

Financial Results (REIT) for the Fiscal Period Ended August 31, 2016

October 18, 2016

REIT Issuer:	LaSalle LOGIPORT REIT	Stock Exchange Listing:	TSE
Securities Code:	3466	URL:	http://lasalle-logiport.com/english/
Representative:	(Title) Executive Director	(Name):	Toshimitsu Fujiwara
Asset Management Company:	LaSalle REIT Advisors K.K.		
Representative:	(Title) President and CEO	(Name):	Toshimitsu Fujiwara
	Director, General		
Contact:	(Title) Manager of Finance & Management Department	(Name):	Daisuke Ishida
	Telephone +81-3-6367-5600		
Scheduled filing date of securities report:	November 25, 2016	Scheduled date of distribution payment commencement:	November 21, 2016

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

(Amounts are rounded down to the nearest million yen)

1. Financial Results for the Fiscal Period from October 9, 2015 to August 31, 2016

(1) Management (% figures show period-over-period change)

	Operating revenues		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal period ended August 31, 2016	5,130	-	3,171	-	2,498	-	2,496	-

	Net income per unit	Ratio of net income on unitholders' equity (ROE)	Ratio of ordinary income on total assets (ROA)	Ratio of ordinary income on operating revenues
	Yen	%	%	%
Fiscal period ended August 31, 2016	3,779	2.4	1.4	48.7

Note 1. While LaSalle LOGIPORT REIT's (LLR's) fiscal period ended on August 31, 2016 was a period of 328 days from October 9, 2015 to August 31, 2016, the assets were actually under management for 197 days starting on February 17, 2016.

Note 2. Net income per unit is calculated by dividing net income by the daily weighted average number of investment units (660,547 units). In addition, net income per unit calculated using the daily weighted average number of investment units with the date of commencement of actual management (February 17, 2016) deemed as the beginning of the fiscal period (1,093,462 units) is 2,283 yen.

Note 3. The ratio of net income on unitholders' equity (ROE) and the ratio of ordinary income on total assets (ROA) use the respective averages of unitholders' equity and total assets on February 17, 2016, the date from which the assets were actually under management, and as of the end of the fiscal period.

Note 4. Display of percentage figures for operating revenues, operating income, ordinary income and net income are the rate of period-over-period changes.

There are not applicable numbers because the fiscal period ended August 31, 2016 is the first fiscal period

(2) Distributions

	Distributions per unit (excluding those in excess of earnings per unit)	Total amount of distributions (excluding those in excess of earnings per unit)	Distributions in excess of earnings per unit	Total amount of distributions in excess of earnings	Distributions per unit (including those in excess of earnings per unit)	Total amount of distributions (including those in excess of earnings per unit)	Payout ratio	Net assets Distribution ratio
	Yen	Million yen	Yen	Million yen	Yen	Million yen	%	%
Fiscal period ended August 31, 2016	2,269	2,495	184	202	2,453	2,698	100.0	2.3

Note 1. Due to the issuance of new investment, the payout ratio is calculated according to the following formula, shown rounded to the nearest whole number.

$$\text{Payout ratio} = \frac{\text{total amount of distributions (excluding those in excess of earnings per unit)}}{\text{net income}} \times 100$$

Note 2. The ratio of distributions to net assets is calculated according to the following formula.

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

Note 3. The total amount of distributions in excess of earnings are considered to be a refund of investment, which for tax purposes, fall under a category of distribution as a reduction in unit holders' capital.

Note 4. The share of reductions in retained earnings due to the distributions in excess of earnings per unit (a refund of investment categorized as a distribution from unitholders' capital for tax purposes) was 0.002. Note that the calculation of the share of reductions in retained earnings is based on Article 23, Paragraph 1, No. 4 of the Order for Enforcement of the Corporation Tax Act.

(3) Financial Position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
	Million yen	Million yen	%	Yen
Fiscal period ended August 31, 2016	172,468	108,860	63.1	98,694

(4) Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at period end
	Million yen	Million yen	Million yen	Million yen
Fiscal period ended August 31, 2016	4,842	(162,644)	165,324	7,522

2. Forecasts for the Fiscal Periods Ending February 28, 2017 (September 1, 2016 to February 28, 2017) and August 31, 2017 (March 1, 2017 to August 31, 2017)

(% figures show period-over-period change)

	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (excluding those in excess of earnings per unit)	Distributions in excess of earnings per unit	Distributions per unit (including those in excess of earnings per unit)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen	Yen
Fiscal period ending February 28, 2017	4,800	(6.4)	2,853	(10.0)	2,626	5.1	2,625	5.1	2,386	159	2,545
Fiscal period ending August 31, 2017	4,783	(0.3)	2,469	(13.4)	2,248	(14.3)	2,247	(14.4)	2,043	159	2,202

Reference: Forecasted net income per unit (period ending February 28, 2017) 2,386 yen, forecasted net income per unit (period ending August 31, 2017) 2,043 yen,

* Other

(1) Changes in accounting policies, changes in accounting estimates and retrospective restatements

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

(2) Total number of investment units issued and outstanding

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

Fiscal period ended August 31, 2016	1,100,000units
As of August 31, 2016	0units

Note: Please refer to "Notes on Per Unit Information" on page 21 for the number of investment units used as the basis for calculating net income per unit.

* Disclosure regarding the implementation of audit procedures.

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

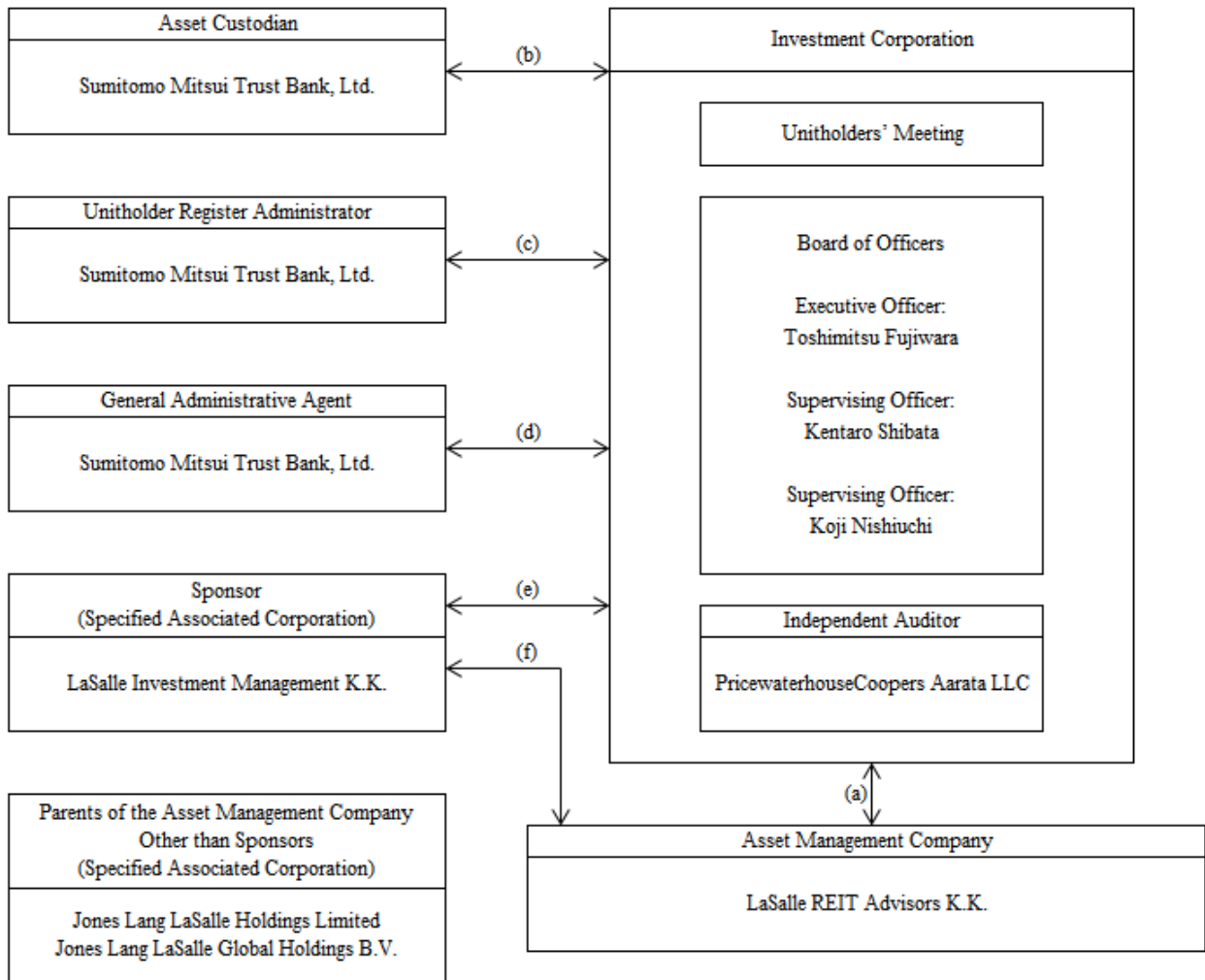
* Appropriate use of the forecast of financial results and other matters of special note

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

For details of assumptions used in the forecasts above, please refer to the "Forecast Assumptions for the Fiscal Periods Ending February 28, 2017 and August 31, 2017" on page 6.

1. Related Organizations

(i) Structure of the REIT



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

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

Operational Role	Name	Description of Operations
Investment Corporation	LaSalle LOGIPORT REIT	LLR invests primarily in real estate-related assets, with an emphasis on logistics facilities.
Asset Management Company	LaSalle REIT Advisors K.K.	LaSalle REIT Advisors K.K. entered into an asset management agreement with LLR. Under this agreement, LaSalle REIT Advisors K.K., as an asset management company under the Act on Investment Trusts and Investment Corporations (“Investment Trusts Act,” Act No. 198 of 1951, including subsequent amendments), and in accordance with bylaws established by LLR and investment guidelines which serve as the asset management company’s internal rules, provides services concerning management of the assets.
Custodian	Sumitomo Mitsui Trust Bank, Ltd.	Sumitomo Mitsui Trust Bank, Limited (“SMTB”) entered into an asset custody agreement with LLR. Under this agreement, SMTB provides custodial services as a custodian under the Investment Trusts Act.
Transfer Agent (Registrar)	Sumitomo Mitsui Trust Bank, Ltd.	<p>(a) SMTB entered into a transfer agent agreement which administers the unitholders register on behalf of LLR (the asset management company that manages on behalf of LLR executed the aforementioned transfer agent agreement, and LLR assigned its contractual position to the asset management company). Under this agreement, SMTB, as the transfer agent in accordance with the Investment Trusts Act (1) prepares and keeps records of the unitholder register and otherwise administers the unitholder register, (2) administers the cash disbursements of distributions to unitholders, and (3) accepts unitholder applications to exercise their voting rights with respect to LLR and other unitholder filings on behalf of LLR.</p> <p>(b) Furthermore, in relation to the aforementioned administrative services, SMTB is contracted to provide various services assigned under Article 19 of the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures (Act No. 27 of 2013, including subsequent amendments) such as obtaining, using, and controlling individual and corporate numbers, etc.</p>
General Administrator (agent contracted to perform services related to organizational operation, calculations, accounting, and tax payments)	Sumitomo Mitsui Trust Bank, Ltd.	SMTB entered into a general administrative agent agreement with LLR to provide general administrative services (services related to organizational operation, calculations, accounting, and tax payments). Under this agreement, SMTB, as the general administrative agent under the Investment Trusts Act (agent contracted to perform services related to organizational operations, calculations, accounting, and tax payments), provides administrative services related to (1) the operation of the organization, (2) performing calculations, (3) preparation of accounting ledgers, and (4) tax payments on behalf of LLR.

Operational Role	Name	Description of Operations
Independent Auditor	PricewaterhouseCoopers Aarata LLC	PricewaterhouseCoopers Aarata LLC is contracted to perform financial auditing services for LLR.
Sponsors Parent of the Asset Management Company (Specified Associated Corporations)	(i) LaSalle Investment Management K.K. (ii) Jones Lang LaSalle Holdings Limited (iii) Jones Lang LaSalle Global Holdings B.V.	As the parent company of LaSalle REIT Advisors K.K. (“Asset Management Company”), LaSalle Investment Management K.K. is a specified associated corporation. Furthermore, LaSalle Investment Management K.K. entered into a sponsor support agreement with the Asset Management Company and a memorandum concerning trade name use with LLR.

2. Management Policy and Management Status

(1) Management Policy

Disclosure of this information is omitted because there are no material changes in the “Investment Policy,” “Investment Targets,” and “Distribution Policy” in the securities registration statement (filed on January 7, 2016, as amended).

(2) Management Status

(Overview of the Fiscal Period)

(i) Significant developments of the investment corporation

With LaSalle REIT Advisors as the organizer, LLR was established with capital of 150 million yen (1,500 units) on October 9, 2015 pursuant to the Investment Trusts Act. Thereafter, LLR issued new investment units (1,050,800 units) through a public offering with a payment date of February 16, 2016, and was listed on the J-REIT section of the Tokyo Stock Exchange (Securities Code: 3466) on February 17, 2016. Furthermore, on March 15, 2016, LLR issued new investment units (47,700 units) through a third-party allotment associated with the aforementioned public offering. As a result, the total number of issued and outstanding investment units as of August 31, 2016 is 1,100,000 units.

(ii) Investment Environment and Management Performance

This fiscal period

With respect to the macro-economic environment, in the wake of the United Kingdom deciding to withdraw from the European Union (“Brexit”), the trend in yen appreciation was made clear, which was also followed by developments of weak demand. During the second quarter of 2016, in addition to exports continuing to remain weak, capital investment from corporations had decreased for the second consecutive quarter. However, in light of the steady yet gradual increase in wages and employment growth, private individual consumption remained stable, which has maintained positive growth in the Japanese economy. From the public policy front, the Bank of Japan has introduced a new framework for monetary easing due to heightened expectations for the duration of low interest rates to remain; the government announced a large-scale economic stimulus package in August 2016, clarifying its aggressive stance on how to enhance economic activity. With respect to the J-REIT market, while the entire market grows in variability, due to continued demand from Japanese domestic institutional investors who search for stable yields, the market has benefited from such buying attitudes to prevail, leading to a continued increase in investment unit prices. More broadly, with respect to the real estate investment market, while prime assets have reached their lowest yields since the advent of the 2008 global financial crisis, consistent investor demand continues because real estate still provides a spread over long term government bonds. With respect to the logistics market, while there is a significant amount of new supply for parts of the Tokyo metropolitan area, due to continued strong demand driven from third party logistics companies and E-commerce businesses, the supply-demand balance is thought to be generally in balance. Within the Osaka region, due to new supply being relatively small, a decreasing trend in the vacancy rate was witnessed.

Under this macro-economic backdrop, with respect to the LaSalle LOGIPORT REIT, 8 properties were acquired (total acquisition price was 161,440 million yen) on February 17, 2016 and management of these 8 properties began. While the calculation period for this earnings report is from the date of incorporation to the end of the first fiscal period (i.e. from October 9, 2015 to August 31, 2016), the real operational period for these 8 assets are calculated from the date of the initial public offering to the end of the first fiscal period (i.e. from February 17, 2016 to August 31, 2016).

As of August 31, 2016, LaSalle LOGIPORT REIT owns 8 assets under management (total net rentable area of 699,030 square meters), where the portfolio level occupancy rate is a solid 97.5%, and currently has 96 tenants which reduces any concentration risk to any one tenant.

(iii) Overview of Procurement of Funds

Through a public offering with a payment date of February 16, 2016 and a third-party allotment associated with the public offering with a payment date of March 15, 2016, LLR raised funds amounting to 101,601 million yen and 4,612 million yen respectively, bringing LLR's unitholders' capital to 106,363 million yen as of August 31, 2016.

Moreover, although LLR borrowed funds in conjunction with assets during the fiscal period, it used the funds raised through issuance of investment units for the third-party allotment to prepay a portion of the outstanding debt. As a result, its loans payable stood at 58,970 million yen as of August 31, 2016. With respect to the characteristics on the financing, LLR used a combination of loans in an effort to stagger the maturities and to diversify its financing sources. It also made efforts to ensure stability and flexibility of its financial foundation by setting payments on its long-term loans payable (due dates from 2021 onwards) by borrowing at fixed rates or by using swaps to fix interest rates, in combination with short-term loans (with due dates up to 2019).

As a result of the foregoing, the ratio of LLR's interest-bearing liabilities to total assets (LTV) was 34.2% as of August 31, 2016.

The acquisition status of LLR's credit rating as of August 31, 2016 was as follows.

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

(iv) Overview of Business Performance and Distributions

The actual operating period for the fiscal period was 197 days from February 17, 2016 to August 31, 2016. During this period, LLR generated operating revenues of 5,130 million yen, operating income of 3,171 million yen, ordinary income of 2,498 million yen, and net income of 2,496 million yen.

Furthermore, through application of Article 67-15(1) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, including subsequent amendments), LLR intends to include distributions as deductible expenses and distribute the entire amount of unappropriated retained earnings (excluding fractional distribution amounts of less than one yen per investment unit). As a result, the distribution amount per investment unit is 2,269 yen.

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

In the current period, an ongoing distribution in excess of retained earnings, LLR distributed 202 million yen, an amount equivalent to approximately 30% of depreciation for the period of 677 million yen. As a result, the distribution in excess of retained earnings per unit was 184 yen (Note 3).

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

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

(Note 3) The engineering report for each property prepared by Earth-Appraisal Co., Ltd estimates that the amount of anticipated semi-annual average of emergency or short-term repair and maintenance expenses and medium- to long-term repair and maintenance expenses is 194 million yen. LLR

determines to make distributions in excess of retained earnings, considering that the amount of distributions in excess of retained earnings maintain the value of its portfolio and its financial stability taking into account macroeconomic environment, trends in the real estate market and real estate leasing industry and its financial conditions. Please note that the amount of distributions in excess of retained earnings will be deducted from the balance of LLR's unit holders' equity upon payment.

Outlook for the Future

(i) Investment Environment Going Forward

Next fiscal period outlook

In the major developed economies of the world, it is expected for this low interest rate environment to continue coupled with moderate growth. However, in the short term, there are some unclear implications to factor in for macro-economic outlooks, such as the market's impending reaction to future U.S. interest rate hike(s) as well as the outcome of the U.S. presidential election. However again, it is expected that Japan's economy will remain firm, as it focuses on private personal consumption, by accommodating ever aggressive monetary and fiscal policy measures. Within the broader real estate market, in addition to strong investment sentiment as a function of prolonged low interest rates, due to a likelihood of volatility rising in the capital markets, real estate offering stable yields contrasts such unpredictability, adding further to support investment demand for real estate. However, should capital market volatility and uncertainty about the macro economy persist for a protracted period of time, then increased demand for high quality real estate should increase, while lower quality real estate in regional Japanese cities should decrease, requiring some caution to be heeded. Within the logistics market, while we expect strong demand to come from tenants willing to lease up in advanced logistics facilities, it is expected that there will be clearer disparities between sub-markets as the supply-demand balance begins to get challenged due to the significant supply set to come to market through 2017.

(ii) Future Management Policy and Issues to Address

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

With respect to its external growth strategy, LLR will make the most of the property information provided by the LaSalle Group (Note 1) as well as LaSalle REIT Advisors' unique capabilities in obtaining property information. Under its sponsor support agreement, LLR is able to receive information about the sale of properties owned by a LaSalle Fund (Note 2), and because of this, enjoys diverse sourcing channels that tap into both sourcing from the LaSalle Fund and sourcing from third parties. Within the LaSalle Group, LLR will work to realize external growth through clearly defined targets for investment for LLR and the LaSalle Fund. Specifically, LLR will invest in core assets that have achieved stable occupancy rates (Note 3), while the LaSalle Fund will invest mainly in development properties and low-occupancy properties.

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

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

Note 1. "LaSalle Group" refers to the group of companies that provides real estate investment management services in 24 locations in 17 countries (as of June 30, 2016) in the United States, Europe and the Asia-Pacific region, centered on LaSalle Investment Management, Inc., which is one of the world's leading real estate investment advisory firms.

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

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

Note 4. "Active asset management" is a generic term for management techniques aimed at increasing cash flow by identifying opportunities to

create added value of properties held by carefully examining macro factors such as market lease rates and vacancy rates as well as the micro factors of each property, such as tenant lease terms and building management conditions.

(iii) Significant Subsequent Events

None

(iv) Forecast of Financial Results

The outlook for LLR's financial results for the fiscal period ending February 28, 2017 and the period ending August 31, 2017 are presented below.

	Operating revenues	Operating income	Ordinary income	Net income	Distributions per unit (excluding those in excess of earnings per unit)	Distributions in excess of earnings per unit	Distributions per unit (including those in excess of earnings per unit)
	Million yen	Million yen	Million yen	Million yen	Yen	Yen	Yen
Fiscal period ending Feb 2017	4,800	2,853	2,626	2,625	2,386	159	2,545
Fiscal period ending Aug 2017	4,783	2,469	2,248	2,247	2,043	159	2,202

For the assumptions used in this outlook, please refer to the "Forecast Assumptions for the Fiscal Periods Ending February 28, 2017 and August 31, 2017" below.

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

Forecast Assumptions for the Fiscal Periods Ending February 28, 2017 and August 31, 2017

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> Fiscal period ending February 28, 2017: September 1, 2016 to February 28, 2017 (181 days) Fiscal period ending August 31, 2017: March 1, 2016 to August 31, 2017 (184 days)
Assets Under Management	<ul style="list-style-type: none"> LLR expects there will be no changes in its asset under management (e.g., any acquisition of new properties or any disposal of existing properties) in regard to the trust beneficiary interests in real estate (8 properties in total; hereafter, "Acquired Assets") held by LLR as of August 31, 2016, until the end of the fiscal period ending August 31, 2017. LLR's property portfolio may change due to acquisitions of new properties other than the Acquired Assets or the disposal of existing properties, etc.
Operating revenues	<ul style="list-style-type: none"> Rental revenues from the leasing of the Acquired Assets are calculated based on lease agreements for the Acquired Assets in effect as of today and other factors, including expectations based on market trends. With respect to operating revenues, there is an underlying assumption that tenants will fully pay their contractual rents without delay or delinquency.
Operating expenses	<ul style="list-style-type: none"> Leasing-related expenses other than depreciation expenses are calculated based on information reflecting fluctuations in the expenses based on historical data and outsourcing agreements in effect as of today. Depreciation expenses, including ancillary costs, are calculated using a straight-line depreciation method, and LLR assumed depreciation expenses of 584 million yen and 585 million yen for the fiscal periods ending February 28, 2017, and August 31, 2017 respectively. While property taxes and city planning taxes are typically calculated pro-rata with the seller at the time of the sale of the property, etc. and settled at the time of acquisition, the settlement is included in LLR's acquisition costs. Accordingly, for the Acquired Assets acquired in February 2016, the settlement amount will not be expensed during the fiscal periods ending August 31, 2016 and February 28, 2017 because it is included in LLR's acquisition costs. In addition, property taxes and city planning taxes for the IPO Assets for the fiscal year 2017 will be expensed from the fiscal period ending August 31, 2017. The total amount of property taxes and city planning taxes on the Acquired Assets, which is included in the acquisition cost, is assumed to be 702 million yen (equivalent to the tax expenses for 319 days).

Item	Assumptions
	<ul style="list-style-type: none"> • Repair and maintenance expenses are based on a repair and maintenance plan prepared by the asset manager (LaSalle REIT Advisors K.K.), and the amount assumed to be necessary is posted. Actual repair and maintenance expenses may significantly differ from the expected amount; however, due to the possibility of unexpected repairs attributable to factors that are difficult to predict, the general tendency for significant variations in the amount posted from one fiscal period to the next, and the fact that repair expenses do not generally occur on a routine basis.
Non-operating expenses	<ul style="list-style-type: none"> • LLR estimates expenses related to the establishment of LLR to be 3 million yen for the period ending February 2017, and 3 million for the period ending in August 2017. • Interest expenses and other debt-related costs are expected to be 208 million yen and 214 million yen for the fiscal periods ending February 28, 2017 and August 31, 2017 respectively. Debt-related amortization expense, which is included in other debt-related costs and non-cash items, is expected to be 26 million yen and 27 million yen for the fiscal periods ending February 28, 2017 and August 31, 2017 respectively.
Borrowings	<ul style="list-style-type: none"> • Current outstanding borrowings are 58,970 million yen.
Investment units	<ul style="list-style-type: none"> • Current outstanding number of units is 1,100,000. LLR does not expect there to be any changes to the number of outstanding units before the end of the fiscal period ending August 31, 2017.
DPU (excluding distributions in excess of retained earnings per unit)	<ul style="list-style-type: none"> • Distributions per unit (excluding distributions in excess of retained earnings per unit) are calculated in accordance with the distribution policy provided in LLR's Articles of Incorporation. • Distributions per unit (excluding distributions in excess of retained earnings per unit) may change materially due to factors such as additional acquisitions or dispositions of real estate properties, changes in rental revenues attributable to tenant replacements, changes in the operating environment including unexpected repairs, changes in interest rates and any additional issuance of new investment units in the future.
Distributions in excess of retained earnings per unit	<ul style="list-style-type: none"> • Distributions in excess of retained earnings per unit are calculated in accordance with the distribution policy in LLR's Articles of Incorporation and internal policies of the asset manager. Distributions in excess of retained earnings for the fiscal periods ending February 28, 2017 and August 31, 2017 are assumed to be equal to approximately 30% of depreciation expenses for such fiscal periods, which are assumed to be 175 million yen and 175 million yen respectively. • Depreciation expenses may vary from the current assumed amount due to a change in portfolio assets, the amount of incidental expenses incurred, the amount of capital expenditures, the pro-rata allocation of acquisition costs attributed to each asset and the respective useful life adopted for each asset. The total amount of distributions in excess of retained earnings, which will be based on depreciation expenses, may also vary accordingly. • LLR expects to make distributions in excess of retained earnings on a regular basis within an appropriate level for maintaining financial soundness and stability, after careful consideration is given to alternative uses of cash, such as execution of repair plans, capital expenditures, repayment of debts along with potential property acquisitions, and will make such distributions equal to 30% of the depreciation expense for the relevant fiscal period. Unexpected factors, such as increases in repair expenses, may cause distributions in excess of retained earnings per unit to materially differ from the forecasted amount. If the appraisal LTV (set forth below) exceeds 60%, LLR may decide not to make any distributions in excess of retained earnings. LLR may also refrain from providing cash distributions in excess of earnings if it considers it inappropriate in light of factors such as the economic environment, the real estate market, the condition of its assets, and financial conditions. • LLR does not plan to make distributions in excess of retained earnings to the extent that doing so would cause the appraisal LTV, as calculated below, to exceed 60%: $\text{Appraisal LTV (\%)} = A/B \times 100$ <p>A = interest-bearing debt (inclusive of long-term corporate bonds and short-term corporate bonds but excluding subordinated debt) + tenant leasehold deposits (excluding the amount reserved by the trustees of LLR's properties as tenant leasehold deposits and the amount reserved as tenant leasehold deposits in LLR's relevant reserve account (this account is for the refund obligation which LLR has as the lessor to various tenants))</p> <p>B = total appraised real estate value of LLR's portfolio as of August 31, 2016 + the amount of cash deposits in LLR's bank accounts (excluding reserve accounts for tenant leasehold deposits) + cash and</p>

Item	Assumptions
	<p>deposits in trust (excluding the amount reserved by the trustees of our properties as tenant leasehold deposits) – the total amount of distributions – the total amount of distributions in excess of retained earnings.</p> <p>In addition, the total amount of distributions and distributions in excess of retained earnings (with respect to the return of capital invested) depends upon the figures for the most recent fiscal period.</p>
Other	<ul style="list-style-type: none"> • As an underlying premise, LLR assumes that any revision that will have an impact on the forecast information above will be made in accordance with applicable laws and regulations (including tax laws), accounting standards, listing rules of the TSE and the standards set by the Investment Trusts Association, Japan. • As an underlying premise, LLR assumes that there are no unexpected material changes to general economic trends and real estate market conditions.

(3) Investment Risks

Disclosure of this information is omitted because there are no material changes from the “Investment Risks” in the securities registration statement (filed on January 7, 2016, including subsequent amendments) and the interim financial results (filed on June 22, 2016).

3. Financial Statements

(1) Balance Sheet

(Thousands of yen)

As of August 31, 2016

Assets	
Current assets	
Cash and deposits	4,244,719
Cash and deposits in trust	4,266,658
Operating accounts receivable	80,400
Prepaid expenses	67,645
Deferred tax assets	41
Other	63
Total current assets	8,659,527
Non-current assets	
Property, plant and equipment	
Buildings in trust	53,309,846
Accumulated depreciation	(677,203)
Buildings in trust, net	52,632,643
Structures in trust	3,459
Accumulated depreciation	(56)
Structures in trust, net	3,403
Tools, furniture and fixtures in trust	80
Accumulated depreciation	(3)
Tools, furniture and fixtures in trust, net	77
Land in trust	110,806,002
Total property, plant and equipment	163,442,126
Investments and other assets	
Long-term prepaid expenses	326,943
Lease and guarantee deposits	10,117
Total investments and other assets	337,061
Total non-current assets	163,779,187
Deferred assets	
Deferred organization expenses	29,860
Total deferred assets	29,860
Total assets	172,468,575

(Thousands of yen)

As of August 31, 2016

Liabilities	
Current liabilities	
Operating accounts payable	103,029
Short-term loans payable	3,690,000
Accounts payable - other	1,085,571
Income taxes payable	1,842
Accrued consumption taxes	158,850
Advances received	815,597
Other	327,569
Total current liabilities	6,182,459
Non-current liabilities	
Long-term loans payable	55,280,000
Tenant leasehold and security deposits in trust	2,145,534
Total non-current liabilities	57,425,534
Total liabilities	63,607,993
Net assets	
Unitholders' equity	
Unitholders' capital	106,363,965
Surplus	
Unappropriated retained earnings (undisposed loss)	2,496,616
Total surplus	2,496,616
Total unitholders' equity	108,860,581
Total net assets	* ₁ 108,860,581
Total liabilities and net assets	172,468,575

(2) Income Statement

(Thousands of yen)

	Fiscal period ended August 31, 2016
Operating revenue	
Lease business revenue	* 1 4,687,275
Other lease business revenue	* 1 442,863
Total operating revenue	5,130,139
Operating expenses	
Expenses related to rent business	* 1 1,282,837
Asset management fee	600,537
Asset custody and administrative fee	25,882
Directors' compensations	6,000
Other operating expenses	43,733
Total operating expenses	1,958,991
Operating income	3,171,147
Non-operating income	
Interest income	205
Interest on refund	7,844
Total non-operating income	8,049
Non-operating expenses	
Interest expenses	204,153
Amortization of deferred organization expenses	6,718
Investment unit issuance expenses	9,902
Other offering costs associated with issuance of investment units	322,146
Borrowing related expenses	132,826
Other	5,000
Total non-operating expenses	680,748
Ordinary income	2,498,448
Profit before income taxes	2,498,448
Income taxes - current	1,873
Income taxes - deferred	(41)
Total income taxes	1,832
Profit	2,496,616
Unappropriated retained earnings (undisposed loss)	2,496,616

(3) Statement of Changes in Unitholders' Equity

Current Period (From October 9, 2015 to August 31, 2016)

(Thousands of yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	-	-	-	-	-
Changes of items during period					
Issuance of new investment units	106,363,965			106,363,965	106,363,965
Profit		2,496,616	2,496,616	2,496,616	2,496,616
Total changes of items during period	106,363,965	2,496,616	2,496,616	108,860,581	108,860,581
Balance at end of current period	* ₁ 106,363,965	2,496,616	2,496,616	108,860,581	108,860,581

(4) Statement concerning Cash Distributions

(Unit: yen)

	Current period From October 9, 2015 To August 31, 2016
I. Unappropriated retained earnings	2,496,616,937
II. Additional distributions in excess of earnings	
Total amount of deductions from unitholders' capital	202,400,000
III. Amount of distributions	2,698,300,000
Amount of distributions per investment unit	2,453
Distributions of earnings	2,495,900,000
Distributions of earnings per investment unit	2,269
Distributions in excess of earnings	202,400,000
Distributions in excess of earnings per unit	184
IV. Retained earnings carried forward	716,937

Method for calculating distribution amount	<p>Based on the Investment Corporation's terms, Article 36, paragraph 1, which speaks to its policy on cash distributions, the distribution amount shall exceed 90% of the distributable profits of the Investment Corporation, in accordance with what is defined under Article 67, provision 15 of the Special Taxation Measure Law.</p> <p>Based on these policies, in an amount not to exceed the unappropriated retained earnings, plus in an amount where the maximum value of an integer multiple of the total number of units outstanding at the end of the fiscal period was 2,495,900,000 yen, the distribution amount attributed to earnings was established.</p> <p>In addition, the Investment Corporation, based on its cash distribution policy stipulated in Article 36, paragraph 2, will continually make a distribution in excess of earnings for each fiscal period (a refund of investment categorized as a distribution from unitholders' capital for tax purposes). Based on these policies, the depreciation amount for this fiscal period was 677,263,181 yen, which when taking 30% of this amount approximately equates to 202,400,000 yen, which is the portion of distributions per unit that exceeds earnings (a refund of investment categorized as a distribution from unitholders' capital for tax purposes).</p>
--	--

(Note) LLR is permitted to make distributions in excess of our retained earnings up to the maximum amount calculated in accordance with the standards set by the ITAJ, after carefully considering the macroeconomic environment, trends in the real estate market and real estate leasing industry, conditions of LLR's portfolio and LLR's financial conditions.. Also, LLR is permitted to make distributions in excess of our retained earnings in any amount to the extent that such amount is determined by LLR and if the amount of distributions does not satisfy certain conditions of special tax treatment which shall be eligible to otherwise.

(5) Statements of Cash Flows

(Thousands of yen)

	Fiscal period ended August 31, 2016
Cash flows from operating activities	
Profit before income taxes	2,498,448
Depreciation	677,263
Amortization of deferred organization expenses	6,718
Investment unit issuance expenses	9,902
Interest income	(205)
Interest expenses	204,153
Decrease (increase) in operating accounts receivable	(80,400)
Decrease (increase) in prepaid expenses	(67,645)
Decrease (increase) in long-term prepaid expenses	(326,943)
Increase (decrease) in operating accounts payable	103,029
Increase (decrease) in accounts payable - other	1,083,105
Increase (decrease) in accrued consumption taxes	158,850
Increase (decrease) in advances received	815,597
Payment of organization expenses	(36,579)
Other, net	1,414
Subtotal	5,046,710
Interest income received	205
Interest expenses paid	(204,153)
Income taxes paid	(31)
Net cash provided by (used in) operating activities	4,842,730
Cash flows from investing activities	
Purchase of property, plant and equipment in trust	(164,116,923)
Proceeds from tenant leasehold and security deposits in trust	1,577,342
Repayments of tenant leasehold and security deposits in trust	(94,367)
Payments for lease and guarantee deposits	(10,117)
Net cash provided by (used in) investing activities	(162,644,065)
Cash flows from financing activities	
Increase in short-term loans payable	12,758,000
Decrease in short-term loans payable	(9,068,000)
Proceeds from long-term loans payable	55,280,000
Proceeds from issuance of investment units	106,354,062
Net cash provided by (used in) financing activities	165,324,062
Net increase (decrease) in cash and cash equivalents	7,522,727
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	*1 7,522,727

(6) Notes with respect to Ongoing Company Assumptions

None

(7) Notes on Matters concerning Significant Accounting Policies

1. Method of depreciation of non-current assets	<p>(1) Property, plant and equipment (including trust assets)</p> <p>A straight-line method is used. The useful lives of principal property, plant and equipment are as follows:</p> <table border="0" data-bbox="491 454 1007 555"><tr><td>Buildings</td><td>2-79 years</td></tr><tr><td>Structures</td><td>20 years</td></tr><tr><td>Tools, furniture and fixtures</td><td>6 years</td></tr></table>	Buildings	2-79 years	Structures	20 years	Tools, furniture and fixtures	6 years
Buildings	2-79 years						
Structures	20 years						
Tools, furniture and fixtures	6 years						
2. Accounting treatment of deferred assets	<p>(1) Deferred organization expenses Amortized over a period of five years.</p> <p>(2) Investment unit issuance cost The entire amount is expensed at the time of disbursement.</p>						
3. Standards for revenue and expense recognition	<p>Treatment of fixed asset taxes</p> <p>With respect to fixed asset taxes, city planning taxes, and depreciable asset taxes associated with the real estate or beneficiary interests in trusts holding real estate as trust assets held by LLR, the amount of taxes levied corresponding to the relevant accounting period are treated as lease expenses and expensed.</p> <p>The amount equivalent to the first year's fixed asset tax that is borne by LLR in association with the acquisition of real estate or beneficiary interests in trusts holding real estate, as trust assets are not recognized as an expense; rather, they are included in the acquisition cost of the relevant real estate. During the interim period, the amount equivalent to the fixed asset tax included in the acquisition cost of real estate was 702,673 thousand yen.</p>						
4. Method of hedge accounting	<p>(1) Method of hedge accounting LLR uses deferral hedge accounting. However, special treatment is applied to those interest rate swaps that satisfy the requirements for special accounting treatment.</p> <p>(2) Hedging instruments and hedged items Hedging instruments: interest rate swap transactions Hedged items: interest on loans</p> <p>(3) Hedging policy Under its market risk management policy, LLR engages in derivative transactions for the purpose of hedging risk as provided for in its bylaws.</p> <p>(4) Method of assessing hedge effectiveness Assessment of hedge effectiveness is omitted since interest rate swaps satisfy the requirements for special treatment.</p>						
5. Scope of funds in the statements of cash flows	<p>The funds in the statements of cash flows (cash and cash equivalents) comprise cash on hand and cash in trusts, bank deposits and trust deposits available for withdrawal on demand, and short-term investments due within three months of the acquisition date, which are readily convertible to cash and bear only an insignificant risk of price fluctuations.</p>						
6. Other significant matters which constitute the basis for preparation of financial statements	<p>(1) Accounting treatment for beneficiary interests in trusts that have real estate as assets in trust With respect to trust beneficiary interests held by LLR, where the underlying assets are entrusted real estate, all asset and liability accounts within the trust assets as well as all revenue and expense accounts arising from the trust assets are recognized in the relevant accounts of the balance sheet and statements of income.</p> <p>The following material items of the assets in trust recognized in the relevant account items are listed separately on the balance sheet.</p> <p>(i) Cash in trust and deposits in trust (ii) Buildings in trust, structures in trust, Tools, furniture and fixtures in trust, land in trust (iii) Tenant leasehold and security deposits in trust</p> <p>(2) Treatment of consumption taxes LLR applies the tax-excluded method for the accounting treatment of consumption taxes and local consumption taxes.</p>						

(8) Notes to the Financial Statements

[Notes to Balance Sheet]

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

Current period
(August 31, 2016)

50,000 thousand yen

[Notes to Income Statement]

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

(Unit: thousand yen)

	Current period From October 9, 2015 To August 31, 2016	
A. Real estate leasing revenues		
Rent revenue		
Rent income	4,206,273	
Common service fees	481,001	4,687,275
Other lease business revenues		
Utilities charge reimbursement	276,434	
Parking area rental revenue	119,427	
Other lease revenues	47,001	442,863
Total real estate leasing revenues		5,130,139
B. Real estate leasing expenses		
Leasing expenses		
Outsourcing costs	283,988	
Utilities expenses	261,841	
Insurance premiums	10,877	
Repair & Maintenance	24,473	
Depreciation	677,263	
Other leasing expenses	24,393	
Total real estate leasing expenses		1,282,837
C. Real estate leasing profit (A-B)		3,847,301

[Notes to Statement of Changes in Unitholders' Capital]

Total number of investment units authorized and total number of investment units issued and outstanding

	Current period From October 9, 2015 To August 31, 2016
Total number of investment units authorized	10,000,000 units
Total number of investment units issued and outstanding	1,100,000 units

[Notes to the Statements of Cash Flows]

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

	Current period From October 9, 2015 To August 31, 2016
Cash and deposits	4,244,719 thousand yen
Cash and deposits in trust	4,266,658 thousand yen
Restricted deposits in trust (Note)	(988,650 thousand yen)
Cash and cash equivalents at period end	7,522,727 thousand yen

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

[Notes to Lease Transactions]

Operating lease transactions (lessor)

Unearned leasing fees associated with non-cancelable operating leases

	Current period (August 31, 2016) (thousand yen)
Due within one year	5,720,623
Due after one year	16,436,146
Total	22,156,769

[Notes to Financial Instruments]

1. Notes regarding the financial instruments

(1) Accounting policy for financial instruments

At the time of acquisition of new portfolio assets, LLR procures funds through the issuance of investment units, borrowing from financial institutions or issuing short-term corporate bonds.

LLR manages surplus funds as deposits, taking security and liquidity into account, upon due consideration of market conditions and its 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.

(2) Nature of financial instruments and their risks, and the 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, upon due consideration of market conditions and its cash flow situation.

LLR uses borrowings for purposes such as procuring funds for the acquisition of real estate properties, and 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.

(3) Supplementary information on matters concerning the market value of financial instruments

The fair value of financial instruments includes the value based on market prices and, when there is no market price available, the value determined by using prices reasonably estimated. Because certain assumptions are used in the calculation of such values, when different assumptions are used, such values may be different.

2. Matters concerning the fair value of financial instruments

Amounts recognized on the balance sheet as of August 31, 2016, their fair values, and differences between these amounts are presented below.

	Amount recognized in balance sheet (thousand yen)	Fair value (thousand yen)	Difference (thousand yen)
(1) Cash and deposits	4,244,719	4,244,719	-
(2) Cash and deposits in trust	4,266,658	4,266,658	-
Total assets	8,511,377	8,511,377	-
(3) Short-term loans payable	3,690,000	3,690,000	-
(4) Long-term loans payable	55,280,000	55,917,008	637,008
Total liabilities	58,970,000	59,607,008	637,008
Derivative transactions	-	-	-

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

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

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

(3) Short-term loans payable

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

(4) Long-term loans payable

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

Derivative transactions

Please refer to "Notes to Derivative Transactions" below.

(Note 2) Financial instruments for which determination of fair value is extremely difficult

(Unit: thousand yen)

Classification	Current period (August 31, 2016)
Tenant leasehold and security deposits in trust	2,145,534

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

(Note 3) Schedule of expected repayments for financial receivables after the closing date of the fiscal period.

Current period (August 31, 2016)

(Unit: thousand yen)

	Due within one year
Cash and deposits	4,244,719
Cash and deposits in trust	4,266,658

(Note 4) Schedule of expected repayments for loans payable after the closing date of the fiscal period

Current period (August 31, 2016)

(Unit: thousand yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Short-term loans payable	3,690,000	-	-	-	-	-
Long-term loans payable	-	-	7,540,000	-	10,740,000	37,000,000
Total	3,690,000	-	7,540,000	-	10,740,000	37,000,000

[Notes to Marketable Securities]

Not applicable

[Notes to Derivative Transactions]

1. Derivative transactions to which hedge accounting is not applied

Current period (August 31, 2016)

Not applicable

2. Derivative transactions to which hedge accounting is applied

Current period (August 31, 2016)

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

(Unit: thousand yen)

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

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

[Notes to Transactions with Affiliated Parties]

1. Parent company and principle corporate unitholders

Current Period (From October 9, 2015 to August 31, 2016)

Not applicable

2. Affiliated companies

Current Period (From October 9, 2015 to August 31, 2016)

Not applicable

3. Related companies

Current Period (From October 9, 2015 to August 31, 2016)

Attribute	Name of company	Address	Paid in capital (Unit: thousand yen)	Type of business	Ownership percentage of voting rights	Relation		Transaction type	Amount of transaction (Unit: thousand yen)	Item	End of fiscal period balance
						Concurrent post directors	Business based relationship				
Subsidiary of other related corporation	LaSalle REIT Advisors K.K.	Chiyoda-ku, Tokyo	164,500	Investment management business	None	Concurrent post directors	Asset management company	Payment of asset management fee	2,214,937	Accounts payable	648,580

(Note 1) The figures above do not include consumption taxes in the transaction amount. Nonetheless, it is included in the balance as of the fiscal period end.

(Note 2) The terms and conditions of these transactions were executed in line with general market practices.

(Note 3) The Asset management fee above includes management fees of 1,614,400 thousand yen capitalized as part of acquisition costs of properties.

4. Directors and principal individual unitholders

Current Period (From October 9, 2015 to August 31, 2016)

Not applicable

[Notes to Tax Effect Accounting]

1. Breakdown of major factors giving rise to deferred tax assets and liabilities

(Unit: thousand yen)

	Current period (Ended August 31, 2016)
(Deferred tax assets)	
Non-deductible enterprise tax payable	41
Total deferred tax assets	41
Net deferred tax assets	41

2. Breakdown of main items that are factors in material differences between the effective statutory tax rate and the effective income tax rates after application of tax-effect accounting:

(Unit: %)

	Current period (Ended August 31, 2016)
Statutory tax rate (adjusted)	32.31
Deductible expenses for payment of distributions	(32.28)
Other	0.04
Tax burden ratio of corporate tax and other taxes after application of tax effect accounting	0.07

[Notes to Retirement Benefits]

Current period (August 31, 2016)

Not applicable

[Notes to Equity Method Earnings]

Current period (August 31, 2016)

Not applicable

[Notes to Asset Retirement Obligations]

Current period (August 31, 2016)

Not applicable

[Notes to Segment Data]

(Segment information)

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

(Related Information)

Current Period (From October 9, 2015 to August 31, 2016)

(1) Information about Products and Services

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

(2) Information by Geographical Area

(i) Operating revenues

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

(ii) Property, plant and equipment

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

(3) Information about Major Customers

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

[Notes to Rental Properties]

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

(Unit: thousand yen)

	Current period From October 9, 2015 To August 31, 2016
Amount recognized in balance sheet	
Balance at the beginning of the period	-
Changes during the period	163,442,126
Balance at the end of the period	163,442,126
Fair value at end of period	167,610,000

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

Note 2. The main increase during the period was due to the acquisition of trust beneficiary interests in eight properties (164,034,318 thousand yen) and the main decrease was due to depreciation (677,263 thousand yen).

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

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

[Notes to Per Unit Information]

	Current period From October 9, 2015 To August 31, 2016
Net assets per unit	98,964 yen
Net income per unit	3,779 yen (2,283 yen)

Note 1. Net income per unit is calculated by dividing net income by the average number of investment units for the period (daily weighted average number of investment units) (660,547 units). Furthermore, net income per unit calculated using the daily weighted average number of investment units with February 17, 2016, the date on which the fund actually began investing, as the starting date (1,093,462 units) is shown in parentheses. The diluted net income per unit is not stated here as there are no diluted investment units.

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

	Current period From October 9, 2015 To August 31, 2016
Net income (thousand yen)	2,496,616
Amount not attributable to common unitholders (thousand yen)	-
Net income attributable to common investment units (thousand yen)	2,496,616
Average number of investment units during the period (units)	660.547

[Notes to Significant Subsequent Events]

Not applicable

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

Changes during the current period are as follows.

Date	Description	Unitholders' capital (thousand yen)		Total number of outstanding investment units (units)		Comment
		Change	Balance	Increase in number of units	Balance	
October 9, 2015	Established through private placement	150,000	150,000	1,500	1,500	(Note 1)
February 16, 2016	Public offering	101,601,852	101,751,852	1,050,800	1,052,300	(Note 2)
March 15, 2016	Third-party allotment	4,612,113	106,363,965	47,700	1,100,000	(Note 3)

Note 1.LLR was incorporated at an issue price of 100,000 yen per unit.

Note 2.LLR issued new investment units for the purpose of raising funds to acquire new properties at an offer price of 100,000 per unit (underwriting price of 96,690 yen).

Note 3.LLR issued new investment units through a third-party allotment associated with the public offering at an underwriting price of 96,690 yen. The proceeds of this third-party allotment were partly used to repay loans made as financing to acquire new properties.

4. Changes in Officers and Directors

(1) Changes in Officers of LLR

There were no changes in Officers during the current period.

(2) Changes in Directors of the Asset Management Company

There were no changes in Directors during the current period.

5. Reference Information

(1) Composition of LLR's Assets

Type of assets	Use	Area (Note 1)	Current period (As of August 31, 2016)	
			Total amount held (million yen) (Note 2)	Percentage to total assets (%) (Note 3)
Real estate in trust	Logistics facilities	Tokyo area	163,442	94.8
		Osaka area	0	0
		Other areas	0	0
	Subtotal		163,442	94.8
Deposits/other assets			9,026	5.2
Total assets			172,468	100.0

	Current period (As of August 31, 2016)	
	Amount (million yen)	Percentage to total assets (%) (Note 3)
Total liabilities	63,607	36.9
Total net assets	108,860	63.1
Total assets	172,468	100.0

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

Note 2. "Total amount held" reflects the amount recognized on the balance sheet as of August 31, 2016 (for real estate in trust, the carrying value after depreciation), and is rounded down to the nearest million yen.

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

(2) Overview of Real Estate, etc.

(i) Portfolio Overview

The assets (real estate or beneficiary interests in trusts holding real estate as trust assets; collectively referred to as “asset holdings” hereinafter) held by LLR as of August 31, 2016 are presented below.

Area	Property Number (Note 1)	Property name	Location	Ownership type	Property age (years) (Note 2)	Ending balance Carrying amount (million yen)	Acquisition price (million yen) (Note 3)	Investment Share (%) (%) (Note 4)	Appraisal value (million yen) (Note 5)	Gross floor area (m ²) (Note 6)
Tokyo area	Tokyo-1	LOGIPORT Hashimoto (Note 7)	Sagamihara, Kanagawa	Trust beneficiary interest	2	21,460	21,200	13.1	22,100	145,801.69
	Tokyo-2	LOGIPORT Sagamihara (Note 8)	Sagamihara, Kanagawa	Trust beneficiary interest	3	23,314	23,020	14.3	24,300	200,045.57
	Tokyo-3	LOGIPORT Kitakashiwa	Kashiwa, Chiba	Trust beneficiary interest	4	25,614	25,300	15.7	26,500	104,302.62
	Tokyo-4	LOGIPORT Nagareyama (A)	Nagareyama, Chiba	Trust beneficiary interest	8	3,561	3,500	2.2	3,710	17,673.87
	Tokyo-5	LOGIPORT Nagareyama (B)	Nagareyama, Chiba	Trust beneficiary interest	8	26,853	26,600	16.5	27,000	133,414.76
	Tokyo-6	LOGIPORT Higashi Ogishima (A)	Kawasaki, Kanagawa	Trust beneficiary interest	29	19,252	19,000	11.8	19,000	100,235.67
	Tokyo-7	LOGIPORT Higashi Ogishima (B)	Kawasaki, Kanagawa	Trust beneficiary interest	25	19,387	19,120	11.8	20,600	117,546.26
	Tokyo-8	LOGIPORT Higashi Ogishima (C)	Kawasaki, Kanagawa	Trust beneficiary interest	15	23,996	23,700	14.7	24,400	116,997.14
Portfolio total/average					11	163,442	161,440	100.0	167,610	936,017.58

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

Note 2. “Property age” is generally calculated as the period from the construction completion date shown on the property registry for the main building until August 31, 2016, and is rounded to the nearest whole number. The number presented as the portfolio age average is the weighted average weighted by acquisition price, rounded to the nearest whole number.

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

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

Note 5. “Appraisal value” represents the appraisal value as of August 31, 2016 shown in the real estate appraisal documents prepared by either The Tanizawa Sogo Appraisal Co., Ltd. or CBRE K.K., which have been contracted to appraise the asset holdings.

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

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

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

(ii) Tenant Agreements

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

Area	Property Number	Property Name	Total No. of tenants (Note 1)	Annual lease revenue (million yen) (Note 2)	Lease & guarantee deposits (million yen) (Note 3)	Leasable floor area (㎡) (Note 4)	Leased floor area (㎡) (Note 5)	Occupancy rate (%) (Note 6)
Tokyo area	Tokyo-1	LOGIPORT Hashimoto (Note 7)	14	1,015	250	130,165	119,903	92.1
	Tokyo-2	LOGIPORT Sagamihara (Note 8)	16	1,278	312	180,971	177,133	97.9
	Tokyo-3	LOGIPORT Kitakashiwa	10	1,352	365	100,349	100,349	100.0
	Tokyo-4	LOGIPORT Nagareyama (A)	1	1,558 (Note 9)	355 (Note 9)	18,172	18,172	100.0
	Tokyo-5	LOGIPORT Nagareyama (B)	8			112,684	112,388	99.7
	Tokyo-6	LOGIPORT Higashi Ogishima (A)	22	1,064	322	85,281	82,735	97.0
	Tokyo-7	LOGIPORT Higashi Ogishima (B)	18	1,138	392	103,731	97,901	94.4
	Tokyo-8	LOGIPORT Higashi Ogishima (C)	17	1,358	288	114,925	113,774	99.0
Portfolio total/average			106	8,766	2,287	846,281 699,030	822,358 681,606	97.2 97.5

Note 1. "Total No. of tenants" is stated as the total number of lease agreements associated with the buildings shown for each of the trust properties as of August 31, 2016. If a master lease agreement has been executed for the trust property, it is stated as the total number of end tenants. However, if the same lessee has executed multiple lease agreements at the trust property, that lessee is counted as one tenant when arriving at calculating the total.

Note 2. "Annual lease revenue" is stated as the total annualized monthly rent (including common service fees) associated with the properties shown in the lease agreements for each of the trust properties as of August 31, 2016 (for trust properties with multiple lease agreements, the aggregate thereof) (excluding consumption taxes) calculated by multiplying the monthly rent by 12, rounded down to the nearest million yen. Therefore, the sum of the "annual lease revenue" for the individual trust properties may not necessarily match the portfolio total.

Note 3. "Lease & guarantee deposits" is stated as the aggregate amount of the lease and guarantee deposit balances shown in each lease agreement associated with each trust property for each trust property as of August 31, 2016, rounded down to the nearest million yen. Therefore, the sum of the individual "lease & guarantee deposits" for the properties may not necessarily match the portfolio total.

Note 4. "Leasable floor area" is the area that can be leased at the buildings associated with each trust property as of August 31, 2016, stated as the aggregate of the area considered leasable under the lease agreements or building drawings, rounded down to the nearest whole number. Additionally, in the "Portfolio total" row, the upper figure represents the aggregate Leasable Floor Area for a given building of trust properties. The lower figure represents the aggregate Leasable Floor Area for a given building, after factoring in and converting for LLR's proportional ownership interest of the joint co-ownership interests within a trust beneficial interest.

Note 5. "Leased floor area" is stated as the aggregate leased floor area associated with the buildings shown in the lease agreements for each of the trust properties as of August 31, 2016. If a master lease agreement has been executed for the trust property, it is stated as the aggregate of the area which has actually been leased through the execution of lease agreements with end tenants, rounded down to the nearest whole number. Additionally, in the "Portfolio total" row, the upper figure represents the aggregate Leased Floor Area for each building of trust properties. The lower figure represents the aggregate Leased Floor Area for each building of trust properties, after factoring in and converting for LLR's proportional ownership interest of the joint co-ownership interests within a trust beneficial interest.

Note 6. "Occupancy rate" is stated as the ratio of leased floor area to leasable floor area with the buildings shown in the lease agreements for each of the trust properties as of August 31, 2016, rounded to the second decimal place. Additionally, in the "Portfolio total/average" row, the upper figure represents the ratio of the aggregate Leased Floor Area for a given building divided by the Leasable Floor Area for a given building, rounded to the second decimal place. The lower figure represents the ratio of the aggregate Leased Floor Area for a given building divided by the Leasable Floor Area for a given building, rounded to the second decimal place, after factoring in and converting for LLR's proportional ownership interest of the joint co-ownership interests within a trust beneficial interest.

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

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

Note 9. Because consent has not been obtained from the single end tenant at "LOGIPORT Nagareyama (A)" to disclose the annual lease revenue and lease &

guarantee deposits, the annual lease revenue and lease & guarantee deposits are presented in aggregate with the annual lease revenue and lease & guarantee deposits, respectively, for LOGIPORT Nagareyama (B).

(iii) Appraisal report summary

Area	Property Number	Property name	Appraiser	Appraisal date	Appraisal value (million yen)	Cost-approach value (million yen)	Income approach value (million yen)				
							Direct capitalization method		Discounted cash flow (DCF) method		
							Income-approach value	Capitalization rate (%)	Income-approach value	Discount rate (%)	Terminal capitalization rate (%)
Tokyo area	Tokyo-1	LOGIPORT Hashimoto (Note 1)	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2016	22,100	20,000	22,700	4.3	21,800	4.4	4.5
	Tokyo-2	LOGIPORT Sagamihara (Note 2)	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2016	24,300	22,700	25,000	4.4	24,000	4.5	4.6
	Tokyo-3	LOGIPORT Kitakashiwa	CBRE K.K.	August 31, 2016	26,500	23,000	26,800	4.4	26,500	4.2	4.5
	Tokyo-4	LOGIPORT Nagareyama (A)	CBRE K.K.	August 31, 2016	3,710	3,010	3,760	4.8	3,710	4.4	4.7
	Tokyo-5	LOGIPORT Nagareyama (B)	CBRE K.K.	August 31, 2016	27,000	22,300	26,800	4.7	27,000	4.4	4.7
	Tokyo-6	LOGIPORT Higashi Ogishima (A)	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2016	19,000	18,600	19,300	4.9	18,800	4.9	5.0
	Tokyo-7	LOGIPORT Higashi Ogishima (B)	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2016	20,600	19,900	21,700	4.9	20,100	4.9	5.0
	Tokyo-8	LOGIPORT Higashi Ogishima (C)	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2016	24,400	21,500	25,000	4.8	24,100	4.8	4.9
Portfolio total					167,610	151,010	171,060		166,010		

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

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

(iv) Information about major real estate properties

Of the assets held by LLR, those properties where “total annual lease revenue” represents 10% or more of the “total annual lease revenue for the entire portfolio” as of August 31, 2016 are presented below.

Property name	Total annual lease revenue (million yen) (Note 1)	Share of lease revenue (%) (Note 2)
LOGIPORT Hashimoto (Note 3)	1,015	11.6
LOGIPORT Sagamihara (Note 4)	1,278	14.6
LOGIPORT Kitakashiwa	1,352	15.4
LOGIPORT Nagareyama (A) LOGIPORT Nagareyama (B) (Note 5)	1,558	17.8
LOGIPORT Higashi Ogishima (A)	1,064	12.1
LOGIPORT Higashi Ogishima (B)	1,138	13.0
LOGIPORT Higashi Ogishima (C)	1,358	15.5
Total	8,766	100.0

Note 1. “Total annual lease revenue” is stated as the total annualized monthly rent (including common service fees) associated with the properties shown in the lease agreements for each of the trust properties as of August 31, 2016 (excluding consumption taxes) calculated by multiplying the monthly rent by 12, rounded down to the nearest million yen.

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

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

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

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

(v) Information about Major Tenants

Within the assets held by LLR, as of August 31, 2016 there are no tenants for which the leased floor area represents 10% or more of the total leased floor area for the entire portfolio (for those assets for which a pass-through type master lease agreement has been executed, this includes the end tenants and excludes the master lessee that has executed the master lease agreement).

(vi) Portfolio Diversification

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

a. Share by area

Area	Number of properties	Gross floor area (m ²) (Note 1) (Note 2)	Share (%)	Acquisition price (million yen) (Note 3)	Share (%)
Tokyo area	8	936,017.58	100.0	161,440	100.0
Osaka area	-	-	-	-	-
Other	-	-	-	-	-
Total	8	936,017.58	100.0	161,440	100.0

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

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

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

b. Share by property age

Property age (Note 1)	Number of properties	Gross floor area (m ²) (Note 2) (Note 4)	Share (%) (Note 3)	Acquisition price (million yen) (Note 5)	Share (%) (Note 3)
20 years or more	2	217,781.93	23.3	38,120	23.6
At least 15 years but less than 20 years	1	116,997.14	12.5	23,700	14.7
At least 10 years but less than 15 years	-	-	-	-	-
At least 5 years but less than 10 years	2	151,088.63	16.1	30,100	18.6
Less than 5 years	3	450,149.88	48.1	69,520	43.1
Total	8	936,017.58	100.0	161,440	100.0

Note 1. As a general rule, "property age" is calculated as the period from the construction date shown on the registration for the main building until August 31, 2016, rounded to the nearest whole number.

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

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

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

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

c. Share by size (gross floor area)

Size (gross floor area) (m ²) (Note 1) (Note 3)	Number of properties	Gross floor area (m ²) (Note 1) (Note 3)	Share (%) (Note 2)	Acquisition price (million yen) (Note 4)	Share (%) (Note 2)
At least 100,000m ²	7	918,343.71	98.1	157,940	97.8
At least 50,000m ² Less than 100,000m ²	-	-	-	-	-
At least 30,000m ² Less than 50,000m ²	-	-	-	-	-
At least 10,000m ² Less than 30,000m ²	1	17,673.87	1.9	3,500	2.2
Less than 10,000m ²	-	-	-	-	-
Total	8	936,017.58	100.0	161,440	100.0

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

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

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

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

d. Share by remaining lease term

Lease term (remaining lease term) (Note 1)	Leased floor area (m ²) (Note 2) (Note 4) (Note 5)	Share (%) (Note 3)	Annual lease revenue (million yen) (Note 2) (Note 4) (Note 5)	Share (%) (Note 3)
7 years or more	91,629	13.4	1,253	14.3
At least 5 years but less than 7 years	35,061	5.1	426	4.9
At least 3 years but less than 5 years	142,795	20.9	1,924	21.9
At least 1 years but less than 3 years	173,141	25.4	2,274	25.9
Less than 1 year	238,978	35.1	2,887	32.9
Total	681,606	100.0	8,766	100.0

Note 1. "Lease term (remaining term)" is based on the remaining term of leases as of August 31, 2016, under the lease agreements for asset holdings that have been executed as of that date.

Note 2. "Leased floor area" is stated as the leased floor area associated with each trust property for each trust property as of August 31, 2016, while "annual lease revenue" is stated as the annualized monthly rent (including common service fees) shown in each lease agreement associated with each trust property for each trust property as of August 31, 2016 (for trust properties with multiple lease agreements, the aggregate thereof) (excluding consumption taxes) calculated by multiplying by 12, rounded down to the nearest million yen. These are then aggregated for each remaining lease term category.

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

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

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

(3) Capital expenditures on portfolio assets

(i) Planned capital expenditures

The major planned capital expenditures associated with improvements to real estate and trust properties associated with real estate trust beneficiary interests held by LLR that are currently planned as of August 31, 2016 are presented below. Estimated work costs may include amounts that will ultimately be classified as an expense for accounting purposes.

Property Number	Property name	Location	Purpose	Expected timing	Estimated work costs (million yen) (Note)		
					Total amount	Paid during the period	Total amount already paid
Tokyo-7	LOGIPORT Higashi Ogishima (B)	Kawasaki, Kanagawa	Renewal of electronic security system	From October 2016 to February 2017	25	-	-

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

(ii) Capital expenditures during the period

A summary of the main projects, treated as capital expenditures, associated with real estate held by LLR that were undertaken during the current period is presented below. Capital expenditures during the fiscal period were 85 million yen. In addition to this, repair and maintenance expenses classified as other operation expenses were 24 million yen for the fiscal period.

Property Number	Property name	Location	Purpose	Implementation period	Amount (million yen) (Note)
Tokyo-6	LOGIPORT Higashi Ogishima (A)	Kawasaki, Kanagawa	Building A fire inspection and corrective work	March 2016	22
Tokyo-6	LOGIPORT Higashi Ogishima (A)	Kawasaki, Kanagawa	Upgrade fire hydrant hoses	July 2016	7
Tokyo-7	LOGIPORT Higashi Ogishima (B)	Kawasaki, Kanagawa	Upgrade fire hydrant hoses	July 2016	7
Tokyo-8	LOGIPORT Higashi Ogishima (C)	Kawasaki, Kanagawa	Upgrade water tank	July 2016	7
Other capital expenditures during the period					38
Total					85

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

(iii) Reserves for the long-term repair and maintenance plan (reserves for repairs)

None

(4) Property income/expenses

(Unit: thousand yen)

Property number	Tokyo-1	Tokyo-2	Tokyo-3	Tokyo-4	Tokyo-5
Property	LOGIPORT Hashimoto	LOGIPORT Sagamihara	LOGIPORT Kitakashiwa	LOGIPORT Nagareyama (A)	LOGIPORT Nagareyama (B)
Number of operating days in first fiscal period	197	197	197	197	
(i) Total real estate leasing revenues	584,079	739,840	815,428	900,503	
Rent revenue	542,486	686,922	727,698	828,364	
Other lease business revenue	41,593	52,918	87,729	72,139	
(ii) Total real estate leasing expenses	142,560	164,842	204,626	270,131	
Outsourcing costs	20,800	36,310	32,716	32,299	
Utilities expenses	28,405	37,086	61,073	51,870	
Insurance premiums	1,119	1,328	1,494	2,017	
Repair and maintenance	1,988	920	1,679	10,690	
Depreciation	87,031	78,679	105,035	170,213	
Other leasing expenses	3,215	10,518	2,626	3,040	
(iii) Real estate leasing profit (= (i) - (ii))	441,518	574,997	610,801	71,632	558,739
(iv) Leasing NOI (= (iii) + depreciation)	528,550	653,677	715,837	96,939	703,645

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

(Unit: thousand yen)

Property number	Tokyo-6	Tokyo-7	Tokyo-8
Property	LOGIPORT Higashi Ogishima (A)	LOGIPORT Higashi Ogishima (B)	LOGIPORT Higashi Ogishima (C)
Number of operating days in first fiscal period	197	197	197
(i) Total real estate leasing revenues	637,302	675,716	777,268
Rent revenue - real estate	581,818	603,959	716,025
Other lease business revenue	55,483	71,756	61,242
(ii) Total real estate leasing expenses	129,421	159,350	211,904
Outsourcing costs	47,053	48,754	66,052
Utilities expenses	17,148	27,520	38,737
Insurance premiums	1,371	1,723	1,821
Repair and maintenance	2,958	2,783	3,454
Depreciation	58,709	77,281	100,313
Other leasing expenses	2,178	1,287	1,526
(iii) Real estate leasing profit (= (i) - (ii))	507,881	516,366	565,363
(iv) Leasing NOI (= (iii) + Depreciation)	566,590	593,647	665,676