advances received	138,702	22,914
Other, net	(1,008)	3,636
Subtotal	6,379,312	7,067,531
Interest income received	129	131
Interest expenses paid	(478,978)	(435,655)
Income taxes paid	(1,082)	(1,138)
Net cash provided by (used in) operating activities	5,899,380	6,630,868
Cash flows from investing activities:		
Purchase of property and equipment in trust	(24,003,276)	(421,925)
Purchase of investment securities	(1,125,854)	(331,362)
Proceeds from redemption of investment securities	210,000	–
Proceeds from tenant leasehold and security deposits in trust	348,986	99,756
Repayments of tenant leasehold and security deposits in trust	(200,058)	(26,051)
Net cash provided by (used in) investing activities	(24,770,203)	(679,583)
Cash flows from financing activities:		
Proceeds from long-term loans payable	10,400,000	–
Proceeds from long-term loans payable	7,500,000	15,110,000
Repayments of long-term loans payable	(7,500,000)	(15,110,000)
Proceeds from issuance of investment units	12,002,549	–
Payment of distributions of retained earnings	(5,097,509)	(5,068,236)
Payment of distributions in excess of retained earnings	(430,136)	(428,449)
Net cash provided by (used in) financing activities	16,874,903	(5,496,686)
Net increase (decrease) in cash and cash equivalents	25,588,281	454,598
Cash and cash equivalents at beginning of period	16,874,903	25,133,682
Cash and cash equivalents at end of period (Note 3)	¥23,592,361	¥25,588,281

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.

The financial statements for the fiscal period ended August 31, 2023 (15th fiscal period) were recently completed, and the total number of issued and outstanding investment units as of the end of this fiscal period is 1,868,000 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 17 properties (combined acquisition price of 234,224 million yen) and disposed of 3 properties (combined acquisition price of 14,730 million yen) during the subsequent fiscal periods. As a result, LLR owned 22 properties (combined acquisition price of 380,934 million yen) as of August 31, 2023.

These 22 properties (with total leasable floor area of 1,553,710 square-meters) comprise LLR's asset holdings as of August 31, 2023, and the occupancy rate for the entire portfolio as of August 31, 2023 was 99.0%.

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

- (i) Available-for-sale securities without fair market value

The moving average cost method is adopted.

- (ii) Equity in investment in a silent partnership

The method in which the amount equivalent to the equity in investment in a silent partnership is taken in as a net amount is adopted.

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
Machinery and equipment	8-24 years
Tools, furniture and fixtures	4-15 years

d) Revenue and Expense Recognition

The details of main performance obligations concerning revenue generated from contracts between LLR and its customers and the ordinary time to satisfy performance obligations (ordinary time to recognize revenue) are as follows.

- (i) Sale of real estate property

LLR recognizes revenue from the sale of real estate property when the purchaser, as the customer, obtains control of the real estate property. Note that LLR discloses “Gain on sales of real estate properties” or “Loss on sales of real estate properties” based on “Sales proceed” excluding “Book value of properties sold” and “Other sales expenses” on Income Statement. “Gain on sales of real estate properties” and “Loss on sales of real estate properties” were not recorded in the current fiscal period.

- (ii) Utilities charge reimbursement

LLR supplies utilities services such as the electricity, water, etc. to the lessee as the customer and recognizes those income based on contracts with the customers.

e) 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. The amount of fixed asset taxes, etc. included in the acquisition costs of real estate, etc. was 46,387 thousand yen in the period ended August 31, 2023, and was not recorded in the period ended February 28, 2023.

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.

Notes to Financial Statements

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 sheet and statement of income accounts.

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

- (i) Cash and deposits in trust
- (ii) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust, construction in progress in trust
- (iii) Lease and guarantee deposits in trust
- (iv) Tenant leasehold and security deposits in trust

j) Nondeductible Portion of Consumption Taxes

The nondeductible portion of consumption taxes imposed in connection with property and equipment are included in the acquisition cost of the respective assets.

3. Cash and Cash Equivalents

The relationship between cash and cash equivalents in the statement of cash flows and the balance sheet is as follows:

	Thousands of yen	
	As of	
	August 31, 2023	February 28, 2023
Cash and deposits	¥17,951,390	¥20,742,816
Cash and deposits in trust	7,939,192	7,044,401
Restricted deposits in trust (Note)	(2,298,221)	(2,198,936)
Cash and cash equivalents	¥23,592,361	¥25,588,281

(Note) Restricted deposits 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

Certain assumptions, etc. are used in calculating the fair value of financial instruments, and there can be cases where the values may vary based on different assumptions, etc. In addition, concerning the contract amounts of derivative transactions in “Derivative transactions” below, the amount itself does not represent the value of the market risks associated with the derivative transactions.

b) Estimated Fair Value of Financial Instruments

The book value, fair value and differences between the two values as of August 31, 2023 and February 28, 2023 are as follows. Shares without market price are not included in the following table (see Note 2 below). The notes for “Cash and deposits,” “Cash and deposits in trust,” and “Short-term loans payable” are omitted due to their short-term settlement. Also, the note for “Tenant leasehold and security deposits in trust” is omitted because of immaterial.

	Thousands of yen		
	As of August 31, 2023		
	Book value	Fair value	Difference
(1) Current portion of long-term loans payable	¥ 9,060,000	¥ 9,067,831	¥ 7,831
(2) Investment corporation bonds payable	13,500,000	13,152,250	(347,750)
(3) Long-term loans payable	138,060,000	139,227,563	1,167,563
Total liabilities	¥160,620,000	¥161,447,644	¥ 827,645
(4) Derivative transactions	¥ –	¥ –	¥ –

	Thousands of yen		
	As of February 28, 2023		
	Book value	Fair value	Difference
(1) Current portion of long-term loans payable	¥ 16,560,000	¥ 16,566,924	¥ 6,924
(2) Investment corporation bonds payable	13,500,000	13,086,050	(413,950)
(3) Long-term loans payable	130,560,000	131,857,760	1,297,760
Total liabilities	¥160,620,000	¥161,510,735	¥ 890,735
(4) Derivative transactions	¥ –	¥ –	¥ –

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

(1) Current portion of long-term loans payable and (3) 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.

(2) Investment corporation bonds payable

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

(4) Derivative transactions

Please refer to Note 5, “Derivative Transactions.”

Notes to Financial Statements

(Note 2) Shares without market price

The description and balance sheet amounts of shares without market price are as follows:

	Thousands of yen	
	As of	
	August 31, 2023	February 28, 2023
Preferred securities	¥1,134,001	¥653,951

(Note 3) Equity in investment in a silent partnership

The description and balance sheet amounts of equity in investment in a silent partnership are as follows:

	Thousands of yen	
	As of	
	August 31, 2023	February 28, 2023
Equity in investment in a silent partnership	¥627,353	¥191,548

(Note 4) Repayment schedule for short-term loans payable, investment corporation bonds and long-term loans payable after August 31, 2023

	Thousands of yen					
	As of August 31, 2023					
	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	¥ –	¥ –	¥ –	¥ 5,500,000	¥ 3,000,000	¥ 5,000,000
Long-term loans payable	9,060,000	20,820,000	17,580,000	18,700,000	18,520,000	62,440,000
Total	¥9,060,000	¥20,820,000	¥17,580,000	¥24,200,000	¥21,520,000	¥67,440,000

Repayment schedule for short-term loans payable, investment corporation bonds and long-term loans payable after February 28, 2023

	Thousands of yen					
	As of February 28, 2023					
	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	¥ –	¥ –	¥ –	¥ 2,000,000	¥ 6,500,000	¥ 5,000,000
Long-term loans payable	16,560,000	9,070,000	21,450,000	18,680,000	14,200,000	67,160,000
Total	¥16,560,000	¥9,070,000	¥21,450,000	¥20,680,000	¥20,700,000	¥72,160,000

5. Derivative Transactions

For the periods ended August 31, 2023 and February 28, 2023, 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, 2023			
			Contract amount			
			Total	Due after one year	Fair value	Fair value measurement
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fixed	Long-term loans payable	¥117,320,000	¥111,130,000	(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, (1) Current portion of long-term loans payable and (3) Long-term loans payable."

Hedge accounting method	Type of derivative transaction	Primary hedged item	Thousands of yen			
			As of February 28, 2023			
			Contract amount			
			Total	Due after one year	Fair value	Fair value measurement
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fixed	Long-term loans payable	¥117,320,000	¥111,130,000	(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, (1) Current portion of long-term loans payable and (3) Long-term loans payable."

6. Property and Equipment

The following table summarizes the property and equipment as of August 31, 2023 and February 28, 2023.

	Thousands of yen					
	As of August 31, 2023					
	At cost					
	Beginning balance	Increase	Decrease	Ending balance	Accumulated depreciation	Book value
Buildings in trust	¥130,154,362	¥ 9,478,940	¥ –	¥139,633,302	¥14,537,907	¥125,095,395
Structures in trust	185,038	14,484	–	199,523	49,348	150,175
Machinery and equipment in trust	214,383	–	–	214,383	27,604	186,778
Tools, furniture and fixtures in trust	32,520	1,281	–	33,802	7,427	26,374
Land in trust	236,108,725	14,368,318	–	250,477,043	–	250,477,043
Construction in progress in trust	18,247	164,955	–	183,202	–	183,202
Total	¥366,713,278	¥24,027,980	¥ –	¥390,741,258	¥14,622,287	¥376,118,970

Notes to Financial Statements

	Thousands of yen					
	As of February 28, 2023					
	At cost					
	Beginning balance	Increase	Decrease	Ending balance	Accumulated depreciation	Book value
Buildings in trust	¥129,821,462	¥332,900	¥ –	¥130,154,362	¥13,083,474	¥117,070,888
Structures in trust	176,826	8,212	–	185,038	41,433	143,605
Machinery and equipment in trust	214,383	–	–	214,383	23,130	191,252
Tools, furniture and fixtures in trust	28,469	4,051	–	32,520	5,517	27,002
Land in trust	236,108,725	–	–	236,108,725	–	236,108,725
Construction in progress in trust	1,254	16,993	–	18,247	–	18,247
Total	¥366,351,121	¥362,156	¥ –	¥366,713,278	¥13,153,556	¥353,559,721

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, 2023	February 28, 2023
Book value (Note 1)		
Balance at the beginning of the period	¥353,559,721	¥354,637,038
Changes during the period (Note 2)	22,559,249	(1,077,317)
Balance at the end of the period	¥376,118,970	¥353,559,721
Fair value at the end of the period (Note 3)	¥457,840,000	¥427,240,000

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

(Note 2) The increase for period ended August 31, 2023, was a result of the acquisition of three properties during the period with a total value of 23,401,367 thousand yen. The decrease for period ended August 31, 2023, was a result of the recognition of depreciation expenses of 1,468,730 thousand yen, respectively.

In addition, the decrease for period ended February 28, 2023, was a result of the recognition of depreciation expenses of 1,439,473 thousand yen.

(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, 2023 and February 28, 2023.

	Thousands of yen	
	For the periods ended	
	August 31, 2023	February 28, 2023
(1) Real estate leasing revenues		
Rental revenues		
Rental income	¥ 9,422,889	¥ 9,226,227
Common service fee	837,021	838,089
Total	¥10,259,910	¥10,064,316
Other rental revenues		
Utilities charge reimbursement	¥ 619,011	¥ 642,756
Parking revenue	185,811	188,403
Other lease revenues	151,008	86,776
Total	¥ 955,831	¥ 917,936
Total real estate leasing revenues	¥11,215,742	¥10,982,252
(2) Real estate leasing expenses		
Property-related expenses		
Outsourcing costs	¥ 449,442	¥ 428,309
Utilities expenses	591,094	631,575
Taxes and public dues	1,015,203	1,008,438
Insurance premiums	22,650	21,635
Repair and maintenance	172,757	129,435
Depreciation	1,468,730	1,439,473
Other leasing expenses	290,527	160,349
Total real estate leasing expenses	¥ 4,010,406	¥ 3,819,218
(3) Real estate leasing profit ((1) - (2))	¥ 7,205,335	¥ 7,163,034

9. Leases

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

	Thousands of yen	
	As of	
	August 31, 2023	February 28, 2023
Due within one year	¥16,100,019	¥16,036,377
Due after one year	35,369,988	30,204,958
Total	¥51,470,008	¥46,241,335

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.

Notes to Financial Statements

b) Unitholders' Capital

Unitholders' capital as of August 31, 2023 and February 28, 2023 consists of the following items:

	Thousands of yen	
	As of	
	August 31, 2023	February 28, 2023
Unitholders' capital, gross	¥223,876,689	¥211,863,933
Deduction from unitholders' capital; Accumulated distribution in excess of retained earnings	(3,936,500)	(3,506,315)
Unitholders' capital	¥219,940,189	¥208,357,618

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 long-term loans payable as of August 31, 2023 and February 28, 2023.

	Thousands of yen	
	As of	
	August 31, 2023	February 28, 2023
0.25928% unsecured short-term loans due 2024	¥ 10,400,000	¥ –
Total short-term loans payable	¥ 10,400,000	¥ –
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
0.38614% unsecured long-term loans due 2023	–	1,900,000
0.47128% unsecured long-term loans due 2023	–	5,600,000
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
0.34020% unsecured long-term loans due 2026 (*)	3,100,000	3,100,000
0.42105% unsecured long-term loans due 2027 (*)	5,100,000	5,100,000
0.30050% unsecured long-term loans due 2026 (*)	1,300,000	1,300,000
0.36250% unsecured long-term loans due 2027 (*)	5,700,000	5,700,000
0.40350% unsecured long-term loans due 2027 (*)	7,900,000	7,900,000
0.42364% unsecured long-term loans due 2025	5,000,000	5,000,000
0.44400% unsecured long-term loans due 2027 (*)	6,300,000	6,300,000
0.50950% unsecured long-term loans due 2028 (*)	20,000,000	20,000,000
0.34980% unsecured long-term loans due 2026	1,540,000	1,540,000
0.41000% unsecured long-term loans due 2028 (*)	4,300,000	4,300,000
0.51700% unsecured long-term loans due 2029 (*)	7,000,000	7,000,000
0.35364% unsecured long-term loans due 2026	2,000,000	2,000,000
0.40440% unsecured long-term loans due 2028 (*)	2,800,000	2,800,000
0.52360% unsecured long-term loans due 2029 (*)	13,100,000	13,100,000
0.30694% unsecured long-term loans due 2028	1,000,000	1,000,000
0.71150% unsecured long-term loans due 2030 (*)	3,850,000	3,850,000
0.39686% unsecured long-term loans due 2028	2,720,000	2,720,000
1.22285% unsecured long-term loans due 2030 (*)	10,890,000	10,890,000
0.46110% unsecured long-term loans due 2031	1,500,000	1,500,000
–% unsecured long-term loans due 2028	1,400,000	–
–% unsecured long-term loans due 2031	6,100,000	–
Total long-term loans payable	¥147,120,000	¥147,120,000
Total short-term and long-term loans payable	¥157,520,000	¥147,120,000

The stated interest rate is the weighted average interest rate during the period ended August 31, 2023. 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, 2023 is disclosed in Note 4, "Financial Instruments."

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

LLR is in the contract of commitment line agreement with two banks.

	Thousands of yen	
	As of	
	August 31, 2023	February 28, 2023
Total amount of committed line of credit	¥4,000,000	¥4,000,000
Borrowings drawn down	–	–
Balance of unused committed line of credit	¥4,000,000	¥4,000,000

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, 2023 and February 28, 2023.

	Issued date	Maturity date	Interest rate	Thousands of yen	
				As of	
				August 31, 2023	February 28, 2023
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
5th unsecured bond	December 21, 2017	December 21, 2027	0.630%	1,000,000	1,000,000
6th unsecured bond (Green bond)	February 20, 2020	February 20, 2030	0.590%	3,000,000	3,000,000
7th unsecured bond (Green bond)	February 16, 2021	February 15, 2036	0.760%	2,000,000	2,000,000
8th unsecured bond (Green bond)	February 10, 2022	February 10, 2028	0.250%	2,000,000	2,000,000
Total				¥13,500,000	¥13,500,000

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, 2023 and February 28, 2023 are as follows:

	Thousands of yen	
	As of	
	August 31, 2023	February 28, 2023
Enterprise tax payable	¥1	¥22
Total deferred tax assets	1	22
Net deferred tax assets	¥1	¥22

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 statement of income for the periods ended August 31, 2023 and February 28, 2023 are as follows:

	For the periods ended	
	August 31, 2023	February 28, 2023
Statutory tax rate	31.46%	31.46%
Adjustments:		
Deductible distributions	(31.46%)	(31.45%)
Other	0.01%	0.01%
Actual effective income tax rate	0.01%	0.02%

14. Per Unit Information

The following table summarizes per unit information for the fiscal period ended August 31, 2023 and February 28, 2023.

	Yen	
	For the periods ended	
	August 31, 2023	February 28, 2023
Net income per unit		
Basic net income per unit	¥2,811	¥2,856
Weighted average number of units outstanding	1,810,554	1,785,000
	Yen	
	As of	
	August 31, 2023	February 28, 2023
Net assets per unit	¥120,466	¥119,583

(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 5,089,817 thousand yen and 5,098,403 thousand yen for the period ended August 31, 2023 and February 28, 2023, 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, 2023)

None

(For the period ended February 28, 2023)

None

b) Transactions and Account Balances with Affiliates

(For the period ended August 31, 2023)

None

(For the period ended February 28, 2023)

None

c) Transactions and Account Balances with Companies under Common Control

(For the period ended August 31, 2023)

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)	¥1,584,791	Accounts payable	¥1,476,960

(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, attributable to property and investment securities acquisitions, were 231,050 thousand yen and 11,050 thousand yen, respectively.

(For the period ended February 28, 2023)

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)	¥1,350,826	Accounts payable	¥1,482,444

(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, attributable to investment security acquisitions, was 3,150 thousand yen.

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, 2023)

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 statement 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 statement 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 sheet.

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 statement of income.

(For the period ended February 28, 2023)

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 statement 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 statement 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 sheet.

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 statement of income.

17. Revenue Recognition

The breakdown information on revenue from contracts with customers for the periods ended August 31, 2023 and February 28, 2023 are as follows:

	Thousands of yen	
	For the periods ended August 31, 2023	
	Revenue from contracts with customers (Note)	Sales to external customers
Sales of real estate properties	¥ –	¥ –
Utilities charge reimbursement	619,011	619,011
Other	–	10,596,730
Total	¥619,011	¥11,215,742

	Thousands of yen	
	For the periods ended February 28, 2023	
	Revenue from contracts with customers (Note)	Sales to external customers
Sales of real estate properties	¥ –	¥ –
Utilities charge reimbursement	642,756	642,756
Other	–	10,339,495
Total	¥642,756	¥10,982,252

(Note) Rental revenue, etc. subject to the “Accounting Standard for Lease Transactions” (ASBJ Statement No.13) are excluded from the above amount as such revenue is not subject to the Revenue Recognition Accounting Standard. Revenue from contracts with customers mainly represents proceeds from sales of real estate properties and utilities charge reimbursement.

18. Subsequent Events

a) Execution of a purchase and sale agreement for the acquisition of assets (real estate trust beneficiary interests)

On October 16, 2023, LLR decided to acquire the following newly acquired asset, and plans to acquire it on March 1, 2024. The purchase and sale agreements associated with the intended acquisition asset are forward commitment agreements (The purchase and sale agreement is dated as of a previous date, which is supposed to be settled and closed after 1 month or more after the execution of said purchase and sale agreement. The same applies hereinafter). In addition, the intended acquisition date is subject to change as agreed upon between LLR and the seller in accordance with trust beneficiary interests purchase and sale agreement.

Area	Property number	Asset name	Location	Acquisition price (million yen)	Seller
Other	Other-3	Inuyama Logistics Center	Inuyama-city, Aichi	¥3,270	LRF2 Properties GK

b) Execution and acquisition of underwriting agreements for the assets (preferred securities and specified corporate bonds)

On October 16, 2023, LLR decided to acquire the following newly preferred securities and specified corporate bonds, and acquired 1st preferred securities and 1st specified corporate bonds on November 17, 2023 and November 21, 2023, respectively. The underwriting agreements for the acquisition of the newly acquired assets are forward commitment agreements.

Asset name	Acquisition price (million yen)	Acquiring entity	Subject real estate
NY Properties TMK Preferred securities	¥ 735	NY Properties TMK	Nanko Logistics Center, Yachiyo Logistics Center
NY Properties TMK Specified corporate bonds	¥2,000		

Notes to Financial Statements

Intended acquisition days

Preferred securities	1st Closing November 17, 2023	392 million yen
	2nd Closing Mid-March 2024	171.5 million yen
	3rd Closing Late-June 2024 to Early-July 2024	171.5 million yen
Specified corporate bonds	1st Closing November 21, 2023	800 million yen
	2nd Closing March 19, 2024	600 million yen
	3rd Closing July 9, 2024	600 million yen

c) Acquisition of assets (equity in investment in a silent partnership)

LLR acquired the following newly equity in investment in a silent partnership on October 30, 2023. In addition, the preferred securities of Kansai 1 Property TMK held by LLR (whose subject real estate is the following Osaka Suminoe Logistics Center), are scheduled to be redeemed by the end of the fiscal period ending February 2024.

Asset name	Acquisition price (million yen)	Acquiring entity	Subject real estate
Equity in investment in a silent partnership of LRF2 Properties GK	¥190	LRF2 Properties GK	Osaka Suminoe Logistics Center

d) Execution and disposition of a purchase and sale agreement for the disposition of assets (real estate trust beneficiary interests)

On October 16, 2023, LLR decided to dispose the following newly disposed asset, and disposed it on November 22, 2023. The purchase and sale agreements associated with the intended disposition asset are forward commitment agreements. In addition, the intended disposition date is subject to change as agreed upon between LLR and the buyer in accordance with trust beneficiary interests purchase and sale agreement.

Area	Property number	Asset name	Location	Disposition price (million yen)	Buyer
Tokyo area	Tokyo-5	LOGIPORT Nagareyama B (Joint Co-ownership interest of 37.5%)	Nagareyama, Chiba	¥13,125	Undisclosed

Intended acquisition day

1st Closing (Joint Co-ownership interest of 12.5%) November 22, 2023	4,375 million yen
2nd Closing (Joint Co-ownership interest of 12.5%) March 21, 2024	4,375 million yen
3rd Closing (Joint Co-ownership interest of 12.5%) September 10, 2024	4,375 million yen

e) Acquisition of assets (preferred securities)

LLR acquired the following newly preferred securities on November 29, 2023.

Asset name	Acquisition price (million yen)	Acquiring entity	Subject real estate
Japan Logistics Development 1 TMK 2nd preferred securities	¥50	Japan Logistics Development 1 TMK	Matsudo Project

Supplementary Schedules

1. Schedule of Securities

a) Stocks

None

b) Securities other than stocks

		Thousands of yen				
		As of August 31, 2023				
Type	Issue	Face value	Book value	Fair value (Note 1)	Valuation gain or loss	Remarks
Preferred securities	Kansai 1 Property TMK Preferred Securities	¥ –	¥ 513,701	¥ 513,701	¥ –	(Note 2)
Preferred securities	Japan Logistics Development 1 TMK Preferred Securities	–	140,249	140,249	–	(Note 3)
Equity in investment in a silent partnership	LRF2 Properties GK Equity in investment in a silent partnership	–	627,353	627,353	–	(Note 4)
Preferred securities	Japan Logistics Development 2 TMK Preferred Securities	–	480,050	480,050	–	(Note 5)
Total		¥ –	¥1,761,354	¥1,761,354	¥ –	

(Note 1) The book value is shown for the appraisal value.

(Note 2) The underlying asset is trust beneficiary interest for Osaka Suminoe Logistics Center.

(Note 3) The underlying asset is trust beneficiary interest for Matsudo Project.

(Note 4) The underlying asset is trust beneficiary interest for Urawa Misono Project, Inuyama Project, Logiport Kazo, Konosu Project and Iruma Project.

(Note 5) The underlying asset is trust beneficiary interest for Sendai Project.

2. Schedule of Contract Amounts and Fair Value of Derivative Transactions and Forward Exchange Transactions

			Thousands of yen		
			As of August 31, 2023		
			Contract amounts (Note 1)		
Hedge accounting method	Type of derivative transaction	Primary hedged item	Total	Due after one year	Fair value (Note 2)
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fixed	Long-term loans payable	¥117,320,000	¥111,130,000	¥1,296,941

(Note 1) Contract amounts of interest-rate swaps are presented based on notional amounts.

(Note 2) Fair value is calculated based on the price quoted by lending financial institutions, etc.

(Note 3) The transactions are not valued at fair value because of adoption of the special accounting treatment for interest rate swap under Japanese GAAP.

3. Schedule of Property and Equipment

The schedule is described in the aforementioned “Note 6 Property and Equipment, the table for as of August 31, 2023.”

4. Schedule of Other Specified Assets

The beneficial interests in real estate trusts are included in the aforementioned “Note 6 Property and Equipment, the table for as of August 31, 2023.”

Supplementary Schedules

5. Schedule of Investment Corporation Bonds Payable

Thousands of yen								
As of August 31, 2023								
	Issued date	Maturity date	Interest rate	Beginning balance	Decrease	Ending balance	Use	Collateral
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		
5th unsecured bond	December 21, 2017	December 21, 2027	0.630%	1,000,000	–	1,000,000		
6th unsecured bond (Green bond)	February 20, 2020	February 20, 2030	0.590%	3,000,000	–	3,000,000	Repayment of existing borrowings	Unsecured/ unguaranteed
7th unsecured bond (Green bond)	February 16, 2021	February 15, 2036	0.760%	2,000,000	–	2,000,000		
8th unsecured bond (Green bond)	February 10, 2022	February 10, 2028	0.250%	2,000,000	–	2,000,000		
Total				¥13,500,000	¥ –	¥13,500,000		

(Note) The yearly schedule of redemption for investment corporation bonds payable within five years after August 31, 2023 is as follows:

Thousands of yen					
As of August 31, 2023					
	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
Investment corporation bonds payable	¥ –	¥ –	¥ –	¥5,500,000	¥3,000,000

6. Schedule of Short-term and Long-term Loans Payable

Thousands of yen								
As of August 31, 2023								
Lender	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Repayment date	Use	Remarks
Short-term loans payable								
MUFG Bank, Ltd.	¥ –	¥ 5,300,000	¥ –	¥ 5,300,000	0.25928%	Jun 28, 2024	(Note 2)	Unsecured/ unguaranteed
Mizuho Bank, Ltd.	–	5,100,000	–	5,100,000				
Total short-term loans payable	¥ –	¥10,400,000	¥ –	¥10,400,000				
Long-term loans payable								
MUFG Bank, Ltd.	2,870,000	–	–	2,870,000	0.79000%	February 19, 2024 (Note 9)	(Note 2)	Unsecured/ unguaranteed
Mizuho Bank, Ltd.	2,530,000	–	–	2,530,000	0.76155%	February 19, 2024 (Note 9)	(Note 2)	Unsecured/ unguaranteed
Sumitomo Mitsui Banking Corporation	2,530,000	–	–	2,530,000				
Sumitomo Mitsui Trust Bank, Limited	1,130,000	–	–	1,130,000				
MUFG Bank, Ltd.	4,160,000	–	–	4,160,000	0.89000%	February 17, 2025	(Note 2)	Unsecured/ unguaranteed

	Thousands of yen							
	As of August 31, 2023							
Lender	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Repayment date	Use	Remarks
Mizuho Bank, Ltd.	2,080,000	–	–	2,080,000	0.88680%	February 17, 2025	(Note 2)	Unsecured/ unguaranteed
Sumitomo Mitsui Banking Corporation	2,080,000	–	–	2,080,000				
Sumitomo Mitsui Trust Bank, Limited	750,000	–	–	750,000				
MUFG Bank, Ltd.	1,510,000	–	–	1,510,000	0.98000%	February 17, 2026	(Note 2)	Unsecured/ unguaranteed
Mizuho Bank, Ltd.	900,000	–	–	900,000	0.93127%	February 17, 2026	(Note 2)	Unsecured/ unguaranteed
Sumitomo Mitsui Banking Corporation	900,000	–	–	900,000				
Sumitomo Mitsui Trust Bank, Limited	450,000	–	–	450,000				
Sumitomo Mitsui Banking Corporation	1,900,000	–	1,900,000	–	0.38614%	September 1, 2023	(Note 3)	Unsecured/ unguaranteed
MUFG Bank, Ltd.	2,300,000	–	2,300,000	–	0.47128%	September 1, 2023	(Note 3)	Unsecured/ unguaranteed
Mizuho Bank, Ltd.	1,900,000	–	1,900,000	–				
Sumitomo Mitsui Trust Bank, Limited	1,400,000	–	1,400,000	–				
MUFG Bank, Ltd.	310,000	–	–	310,000	0.51435%	March 5, 2025	(Note 2)	Unsecured/ unguaranteed
Mizuho Bank, Ltd.	410,000	–	–	410,000				
Sumitomo Mitsui Banking Corporation	410,000	–	–	410,000				
Sumitomo Mitsui Trust Bank, Limited	370,000	–	–	370,000				
Development Bank of Japan Inc.	800,000	–	–	800,000				
Resona Bank, Limited	1,250,000	–	–	1,250,000				
The Bank of Fukuoka	1,150,000	–	–	1,150,000				
SBI Shinsei Bank, Limited	850,000	–	–	850,000				
The 77 Bank, Ltd.	300,000	–	–	300,000				
The Nomura Trust and Banking Co., Ltd.	500,000	–	–	500,000				
The Chugoku Bank, Limited	400,000	–	–	400,000				
MUFG Bank, Ltd.	1,850,000	–	–	1,850,000	0.59950%	March 5, 2026	(Note 2)	Unsecured/ unguaranteed
Mizuho Bank, Ltd.	1,450,000	–	–	1,450,000				
Sumitomo Mitsui Banking Corporation	1,450,000	–	–	1,450,000				
Sumitomo Mitsui Trust Bank, Limited	1,130,000	–	–	1,130,000	0.34020%	February 17, 2026	(Note 2)	Unsecured/ unguaranteed
Resona Bank, Limited	550,000	–	–	550,000				
The Bank of Fukuoka	550,000	–	–	550,000				
SBI Shinsei Bank, Limited	700,000	–	–	700,000				
The 77 Bank, Ltd.	400,000	–	–	400,000				
The Nomura Trust and Banking Co., Ltd.	450,000	–	–	450,000				
The Chugoku Bank, Limited	450,000	–	–	450,000				

Supplementary Schedules

	Thousands of yen							
	As of August 31, 2023							
Lender	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Repayment date	Use	Remarks
MUFG Bank, Ltd.	1,600,000	–	–	1,600,000	0.42105%	February 15, 2027	(Note 2)	Unsecured/ unguaranteed
Mizuho Bank, Ltd.	1,200,000	–	–	1,200,000				
Sumitomo Mitsui Banking Corporation	800,000	–	–	800,000				
Sumitomo Mitsui Trust Bank, Limited	800,000	–	–	800,000				
Development Bank of Japan Inc.	700,000	–	–	700,000				
The Bank of Fukuoka	93,000	–	–	93,000	0.30050%	February 17, 2026	(Note 2)	Unsecured/ unguaranteed
SBI Shinsei Bank, Limited	743,000	–	–	743,000				
The 77 Bank, Ltd.	232,000	–	–	232,000				
The Nomura Trust and Banking Co., Ltd.	232,000	–	–	232,000				
SBI Shinsei Bank, Limited	1,500,000	–	–	1,500,000				
Resona Bank, Limited	1,300,000	–	–	1,300,000	0.36250%	February 15, 2027	(Note 2)	Unsecured/ unguaranteed
THE NISHI-NIPPON CITY BANK, LTD.	1,000,000	–	–	1,000,000				
The Nomura Trust and Banking Co., Ltd.	900,000	–	–	900,000				
The Chugoku Bank, Limited	500,000	–	–	500,000				
The Bank of Fukuoka	500,000	–	–	500,000				
MUFG Bank, Ltd.	2,300,000	–	–	2,300,000	0.40350%	July 13, 2027	(Note 2)	Unsecured/ unguaranteed
Mizuho Bank, Ltd.	2,200,000	–	–	2,200,000				
Sumitomo Mitsui Banking Corporation	1,800,000	–	–	1,800,000				
Development Bank of Japan Inc.	1,600,000	–	–	1,600,000				
Sumitomo Mitsui Trust Bank, Limited	5,000,000	–	–	5,000,000				
Development Bank of Japan Inc.	1,500,000	–	–	1,500,000	0.42364%	August 29, 2025	(Note 2)	Unsecured/ unguaranteed
Resona Bank, Limited	1,300,000	–	–	1,300,000				
The Bank of Fukuoka	1,000,000	–	–	1,000,000				
SBI Shinsei Bank, Limited	1,000,000	–	–	1,000,000				
The Chugoku Bank, Limited	500,000	–	–	500,000				
THE NISHI-NIPPON CITY BANK, LTD.	1,000,000	–	–	1,000,000	0.44400%	December 21, 2027	(Note 2)	Unsecured/ unguaranteed
MUFG Bank, Ltd.	7,900,000	–	–	7,900,000				
Mizuho Bank, Ltd.	6,300,000	–	–	6,300,000				
Sumitomo Mitsui Banking Corporation	5,800,000	–	–	5,800,000				
Sumitomo Mitsui Trust Bank, Limited	1,540,000	–	–	1,540,000				
					0.50950%	December 20, 2028	(Note 2)	Unsecured/ unguaranteed
					0.34980%	February 17, 2026	(Note 4)	Unsecured/ unguaranteed

	Thousands of yen							
	As of August 31, 2023							
Lender	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Repayment date	Use	Remarks
Resona Bank, Limited	950,000	–	–	950,000	0.41000%	June 30, 2028	(Note 4)	Unsecured/ unguaranteed
The Bank of Fukuoka	1,350,000	–	–	1,350,000				
SBI Shinsei Bank, Limited	900,000	–	–	900,000				
The Chugoku Bank, Limited	100,000	–	–	100,000				
THE NISHI-NIPPON CITY BANK, LTD.	1,000,000	–	–	1,000,000				
MUFG Bank, Ltd.	1,640,000	–	–	1,640,000	0.51700%	June 29, 2029	(Note 4)	Unsecured/ unguaranteed
Mizuho Bank, Ltd.	1,640,000	–	–	1,640,000				
Sumitomo Mitsui Banking Corporation	1,640,000	–	–	1,640,000				
Development Bank of Japan Inc.	2,080,000	–	–	2,080,000				
Sumitomo Mitsui Trust Bank, Limited	2,000,000	–	–	2,000,000				
SBI Shinsei Bank, Limited	1,000,000	–	–	1,000,000	0.35364%	April 30, 2026	(Note 2)	Unsecured/ unguaranteed
Aozora Bank, Ltd.	1,000,000	–	–	1,000,000				
Resona Bank, Limited	800,000	–	–	800,000				
MUFG Bank, Ltd.	4,200,000	–	–	4,200,000				
Mizuho Bank, Ltd.	3,800,000	–	–	3,800,000				
Sumitomo Mitsui Banking Corporation	3,600,000	–	–	3,600,000	0.40440%	June 30, 2028	(Note 2)	Unsecured/ unguaranteed
Development Bank of Japan Inc.	1,500,000	–	–	1,500,000				
Aozora Bank, Ltd.	1,000,000	–	–	1,000,000				
MUFG Bank, Ltd.	2,550,000	–	–	2,550,000				
Development Bank of Japan Inc.	500,000	–	–	500,000				
Resona Bank, Limited	400,000	–	–	400,000	0.71150%	June 28, 2030	(Note 6)	Unsecured/ unguaranteed
The Bank of Fukuoka	400,000	–	–	400,000				
Sumitomo Mitsui Trust Bank, Limited	2,720,000	–	–	2,720,000				
MUFG Bank, Ltd.	2,850,000	–	–	2,850,000				
Mizuho Bank, Ltd.	2,800,000	–	–	2,800,000				
Sumitomo Mitsui Banking Corporation	2,800,000	–	–	2,800,000	0.39686%	February 29, 2028	(Note 7)	Unsecured/ unguaranteed
Development Bank of Japan Inc.	2,440,000	–	–	2,440,000				
Mitsubishi UFJ Trust and Banking Corporation (Trust account) (Note 8)	1,500,000	–	–	1,500,000				
Sumitomo Mitsui Trust Bank, Limited	–	1,400,000	–	1,400,000				
MUFG Bank, Ltd.	–	2,300,000	–	2,300,000				
Mizuho Bank, Ltd.	–	1,900,000	–	1,900,000	1.22285%	June 28, 2030	(Note 7)	Unsecured/ unguaranteed
Sumitomo Mitsui Banking Corporation	–	1,900,000	–	1,900,000				
Total long-term loans payable	¥147,120,000	¥ 7,500,000	¥7,500,000	¥147,120,000				
Total short-term and long-term loans payable	¥147,120,000	¥17,900,000	¥7,500,000	¥157,520,000				

Supplementary Schedules

- (Note 1) Average interest rate represents the weighted average interest rate during the fiscal period and is rounded to the 6th decimal place. Also, average interest rates on borrowings with interest-rate swaps used to hedge interest rate risk are stated taking into account the effects of interest-rate swaps.
- (Note 2) The funds were used for acquisition of trust beneficiary interest in properties and payment of related costs.
- (Note 3) The funds were used for acquisition of trust beneficiary interest in properties, payment of related costs and repayment of short-term loans payable.
- (Note 4) The funds were used for repayment of short-term and long-term loans payable.
- (Note 5) The funds were used for redemption of investment corporation bonds.
- (Note 6) The funds were used for repayment of long-term loans payable and redemption of investment corporation bonds.
- (Note 7) The funds were used for repayment of long-term loans payable.
- (Note 8) Loan payable from Mitsubishi UFJ Trust and Banking Corporation was reattributed to the trust account.
- (Note 9) Current portion of long-term loans payable is included in long-term loans payable.
- (Note 10) The yearly schedule of repayment for long-term loans payable within five years after August 31, 2023 is as follows:

	Thousands of yen				
	As of August 31, 2023				
	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
Long-term loans payable	¥9,060,000	¥20,820,000	¥17,580,000	¥18,700,000	¥18,520,000

Independent Auditor’s Report



Independent Auditor’s Report

To the Board of Directors of LaSalle LOGIPORT REIT

THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of LaSalle LOGIPORT REIT (the Company), which comprise the balance sheet as at August 31, 2023, and the statement of income, statement of changes in net assets, statement of cash distributions and statement of cash flows for the six months period then ended, and notes to the financial statements and supplementary schedules.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2023, and its financial performance and its cash flows for the six months period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to 18.Subsequent Events to the financial statements, which states a)Execution of a purchase and sale agreement for the acquisition of assets, b)Execution and acquisition of underwriting agreements for the assets ,c)Acquisition of assets, d) Execution and disposition of a purchase and sale agreement for the disposition of assets and e) Acquisition of assets (preferred securities). Our opinion is not modified in respect of these matters.

Other Information

The other information comprises the information included in the semi-annual report, but does not include the financial statements and our auditor’s report thereon. Management is responsible for the other information. In addition, those charged with governance are responsible for overseeing the Company’s reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

PricewaterhouseCoopers Aarata LLC
Otemachi Park Building, 1-1-1 Otemachi, Chiyoda-ku, Tokyo 100-0004, Japan
T: +81 (3) 6212 6800, F: +81 (3) 6212 6801, www.pwc.com/jp/assurance

Independent Auditor’s Report



the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern and disclosing, as applicable, matters related to going concern.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to



modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures of the financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

FEE-RELATED INFORMATION

In connection with our audit of the financial statements for the six months period ended August 31, 2023, the amounts of fees for the audit and the other services charged to the Company by PricewaterhouseCoopers Aarata LLC and other PwC Network firms are ¥14.00 million and ¥9.95 million, respectively.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Hideo Ohta

Designated Engagement Partner
Certified Public Accountant

November 29, 2023

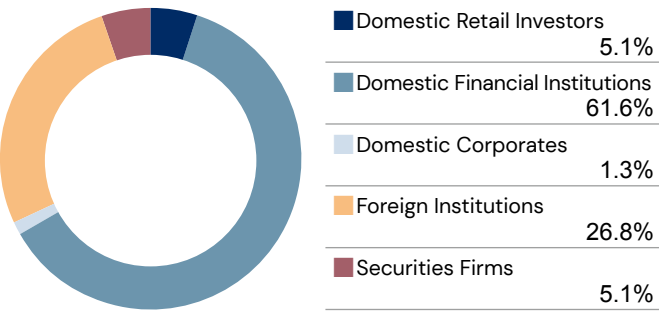
Takashi Sato

Designated Engagement Partner
Certified Public Accountant

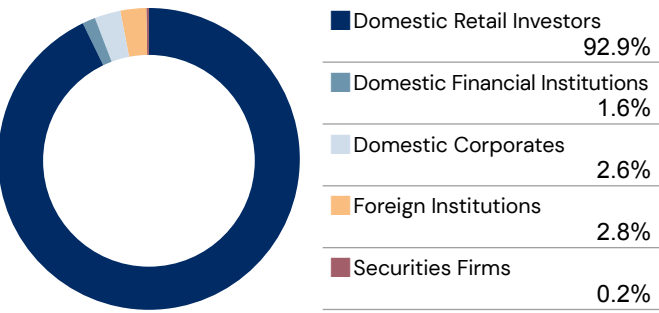
Investor Information

Unitholders Summary

Breakdown of Units Held by Unitholder Type



Unitholder Breakdown by Unitholder Type



Schedule of Annual IR-Related Events

- Feb.** Closing of the fiscal period ending February
- Apr.** Results announcement of the fiscal period ending February
- May** Start of distribution payment for the period ending February
Delivery of asset management report for the fiscal period ending February
- Aug.** Closing of the fiscal period ending August
- Oct.** Results announcement of the fiscal period ending August
- Nov.** Start of distribution payment for the period ending August
Delivery of asset management report for the fiscal period ending August

LLR’s Website

LLR has prepared various contents for prompt and accurate information disclosure through its website. LLR will continue to further improve the contents and provide information in a timely manner.



<https://lasalle-logiport.com/english/>

Overview of the Asset Manager

Name	LaSalle REIT Advisors K.K.
Established Date	March 18, 2002
Capital	164.5 million yen (as of August 31, 2023)
Shareholder	LaSalle Investment Management K.K. (100% ownership)
Financial Instrument Trader under Article 29 of the Financial Instruments and Exchange Act	Registration No.: The Director of Kanto Finance Bureau (Kinsho) No. 2863
Building Lots and Buildings Transaction Business License	License No.: Tokyo Governor’s Office license (2) No. 97862
Discretionary Transaction Agent License	License No.: Minister of Land, Infrastructure, Transport and Tourism No. 92