

11th Fiscal Period

Semi-Annual Report

March 1, 2021 to August 31, 2021



LOGI Report

LaSalle LOGIPORT REIT

1-11-1 Marunouchi, Chiyoda-ku, Tokyo, Japan <https://lasalle-logiport.com/english/>

Table of Contents

Message to Unitholders	1
Operational Highlights	2
Focused Investments in Prime Logistics Located in the Tokyo and Osaka Areas	4
LaSalle Group's Sponsor Support	6
Initiatives on ESG	9
Summary and Characteristics of the Portfolio	12
Investment Strategies that Enable Continuous Growth of Unitholder Value	12
Building of Robust Financial Soundness	13
Portfolio Maps	14
Major Properties in the Portfolio	16
Risk Factors	18
Financial Section	
Balance Sheet	22
Statement of Income	24
Statement of Changes in Net Assets	25
Statement of Cash Distributions	26
Statement of Cash Flows	27
Notes to Financial Statements	28
Supplementary Schedules	42
Independent Auditor's Report	48
Investor Information	50

Features of LaSalle LOGIPORT REIT

1 Focused Investments in Prime Logistics Located in the Tokyo and Osaka areas

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

2 Leveraging the LaSalle Group’s Real Estate Investment Management Capabilities

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

3 Continuing to Build a Strong Financial Position

- Build robust financial soundness from a medium- to long-term perspective to enable flexible adjustment to changes in the financial environment
- Loan to value (“LTV”) (ratio of interest-bearing debt to total assets) stood at 41.8% as of August 31, 2021, with a long-term issuer rating of AA- (Positive)

Message to Unitholders



Toshimitsu Fujiwara
Executive Director
LaSalle LOGIPORT REIT
President and CEO
LaSalle REIT Advisors K.K.

On behalf of LaSalle LOGIPORT REIT (“LLR”), I would like to express sincere gratitude for your loyal patronage.

Thanks to the continued support of unitholders, LLR has successfully completed its 11th fiscal period (ended August 2021).

During the fiscal period under review, LLR acquired a large logistics facility located in the Osaka Bay area for 40 billion yen in April 2021 by using funds from its fourth public offering. With this transaction, LLR’s asset size expanded to 357.8 billion yen across 19 properties. In the meantime, amid the robust tenant demand for highly functional logistics spaces led by the expansion of e-commerce, LLR maintained a high period-average occupancy rate for the entire portfolio at 98.4%. These endeavors allowed LLR to post operating revenues of 10,707 million yen, operating income of 5,974 million yen, ordinary income of 5,288 million yen, and net income of 5,287 million yen, with a distribution per unit (“DPU”) of 3,193 yen.

Going forward, while fulfilling its 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 asset management capabilities built on its abundant development and investment experiences in Japan’s logistics facilities.

Your continued support of LLR is deeply appreciated.

Distribution Per Unit

11th Fiscal Period (Actual)

3,193 yen

12th Fiscal Period (Forecast)

3,090 yen

13th Fiscal Period (Forecast)

3,055 yen

Management Performance

Operating Revenues

10,707 mn yen

Net Income

5,287 mn yen

Total Assets Under Management (“AUM”)

357.8 bn yen

Portfolio Size

19 properties

Period-end Occupancy Rate

98.8 %

Long-term Issuer Rating

AA-
(Positive)

(Japan Credit Rating Agency, Ltd.)

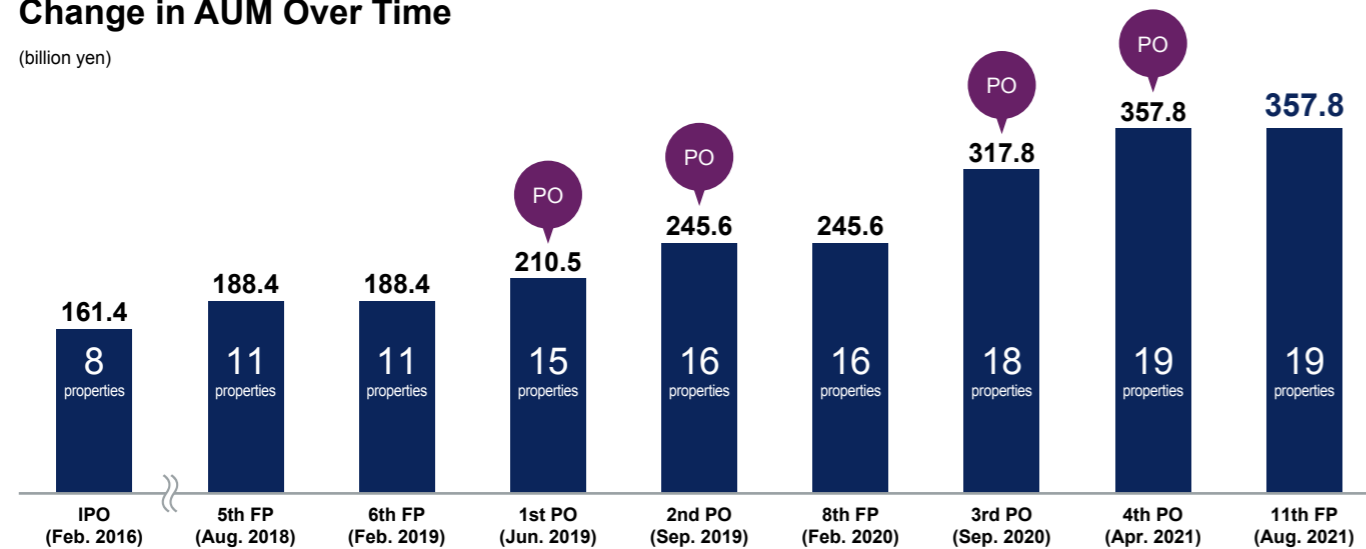
Operational Highlights

Financial Highlights for 11th Fiscal Period

		10th Fiscal Period	11th Fiscal Period	12th Fiscal Period (Forecast)
Operating Revenues	(mn yen)	9,504	10,707	10,523
Operating Income	(mn yen)	5,316	5,974	5,680
Ordinary Income	(mn yen)	4,668	5,288	5,092
Net Income	(mn yen)	4,667	5,287	5,091
DPU	(yen)	3,077	3,193	3,090
Earnings Per Unit ("EPU")	(yen)	2,849	2,962	2,852
DPU in Excess of Earnings	(yen)	228	231	238
AUM	(bn yen)	317.8	357.8	357.8
Portfolio Size	(properties)	18	19	19
Period End Occupancy Rate	(%)	99.0	98.8	—

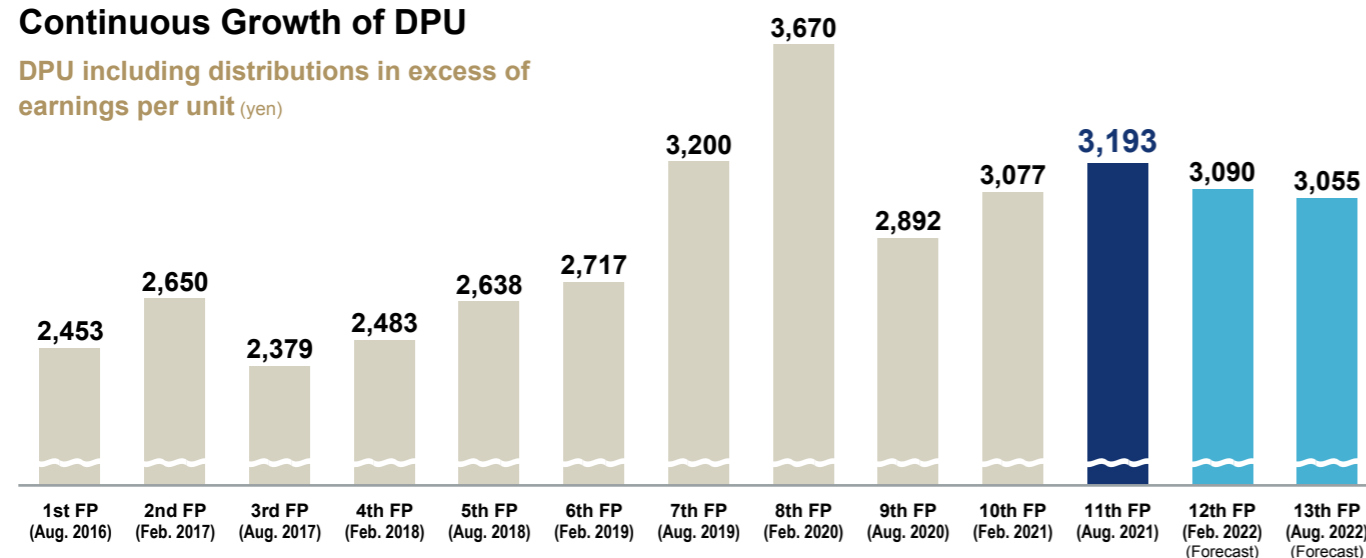
Change in AUM Over Time

(billion yen)



Continuous Growth of DPU

DPU including distributions in excess of earnings per unit (yen)



Portfolio Strategy

Abundant pipeline of c. 150 bn yen and additional value-add investment opportunity

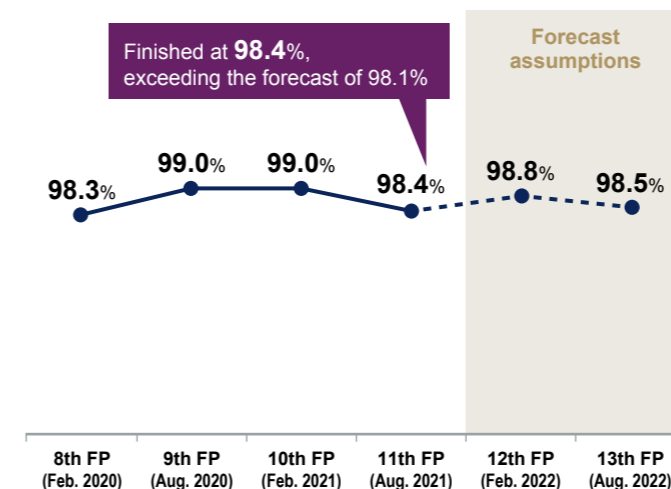


Note: Computer-generated images of LOGIPOINT Kobe Nishi (provisional name), Matsudo Logistics Center (provisional name), Osaka Suminoe Logistics Center Project (provisional name), and Matsudo Project are those in the planning stage and are subject to change. Unauthorized reproduction of the images is prohibited.

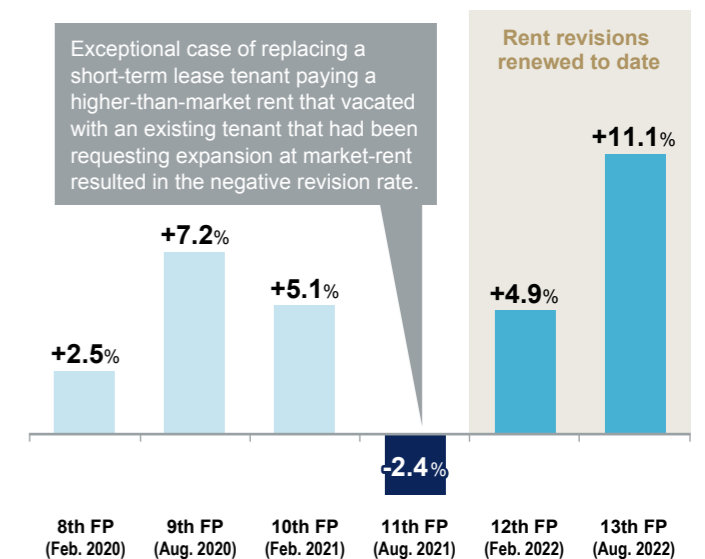
Asset Strategy

Occupancy rate exceeded forecast. Upward rent revisions continue, despite one exception

Change in Occupancy Rate (Based on Fiscal Period Average)



Change in Rent Revision Rate (Fixed-term Lease Properties)



Focused Investments in Prime Logistics^(Note 1) Located in the Tokyo and Osaka Areas^(Note 2)

Prospective Portfolio Composition

Tokyo and Osaka Areas
More than **80%** in total

Regional Cities
Less than **20%**

Note 1: “Prime logistics” refers to large-scale logistics facilities with high specifications located in suitable sites.
Note 2: “Tokyo Area” is defined as the area that is within a 60km radius from JR Tokyo station and “Osaka Area” is defined as the area that is within a 45km radius from JR Osaka station.

Characteristics of “Prime Logistics”

Suitable Sites

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

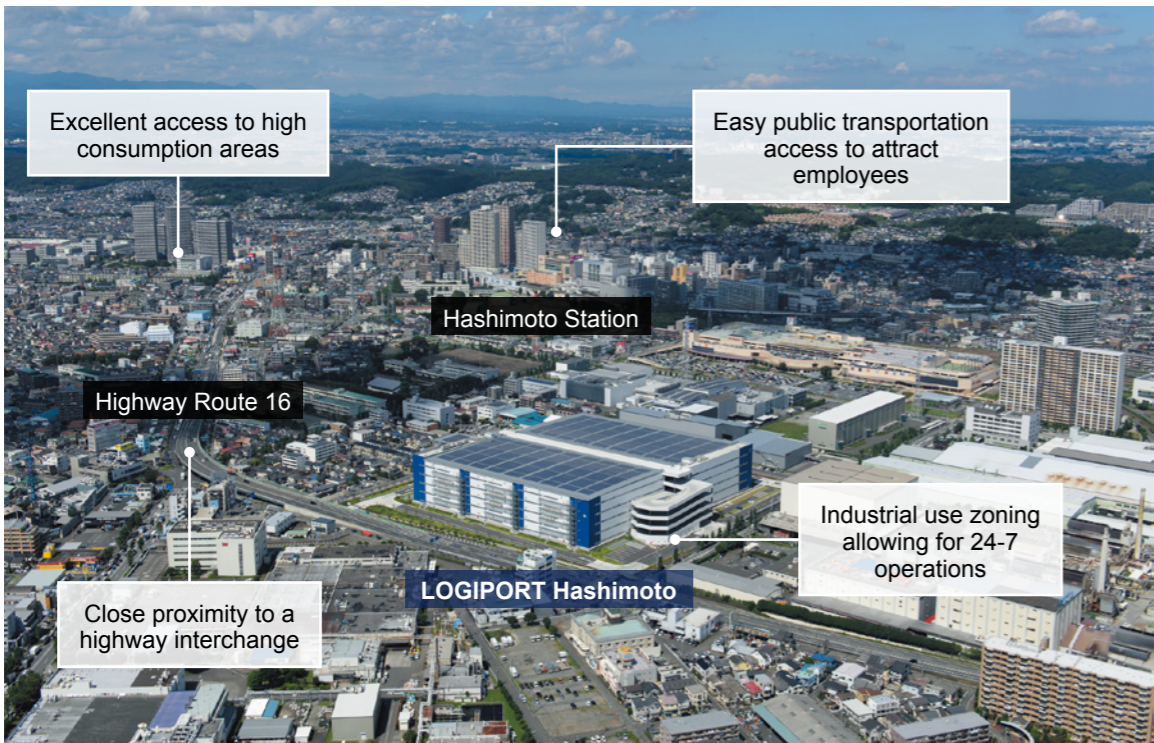
Large Scale

1. In general, gross floor area (“GFA”) is greater than 16,500m²

High Specifications

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

Example of a Suitable Site in the Case of LOGIPORT Hashimoto



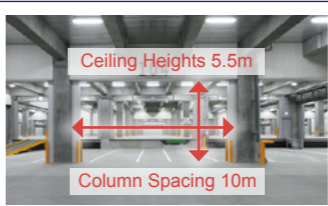
Advantage of High Functionality

Functional Features of Prime Logistics



Large-Scale Ramp Ways

Enables truck access to the upper floors, or there are vertical conveyors with sufficient loading capacity.



High-End Specifications

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



Flexible Partitioning of Bays

Designed with truck berths, vertical conveyor layouts, fire prevention compartmentalization.



Office Space

Ample office space.



Seismic Isolation/Earthquake Resistance

Providing seismic isolation and earthquake resistance performance.

Environmental, Energy Efficiency



Solar panels for renewable energy utilization



Exterior walls, sandwich panel system for thermal insulation and watertightness



Automatic lighting sensors for corridors and bathrooms



Obtained S and A rankings, based on CASBEE evaluation

Security Measures



24-7, 365 days, building management center

Ample Amenities



Cafeteria space for employees during breaks



Convenience stores for employee satisfaction



Operation of a commuter bus from the nearest station

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.

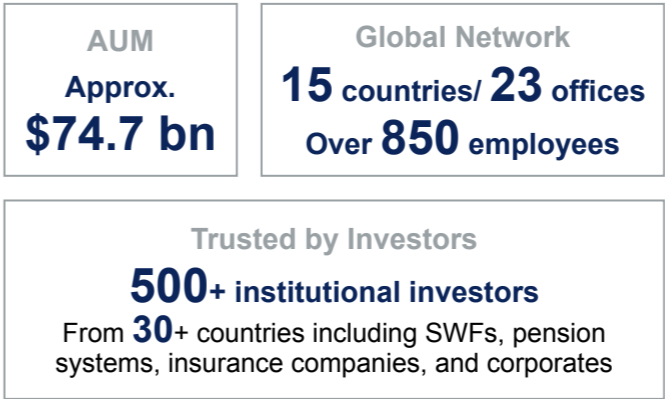
Parent company of LaSalle is JLL

JLL Global comprehensive real estate services firm



Note: As of December 31, 2020.

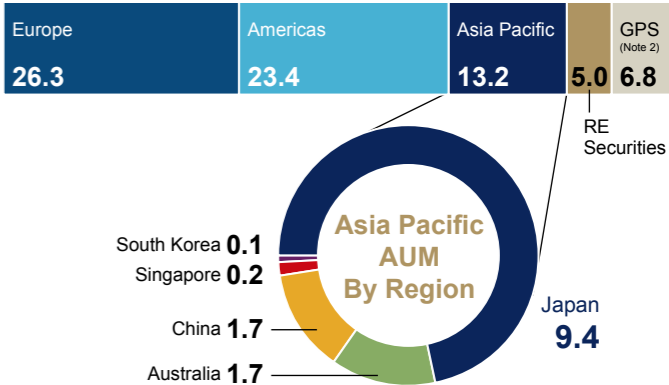
LaSalle World leading real estate investment management firm



Note 1: As of June 30, 2021.

Note 2: Global Partner Solutions: Fund of funds

AUM by Region (USD billion)



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

Front runner of developing and investing in advanced logistics facilities

Entered the Japanese market in 2003, cultivating the market ahead of major domestic developers

Formed a logistics development fund at the dawn of the industry

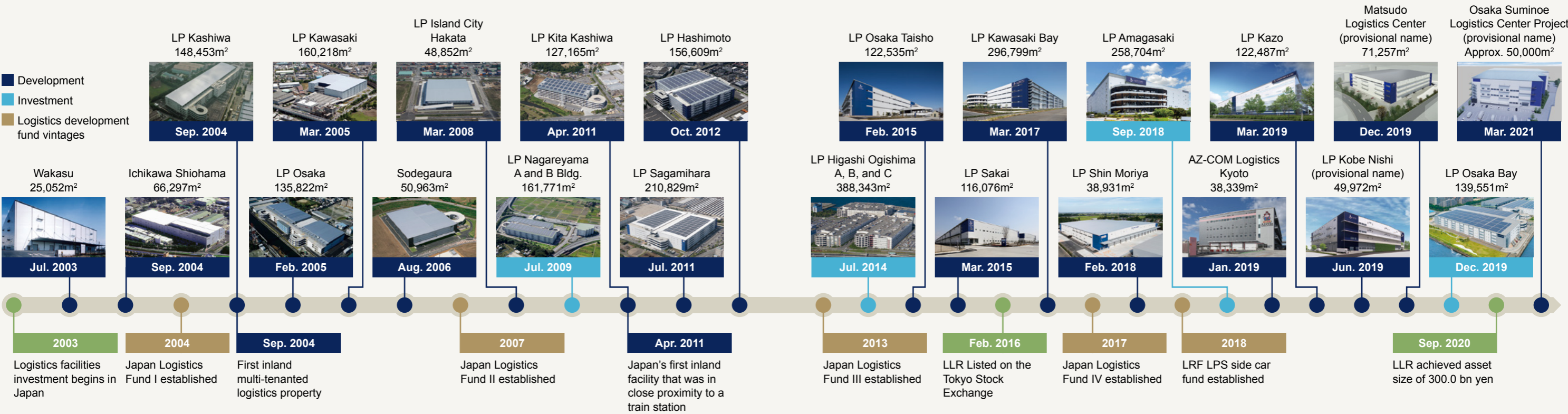
Formed a development fund specialized in logistics properties in 2004, when the industry was being created

Japan's first inland, multi-tenanted logistics facility in close proximity to a train station*

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

One of Japan's largest multi-tenanted logistics facilities*

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



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

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

Note 3: As of the date of this document, 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 4: The floor areas of buildings are based on the building certificates and drawings, etc., and may not be identical with the floor areas in the registry.

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

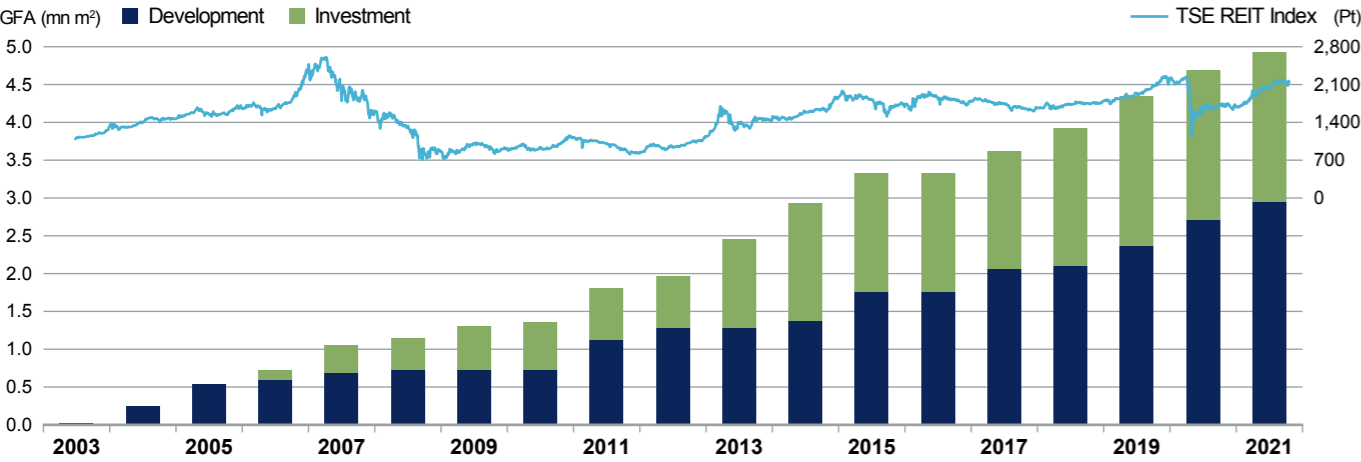
LaSalle Group's Sponsor Support

LaSalle Group's robust track record of development, investment, and leasing of logistics properties in Japan

Robust Experience in Development, Investment, and Leasing

<div>Total development (Note 2)</div> <div>Approx. 2.94 mn m²</div>	<div>Total leasing</div> <div>Approx. 4.25 mn m²</div>
<div>Total acquisitions</div> <div>Approx. 1.98 mn m²</div>	<div>Large scale development market share in Greater Tokyo Area (Note 3)</div> <div>Approx. 14%</div>

Developments and Investments (Aggregated Basis) (Note 2)



Note 1: As of August 31, 2021.
Note 2: Includes properties scheduled to be developed.
Note 3: Source: Rental Logistics Facilities with Gross Floor Area of at Least 100,000m² Developed by Private-Sector Companies and Located in the Tokyo Metropolitan Area (as of June 30, 2021) by CBRE.

Initiatives on ESG

Basic Policy on ESG

ESG Goals

As a member of LaSalle Group, LLR strives to realize the following environmental (E), social (S), and governance (G) (collectively “ESG”) goals based on the “basic policy on ESG” stipulated by LaSalle.

- Reduction of environmental burden through business activities
- Reduction of environmental burden at owned properties
- Achievement of various environmental regulations exceeding the target
- Leading sustainable real estate investments with visionary ideas, and promoting innovation
- Cooperating with stakeholders for the management of owned properties in consideration of sustainability

LaSalle’s System for Promoting ESG

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



GRESB Member



Member of the United Nations Environment Programme Finance Initiative (“UNEP FI”)



ULI Greenprint / Net Zero Carbon x 2050



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



Initiatives on ESG

Environmental Initiatives



Certifications Acquired by LLR

GRESB Real Estate Assessment

Acquired the highest rating of “5 Stars” and “Green Star”



Third Party Evaluations / Certifications

Certification / Evaluation	Number of Properties (Note 1)	Gross Floor Area	Ratio (GFA-based)
 CASBEE Real Estate Certification (Note 2)	17	1,902,509m ²	93.2%
 BELS	11	1,076,966m ²	52.7%

Note 1: Excludes leasehold land assets
Note 2: Includes both “CASBEE Buildings (New Construction)” for new buildings and “CASBEE-Real Estate” for buildings over one year after completion.

Examples of Initiatives



Introducing LED lighting



Introducing solar energy panels



Introducing motion sensor lights



Installation of new air conditioning equipment

- Property with solar panels 12 properties
- Portfolio ratio (GFA base) 67.1%

Green Bonds

LLR’s policy is to allocate proceeds from green bonds to the acquisition of eligible green assets meeting the eligibility criteria, repair work for green assets or repayment of loans or redemption of investment corporation bonds allocated to such.

Status of Green Bond Issuance

Issue amount	Interest rate	Issue date	Redemption date
3.0 bn yen	0.59%	February 20, 2020	February 20, 2030
2.0 bn yen	0.76%	February 16, 2021	February 15, 2036

Note: The above amount has been fully allocated to prepayment of funds borrowed to acquire eligible green assets.

Green Eligible Assets

The green eligible asset ratio of 99.6% is the highest among J-REITs

Social Initiatives

Contribution to Community and Safety and Security of Tenants



Cooperation agreement on disaster management with local governments



Registration as disaster management office



Donation of reserves in preparation for disasters



COVID-19 infection prevention

Initiatives for Employees

Diversity (As of December 31, 2020)	Employee Satisfaction Survey (FY2020)	Benefit
<ul style="list-style-type: none">Percentage of female employees 35.3%Percentage of female managerial staff 25.0%	<ul style="list-style-type: none">Employee health conditions survey amid COVID-19 pandemic (twice in total)	<ul style="list-style-type: none">Satisfactory vacation systemIncentives for Investment Unit Ownership AssociationHealth-conscious beverages

Establishment of a Diversity and Inclusion Committee

The LaSalle’s Asia-Pacific region has established a Diversity and Inclusion Committee to promote contribution to local communities, growth through acceptance of diversity and mutual respect, mental and physical health, and an orientation toward a fulfilling life.

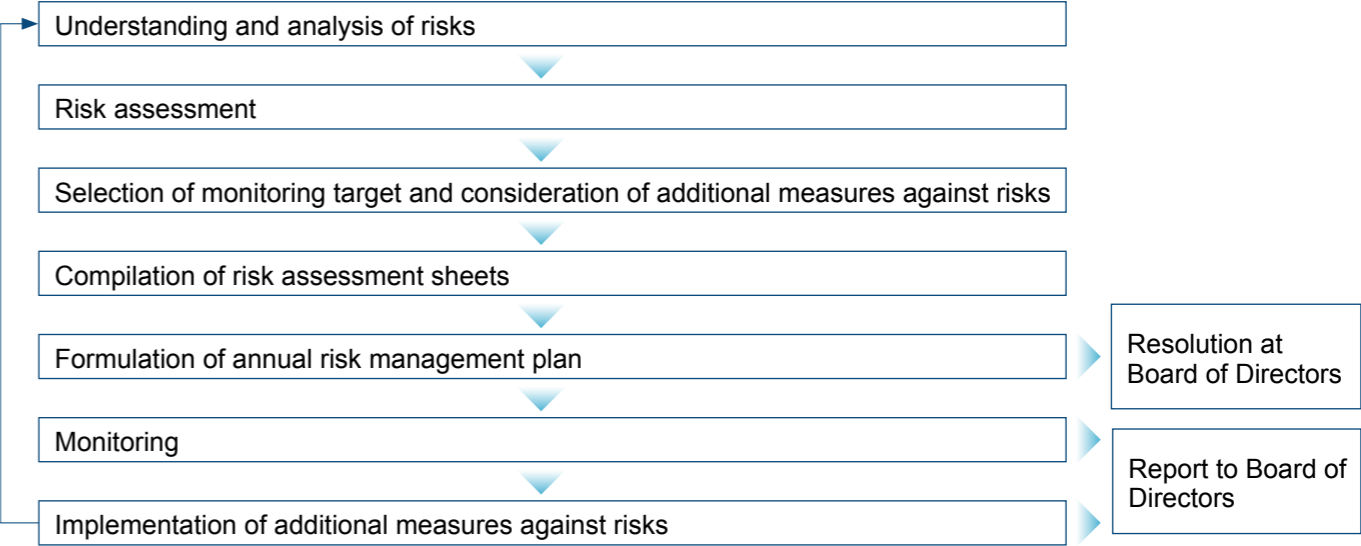
Governance Initiatives

Management Fee Structure Linked to Unitholder Value

Management Fees during the Period	Acquisition Fee
(1) Asset Management Fee I Net operating income (“ NOI ”) (including gain or loss on sale) × 10% (maximum rate)	(4) Sales price in the case of acquisition of real estate-related assets × 1.0% (maximum rate)
(2) Asset Management Fee II Net income before tax × Adjusted EPU × 0.002% (maximum rate)	Merger Fee
(3) Asset Management Fee III Adjusted net asset value (“ NAV ”) × NAV per unit in the immediately preceding fiscal period × 0.6% (maximum rate)	(5) Appraisal value of real estate-related assets owned by the counterparty in consolidation-type merger or absorption-type merger × 1.0% (maximum rate)

Development and Supervision of Risk Management System

Process of Risk Management



Summary and Characteristics of the Portfolio

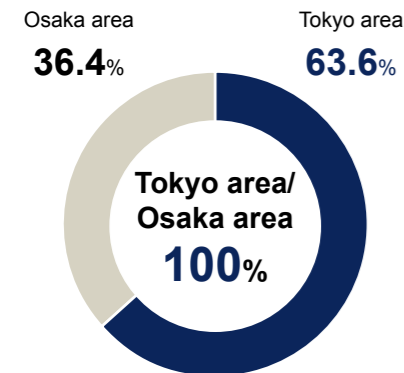
Portfolio Summary

AUM	357.8 bn yen	Appraisal NOI yield	4.8%
No. of properties	19 properties	Period-end occupancy rate	98.8%

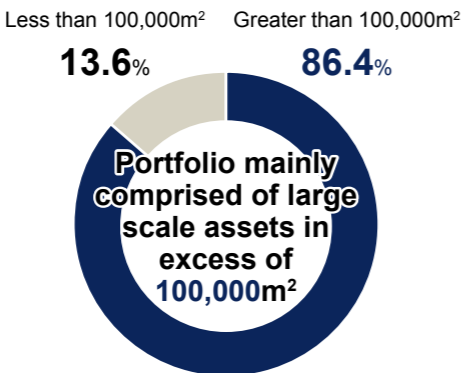
Note: Figures for 19 assets owned by LLR as of August 31, 2021.

Diversified Portfolio

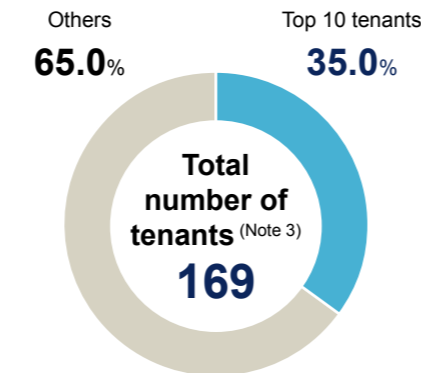
Ratio by Area/Location (acquisition price basis)



Ratio by GFA



Tenant Diversification (Note 2)



Note 1: Calculated based on the figures for 19 assets owned by LLR as of August 31, 2021.

Note 2: Based on leased area.

Note 3: The figure includes tenant overlaps.

Investment Strategies that Enable Continuous Growth of Unitholder Value

Three Pillars of Active Management Strategy

Portfolio Strategy	Asset Strategy	Excess Returns Strategy
Sustainable growth in unitholder value	Enhancement of portfolio profitability	Earn excess returns and increase acquisition pipeline
External growth backed by an abundant pipeline	Capture robust tenant demand and maintain high occupancy rates	Commence development work of Osaka Suminoe Logistics Center for value-up
Investments in logistics suited locations outside of Tokyo and Osaka areas	Reduce rent gaps	Strengthen sourcing activities to capture value-add investment opportunities
Consider asset replacements, subject to capital market conditions	Capital investments for profitability enhancement	Collaboration with external business partners and expand new investment opportunities

Building of Robust Financial Soundness (After 4th PO)

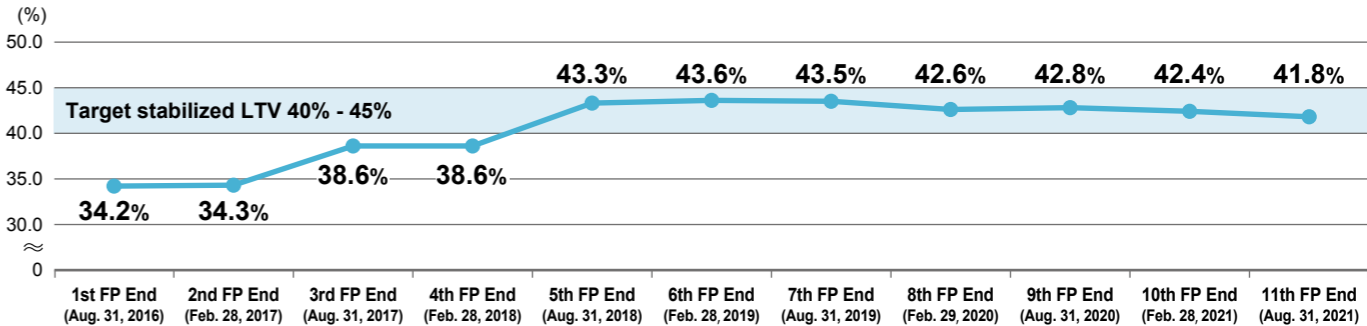
Financial Highlights

LTV (Note 1)	41.8%	Long-term issuer rating (Japan Credit Rating Agency, Ltd.)	AA- (Positive)
Wtd. Avg. Int. Rate	0.54%	Fixed rate ratio (Note 2)	93.2%

Note 1: Calculated by dividing interest-bearing debt by total assets.

Note 2: Calculated as the balance of interest bearing debts with fixed interest rates / total balance of interest bearing debts.

LTV Management



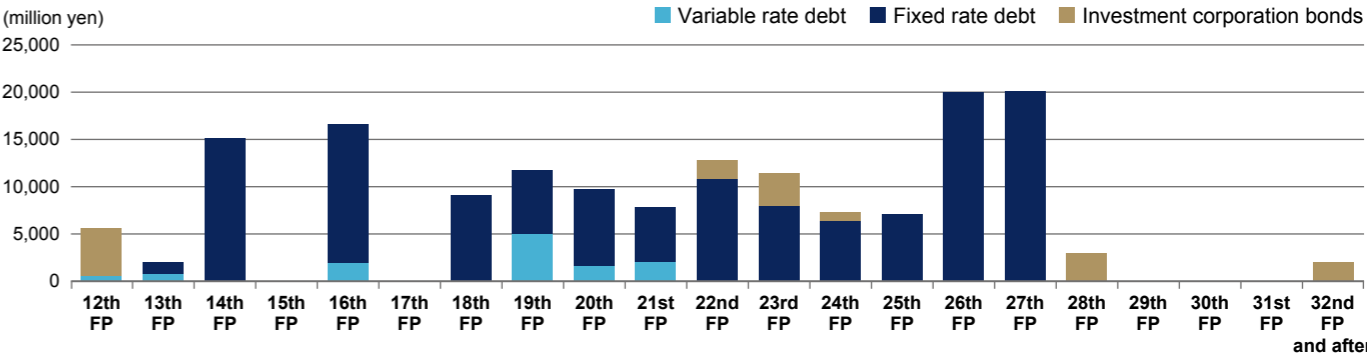
Breakdown of Interest-Bearing Debt (by financial institution)

	Share
MUFG Bank	21.2%
Mizuho Bank	17.1%
Sumitomo Mitsui Banking	16.2%
Sumitomo Mitsui Trust Bank	11.0%
Development Bank of Japan	7.1%
Shinsei Bank	4.2%
Resona Bank	4.1%
Fukuoka Bank	3.1%
Nishi Nippon City Bank	1.9%
Nomura Trust Bank	1.5%
Chugoku Bank	1.2%
Aozora Bank	0.6%
77 Bank	0.6%
Investment corporation bonds	10.3%

Lenders:
13 banks

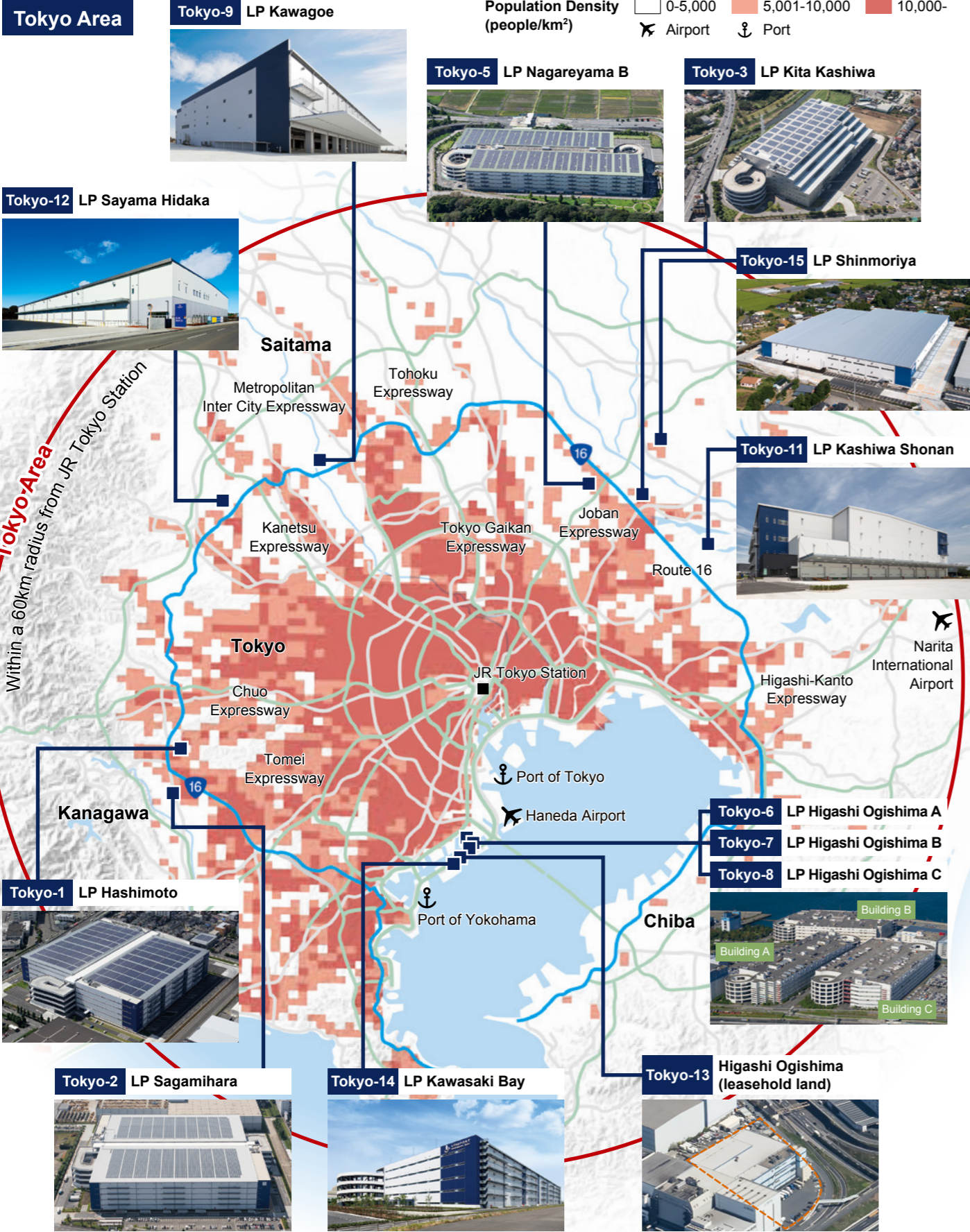
Total:
160.6 bn yen

Diversification of Repayment Dates



Portfolio Maps

Assets acquired by LLR are all “Prime Logistics” located in the Tokyo Area and Osaka Area.



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

Portfolio List

Property No.	Property Name	Location	GFA (m ²)	Acquisition Price (billion yen)	Appraisal Value (billion yen)	NOI Yield (Note 2) (%)	Occupancy Rate (%)
Tokyo-1	LOGIPORT Hashimoto (Note 3)	Sagamihara, Kanagawa	145,801	21.2	24.4	4.6	100.0
Tokyo-2	LOGIPORT Sagamihara (Note 3)	Sagamihara, Kanagawa	200,045	23.0	26.6	4.8	99.7
Tokyo-3	LOGIPORT Kita Kashiwa	Kashiwa, Chiba	104,302	25.3	30.4	4.6	100.0
Tokyo-5	LOGIPORT Nagareyama B	Nagareyama, Chiba	133,414	26.6	31.4	4.9	99.9
Tokyo-6	LOGIPORT Higashi Ogishima A	Kawasaki, Kanagawa	100,235	19.0	20.6	5.0	97.0
Tokyo-7	LOGIPORT Higashi Ogishima B	Kawasaki, Kanagawa	117,546	19.1	21.8	5.4	95.3
Tokyo-8	LOGIPORT Higashi Ogishima C	Kawasaki, Kanagawa	116,997	23.7	26.6	4.9	95.9
Tokyo-9	LOGIPORT Kawagoe	Kawagoe, Saitama	50,742	11.9	12.8	4.7	100.0
Tokyo-11	LOGIPORT Kashiwa Shonan	Kashiwa, Chiba	40,878	9.3	10.5	5.1	100.0
Tokyo-12	LOGIPORT Sayama Hidaka	Hidaka, Saitama	23,570	6.4	6.6	4.6	100.0
Tokyo-13	Higashi Ogishima (leasehold land)	Kawasaki, Kanagawa	—	1.1	1.6	3.8	100.0
Tokyo-14	LOGIPORT Kawasaki Bay (Note 3)	Kawasaki, Kanagawa	289,164	32.2	35.1	4.3	99.9
Tokyo-15	LOGIPORT Shinmoriya	Tsukubamirai, Ibaraki	37,089	8.5	9.5	4.9	100.0
Osaka-1	LOGIPORT Sakai Minamijimacho	Sakai, Osaka	30,696	8.1	8.9	4.8	100.0
Osaka-2	LOGIPORT Sakai Chikko Shinmachi	Sakai, Osaka	20,428	4.1	5.0	5.6	100.0
Osaka-3	LOGIPORT Osaka Taisho (Note 3)	Osaka, Osaka	117,037	17.6	19.7	4.7	96.0
Osaka-5	LOGIPORT Amagasaki	Amagasaki, Hyogo	259,004	48.2	60.2	5.3	99.5
Osaka-6	LOGIPORT Sakai (Note 3)	Sakai, Osaka	115,552	12.0	12.8	4.8	98.6
Osaka-7	LOGIPORT Osaka Bay	Osaka, Osaka	139,551	40.0	42.9	4.4	100.0
Total/Average (19 properties)			2,042,060	357.8	407.6	4.8	98.8
LLR-3	Preferred Shares Osaka Suminoe Logistics Center Project (provisional name)	Osaka, Osaka	Approx. 50,000	0.2	—	—	—

Note 1: Figures for 19 properties and preferred shares owned by LLR as of August 31, 2021 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, 2021, 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, while GFA shows the figure for the entire property.

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

- The outbreak of a new strain of coronavirus (“**COVID-19**”) may have an adverse impact on LLR's operations, business and financial condition.
- Any adverse conditions in the Japanese economy including those resulting from the COVID-19 outbreak and the measures implemented to prevent the spread of the virus could adversely affect LLR.
- 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 additional 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.
 - In addition, LLR may be required to compensate its tenants or third parties in the event of an accident or disaster at any of its properties stemming from any faulty installation or age-related deterioration, such as an elevator accident or water leakage, that results in injury, death or other damage to tenants or third parties.
 - To the extent reasonably available, LLR intends to carry casualty insurance covering all of its properties for many types of casualty losses with policy specification and insured limits that LLR believes are adequate and appropriate under the current circumstances. In particular, LLR will consider obtaining earthquake insurance coverage for those properties with a PML due to an earthquake, exceeding 15%, which currently does not apply to any of the properties within the existing portfolio of assets under management (“**AUM**”).
- Any property defect 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 area, 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 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.

Risk Factors

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 shares 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 purposes 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.

Financial Section



Balance Sheet

	Thousands of yen	
	As of	
	August 31, 2021	February 28, 2021
ASSETS		
Current assets		
Cash and deposits (Notes 3 and 4)	¥ 19,293,300	¥ 17,259,071
Cash and deposits in trust (Notes 3 and 4)	7,324,224	6,458,138
Operating accounts receivable	485,923	394,875
Prepaid expenses	236,127	231,513
Income taxes receivable	111,053	–
Consumption taxes receivable	867,975	2,572,251
Other	60	575
Total current assets	28,318,666	26,916,425
Non-current assets		
Property and equipment (Note 6)		
Buildings in trust	128,385,798	112,970,789
Structures in trust	138,642	119,419
Machinery and equipment in trust	214,383	214,383
Tools, furniture and fixtures in trust	14,156	12,164
Land in trust	236,108,725	210,619,389
Construction in progress in trust	74,374	13,714
Less: accumulated depreciation	(8,861,636)	(7,486,570)
Total property and equipment	356,074,444	316,463,289
Investments and other assets		
Investment securities (Note 4)	207,827	1,149,747
Long-term prepaid expenses	881,743	832,661
Deferred tax assets (Note 13)	21	23
Lease and guarantee deposits	10,000	10,000
Lease and guarantee deposits in trust	10,137	10,137
Total investments and other assets	1,109,730	2,002,569
Total non-current assets	357,184,174	318,465,858
Deferred assets		
Investment unit issuance expenses	112,262	80,110
Investment corporation bond issuance costs	59,994	67,109
Total deferred assets	172,256	147,220
Total Assets	¥385,675,097	¥345,529,503

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

	Thousands of yen	
	As of	
	August 31, 2021	February 28, 2021
LIABILITIES		
Current liabilities		
Operating accounts payable	¥ 321,876	¥ 303,928
Short-term loans payable (Notes 4 and 11)	700,000	800,000
Current portion of investment corporation bonds payable (Notes 4 and 12)	5,000,000	5,000,000
Current portion of long-term loans payable (Notes 4 and 11)	1,850,000	550,000
Accounts payable	1,821,739	1,514,226
Accrued expenses	6,732	9,507
Income taxes payable	741	1,069
Advances received	1,896,741	1,683,103
Other	639,838	560,112
Total current liabilities	12,237,669	10,421,947
Non-current liabilities		
Investment corporation bonds payable (Notes 4 and 12)	11,500,000	11,500,000
Long-term loans payable (Notes 4, 5 and 11)	142,270,000	128,494,000
Tenant leasehold and security deposits in trust (Note 4)	4,756,026	4,239,193
Total non-current liabilities	158,526,026	144,233,193
Total Liabilities	170,763,696	154,655,140
NET ASSETS (Note 10)		
Unitholders' equity		
Unitholders' capital	209,623,183	186,207,049
Units authorized:		
10,000,000 units as of August 31, 2021 and February 28, 2021		
Units issued and outstanding:		
1,785,000 units as of August 31, 2021 and 1,638,000 units as of February 28, 2021		
Surplus		
Retained earnings	5,288,218	4,667,314
Total unitholders' equity	214,911,401	190,874,363
Total Net Assets	214,911,401	190,874,363
Total Liabilities and Net Assets	¥385,675,097	¥345,529,503

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

Statement of Income

	Thousands of yen	
	For the periods ended	
	August 31, 2021	February 28, 2021
Operating revenues (Note 8)		
Rental revenues	¥ 9,478,817	¥ 8,836,520
Other rental revenues	683,684	625,892
Dividend income	545,328	–
Gain on sales of real estate properties	–	41,599
Total operating revenue	10,707,830	9,504,012
Operating expenses (Note 8)		
Property-related expenses	3,294,760	2,901,472
Asset management fee	1,343,952	1,147,746
Asset custody and administrative fee	40,778	37,439
Directors' compensations	3,600	3,600
Audit fee	12,000	12,000
Other operating expenses	37,975	85,428
Total operating expenses	4,733,067	4,187,687
Operating income	5,974,763	5,316,324
Non-operating revenues		
Interest income	126	115
Reversal of distributions payable	1,040	549
Surrender value of insurance policies	–	2,094
Interest on tax refund	1,624	–
Total non-operating income	2,791	2,760
Non-operating expenses		
Interest expenses	388,194	347,220
Interest expenses on investment corporation bonds	43,507	35,167
Amortization of deferred organization expenses	–	609
Amortization of investment unit issuance expense	27,650	19,344
Amortization of investment corporation bond issuance costs	7,115	6,695
Investment unit public offering expenses	55,615	81,965
Borrowing related expenses	151,094	159,919
Loss on redemption of investment securities	15,747	–
Total non-operating expenses	688,924	650,923
Ordinary income	5,288,630	4,668,161
Income before income taxes	5,288,630	4,668,161
Income taxes - current	1,062	1,087
Income taxes - deferred	1	(10)
Total income taxes	1,063	1,076
Net income	5,287,566	4,667,085
Retained earnings brought forward	652	229
Retained earnings at end of period	¥ 5,288,218	¥ 4,667,314

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, 2020 (Note 10)	1,363,000	¥139,538,476	¥3,663,973	¥143,202,449
Issuance of new investment units	275,000	46,946,625		46,946,625
Distributions in excess of retained earnings		(278,052)		(278,052)
Distributions of retained earnings			(3,663,744)	(3,663,744)
Net income			4,667,085	4,667,085
Balance as of February 28, 2021 (Note 10)	1,638,000	¥186,207,049	¥4,667,314	¥190,874,363
Issuance of new investment units	147,000	23,789,598		23,789,598
Distributions in excess of retained earnings		(373,464)		(373,464)
Distributions of retained earnings			(4,666,662)	(4,666,662)
Net income			5,287,566	5,287,566
Balance as of August 31, 2021 (Note 10)	1,785,000	¥209,623,183	¥5,288,218	¥214,911,401

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

Statement of Cash Distributions

	Yen			
	For the periods ended			
	August 31, 2021		February 28, 2021	
	Total	Per unit	Total	Per unit
I Unappropriated retained earnings	¥5,288,218,351		¥4,667,314,074	
II Distributions in excess of retained earnings				
Deduction from unitholders' capital	412,335,000		373,464,000	
III Distributions				
Distributions of retained earnings	5,287,170,000	2,962	4,666,662,000	2,849
Distributions in excess of retained earnings	412,335,000	231	373,464,000	228
Total distributions	5,699,505,000	3,193	5,040,126,000	3,077
IV Retained earnings carried forward	¥ 1,048,351		¥ 652,074	

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 5,287,170,000 yen and 4,666,662,000 yen for the periods ended August 31, 2021 and February 28, 2021, respectively. These amounts were equivalent to the maximum integral multiples of number of investment units issued and outstanding as of the fiscal period.

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

Accordingly, LLR declared distributions in excess of retained earnings of 412,335,000 yen and 373,464,000 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 1,375,066,033 yen and 1,245,054,374 yen for the periods ended August 31, 2021 and February 28, 2021, respectively.

Statement of Cash Flows

	Thousands of yen	
	For the periods ended	
	August 31, 2021	February 28, 2021
Cash flows from operating activities:		
Income before income taxes	¥ 5,288,630	¥ 4,668,161
Depreciation	1,375,066	1,245,054
Amortization of deferred organization expenses	—	609
Amortization of investment unit issuance expenses	27,650	19,344
Amortization of investment corporation bond issuance costs	7,115	6,695
Interest income	(126)	(115)
Interest expenses	431,701	382,388
Loss (gain) on redemption of investment securities	15,747	—
Decrease (increase) in operating accounts receivable	(91,048)	(30,199)
Decrease (increase) in Income taxes receivable	(111,053)	—
Decrease (increase) in consumption taxes refund receivable	1,704,275	(2,572,251)
Decrease (increase) in prepaid expenses	(4,614)	(76,091)
Decrease (increase) in long-term prepaid expenses	(49,082)	(364,084)
Increase (decrease) in operating accounts payable	17,947	73,630
Increase (decrease) in accounts payable	312,426	315,241
Increase (decrease) in accrued consumption taxes	—	(478,631)
Increase (decrease) in advances received	213,638	355,400
Decrease in property, plant and equipment in trust due to sale	—	4,574,798
Other, net	3,753	974
Subtotal	9,142,027	8,120,926
Interest income received	126	115
Interest expenses paid	(434,476)	(378,989)
Income taxes paid	(1,391)	(865)
Net cash provided by (used in) operating activities	8,706,287	7,741,186
Cash flows from investing activities:		
Purchase of property and equipment in trust	(40,991,134)	(77,588,565)
Proceeds from redemption of investment securities	1,134,000	—
Purchase of investment securities	(207,827)	—
Proceeds from tenant leasehold and security deposits in trust	384,925	673,253
Repayments of tenant leasehold and security deposits in trust	(29,068)	(28,310)
Payments of leasehold and guarantee deposits in trust	—	(4,967)
Net cash provided by (used in) investing activities	(39,709,104)	(76,948,590)
Cash flows from financing activities:		
Proceeds from short-term loans payable	1,800,000	2,800,000
Repayments of short-term loans payable	(1,900,000)	(2,000,000)
Proceeds from long-term loans payable	17,900,000	44,690,000
Repayments of long-term loans payable	(2,824,000)	(13,390,000)
Proceeds from issuance of investment corporation bonds	—	1,984,906
Proceeds from issuance of investment units	23,729,795	46,874,237
Payment of distributions of retained earnings	(4,666,478)	(3,665,147)
Payment of distributions in excess of retained earnings	(373,422)	(277,983)
Net cash provided by (used in) financing activities	33,665,894	77,016,013
Net increase (decrease) in cash and cash equivalents	2,663,077	7,808,609
Cash and cash equivalents at beginning of period	21,800,381	13,991,771
Cash and cash equivalents at end of period (Note 3)	¥24,463,458	¥21,800,381

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, 2021 (11th fiscal period) were recently completed, and the total number of issued and outstanding investment units as of the end of this fiscal period is 1,785,000 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 14 properties (combined acquisition price of 211,119 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 19 properties (combined acquisition price of 357,829 million yen) as of August 31, 2021.

These 19 properties (with total leasable floor area of 1,478,651 square-meters) comprise LLR's asset holdings as of August 31, 2021, and the occupancy rate for the entire portfolio as of August 31, 2021 was 98.8%.

b) Basis of Presentation

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

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

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

2. Summary of Significant Accounting Policies

a) Cash and Cash Equivalents

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

b) Investment Securities

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

c) Property and Equipment

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

Buildings	2-79 years
Structures	10-45 years
Machinery and equipment	8-24 years
Tools, furniture and fixtures	4-15 years

d) Tax on Property and Equipment

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

Of the amounts paid for the acquisition of real estate properties or beneficiary rights in trust of real estate, the amount estimated for property tax is capitalized as part of the acquisition cost of the relevant property instead of being charged as expenses. The amount of fixed asset taxes, etc. included in the acquisition costs of real estate, etc. was 142,659 thousand yen for the period ended August 31, 2021, and 154,345 thousand yen for the period ended February 28, 2021.

e) Organization Expenses

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

f) Investment Unit Issuance Expenses

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

g) Investment Corporation Bond Issuance Costs

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

h) Hedge Accounting

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

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

i) Beneficiary Rights in Trust

As to beneficiary rights in trust, all assets and liabilities for assets in trust, as well as the related income generated and expenses incurred, are recorded in the relevant balance 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) Consumption Taxes

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

Notes to Financial Statements

3. Cash and Cash Equivalents

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

	Thousands of yen	
	As of	
	August 31, 2021	February 28, 2021
Cash and deposits	¥19,293,300	¥17,259,071
Cash and deposits in trust	7,324,224	6,458,138
Restricted deposits in trust (Note)	(2,154,066)	(1,916,828)
Cash and cash equivalents	¥24,463,458	¥21,800,381

(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

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

b) Estimated Fair Value of Financial Instruments

The book value, fair value and differences between the two values as of August 31, 2021 and February 28, 2021 are as follows. Financial instruments for which the fair value is difficult to estimate are excluded from the following table (see Note 2 below).

	Thousands of yen		
	As of August 31, 2021		
	Book value	Fair value	Difference
(1) Cash and deposits	¥ 19,293,300	¥ 19,293,300	¥ –
(2) Cash and deposits in trust	7,324,224	7,324,224	–
Total assets	¥ 26,617,525	¥ 26,617,525	¥ –
(3) Short-term loans payable	700,000	700,000	–
(4) Current portion of investment corporation bonds payable	5,000,000	4,996,000	(4,000)
(5) Current portion of long-term loans payable	1,850,000	1,851,862	1,862
(6) Investment corporation bonds payable	11,500,000	11,477,750	(22,250)
(7) Long-term loans payable	142,270,000	143,124,163	854,163
Total liabilities	¥161,320,000	¥162,149,776	¥829,776
(8) Derivative transactions	¥ –	¥ –	¥ –

	Thousands of yen		
	As of February 28, 2021		
	Book value	Fair value	Difference
(1) Cash and deposits	¥ 17,259,071	¥ 17,259,071	¥ –
(2) Cash and deposits in trust	6,458,138	6,458,138	–
Total assets	¥ 23,717,210	¥ 23,717,210	¥ –
(3) Short-term loans payable	800,000	800,000	–
(4) Current portion of investment corporation bonds payable	5,000,000	4,990,900	(9,100)
(5) Current portion of long-term loans payable	550,000	550,919	919
(6) Investment corporation bonds payable	11,500,000	11,343,600	(156,400)
(7) Long-term loans payable	128,494,000	129,159,605	665,605
Total liabilities	¥146,344,000	¥146,845,024	¥501,024
(8) Derivative transactions	¥ –	¥ –	¥ –

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

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

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

(3) Short-term loans payable

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

(4) Current portion of investment corporation bonds payable and (6) Investment corporation bonds payable

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

(5) Current portion of long-term loans payable and (7) 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.

(8) Derivative transactions

Please refer to Note 5, “Derivative Transactions.”

Notes to Financial Statements

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

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

	Thousands of yen	
	As of	
	August 31, 2021	February 28, 2021
Investment securities	¥ 207,827	¥1,149,747
Tenant leasehold and security deposits in trust	4,756,026	4,239,193

(Note 3) Redemption schedule for monetary claims after August 31, 2021

	Thousands of yen					
	As of August 31, 2021					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and deposits	¥19,293,300	¥ –	¥ –	¥ –	¥ –	¥ –
Cash and deposits in trust	7,324,224	–	–	–	–	–
Total	¥26,617,525	¥ –	¥ –	¥ –	¥ –	¥ –

Redemption schedule for monetary claims after February 28, 2021

	Thousands of yen					
	As of February 28, 2021					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Cash and deposits	¥17,259,071	¥ –	¥ –	¥ –	¥ –	¥ –
Cash and deposits in trust	6,458,138	–	–	–	–	–
Total	¥23,717,210	¥ –	¥ –	¥ –	¥ –	¥ –

(Note 4) Repayment schedule for short-term loans payable, investment corporation bonds and long-term loans payable after August 31, 2021

	Thousands of yen					
	As of August 31, 2021					
	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	¥ 700,000	¥ –	¥ –	¥ –	¥ –	¥ –
Investment corporation bonds payable	5,000,000	–	–	–	–	11,500,000
Long-term loans payable	1,850,000	15,110,000	16,560,000	20,820,000	17,580,000	72,200,000
Total	¥7,550,000	¥15,110,000	¥16,560,000	¥20,820,000	¥17,580,000	¥83,700,000

Repayment schedule for short-term loans payable, investment corporation bonds and long-term loans payable after February 28, 2021

	Thousands of yen					
	As of February 28, 2021					
	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	¥ 800,000	¥ –	¥ –	¥ –	¥ –	¥ –
Investment corporation bonds payable	5,000,000	–	–	–	–	11,500,000
Long-term loans payable	550,000	18,100,000	17,694,000	9,070,000	21,450,000	62,180,000
Total	¥6,350,000	¥18,100,000	¥17,694,000	¥ 9,070,000	¥21,450,000	¥73,680,000

5. Derivative Transactions

For the periods ended August 31, 2021 and February 28, 2021, 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, 2021			
			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	¥111,800,000	¥111,800,000	(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, (7) Long-term loans payable.”

Hedge accounting method	Type of derivative transaction	Primary hedged item	Thousands of yen			
			As of February 28, 2021			
			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	¥95,900,000	¥95,900,000	(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, (7) Long-term loans payable.”

Notes to Financial Statements

6. Property and Equipment

The following table summarizes the property and equipment as of August 31, 2021 and February 28, 2021.

	Thousands of yen					
	As of August 31, 2021					
	At cost			Accumulated depreciation	Book value	
	Beginning balance	Increase	Decrease			
Buildings in trust	¥112,970,789	¥15,415,008	¥ –	¥128,385,798	¥8,830,480	¥119,555,317
Structures in trust	119,419	19,223	–	138,642	19,452	119,190
Machinery and equipment in trust	214,383	–	–	214,383	9,708	204,674
Tools, furniture and fixtures in trust	12,164	1,992	–	14,156	1,995	12,161
Land in trust	210,619,389	25,489,336	–	236,108,725	–	236,108,725
Construction in progress in trust	13,714	60,660	–	74,374	–	74,374
Total	¥323,949,860	¥40,986,221	¥ –	¥364,936,081	¥8,861,636	¥356,074,444

(Note) The increase for period ended August 31, 2021, was a result of the acquisition of one property during the period with a total value of 40,541,662 thousand yen.

	Thousands of yen					
	As of February 28, 2021					
	At cost			Accumulated depreciation	Book value	
	Beginning balance	Increase	Decrease			
Buildings in trust	¥ 84,185,095	¥28,785,694	¥ –	¥112,970,789	¥7,466,053	¥105,504,736
Structures in trust	118,636	782	–	119,419	13,865	105,553
Machinery and equipment in trust	214,383	–	–	214,383	5,234	209,148
Tools, furniture and fixtures in trust	10,219	1,945	–	12,164	1,417	10,747
Land in trust	166,427,880	48,766,306	4,574,798	210,619,389	–	210,619,389
Construction in progress in trust	–	13,714	–	13,714	–	13,714
Total	¥250,956,214	¥77,568,443	¥4,574,798	¥323,949,860	¥7,486,570	¥316,463,289

(Note) The increase for period ended February 28, 2021, was a result of the acquisition of four properties during the period with a total value of 77,239,353 thousand yen. In addition, the decrease for period ended February 28, 2021, was a result of the disposition of one property during the period with a total value of 4,574,798 thousand yen.

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, 2021	February 28, 2021
Book value (Note 1)		
Balance at the beginning of the period	¥316,463,289	¥244,714,698
Changes during the period (Note 2)	39,611,155	71,748,591
Balance at the end of the period	¥356,074,444	¥316,463,289
Fair value at the end of the period (Note 3)	¥407,690,000	¥358,420,000

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

(Note 2) The increase for period ended August 31, 2021, was a result of the acquisition of one property during the period with a total value of 40,541,662 thousand yen. The decrease for period ended August 31, 2021, was a result of the recognition of depreciation expenses of 1,375,066 thousand yen, respectively.

In addition, the increase for period ended February 28, 2021, was a result of the acquisition of four properties during the period with a total value of 77,239,353 thousand yen. The decrease for period ended February 28, 2021, was a result of the disposition of one property during the period with a total value of 4,574,798 thousand yen and the recognition of depreciation expenses of 1,245,054 thousand yen, respectively.

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

8. Property-related Revenues and Expenses

The following table summarizes the revenues and expenses generated from property leasing activities for the periods ended August 31, 2021 and February 28, 2021.

	Thousands of yen	
	For the periods ended	
	August 31, 2021	February 28, 2021
(1) Real estate leasing revenues		
Rental revenues		
Rental income	¥ 8,678,740	¥8,089,566
Common service fee	800,076	746,954
Total	¥ 9,478,817	¥8,836,520
Other rental revenues		
Utilities charge reimbursement	¥ 414,854	¥ 366,092
Parking revenue	179,404	173,931
Other lease revenues	89,425	85,868
Total	¥ 683,684	¥ 625,892
Total real estate leasing revenues	¥10,162,502	¥9,462,412
(2) Real estate leasing expenses		
Property-related expenses		
Outsourcing costs	¥ 415,951	¥ 398,089
Utilities expenses	370,265	335,750
Taxes and public dues	897,896	665,352
Insurance premiums	17,628	15,848
Repair and maintenance	87,713	151,638
Depreciation	1,375,066	1,245,054
Other leasing expenses	130,238	89,737
Total real estate leasing expenses	¥ 3,294,760	¥2,901,472
(3) Real estate leasing profit ((1) - (2))	¥ 6,867,741	¥6,560,940

The following table summarizes the gain on sales of real estate properties for the periods ended February 28, 2021.

	Thousands of yen
	Suminoe (leasehold land)
Sales proceed	¥4,620,000
Cost of properties sold	4,574,798
Other sales expenses	3,602
Gain on sales of real estate properties	¥ 41,599

Notes to Financial Statements

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, 2021	February 28, 2021
Due within one year	¥16,131,646	¥14,517,714
Due after one year	38,458,247	39,406,544
Total	¥54,589,894	¥53,924,259

10. Net Assets

a) Stated Capital

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

b) Unitholders' Capital

Unitholders' capital as of August 31, 2021 and February 28, 2021 consists of the following items:

	Thousands of yen	
	As of	
	August 31, 2021	February 28, 2021
Unitholders' capital, gross	¥211,863,933	¥188,074,335
Deduction from unitholders' capital; Accumulated distribution in excess of retained earnings	(2,240,750)	(1,867,286)
Unitholders' capital	¥209,623,183	¥186,207,049

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, 2021 and February 28, 2021.

	Thousands of yen	
	As of	
	August 31, 2021	February 28, 2021
0.42586% unsecured short-term loans due 2021	¥ –	¥ 800,000
0.24276% unsecured short-term loans due 2022	700,000	–
Total short-term loans payable	700,000	800,000
0.68000% unsecured long-term loans due 2023	¥ 5,890,000	¥ 5,890,000
0.67680% unsecured long-term loans due 2023 (*)	9,220,000	9,220,000
0.79000% unsecured long-term loans due 2024	2,870,000	2,870,000
0.76155% unsecured long-term loans due 2024 (*)	6,190,000	6,190,000
0.89000% unsecured long-term loans due 2025	4,160,000	4,160,000
0.88680% unsecured long-term loans due 2025 (*)	4,910,000	4,910,000
0.98000% unsecured long-term loans due 2026	1,510,000	1,510,000
0.93127% unsecured long-term loans due 2026 (*)	2,250,000	2,250,000
0.42945% unsecured long-term loans due 2022	1,300,000	2,990,000
0.41159% unsecured long-term loans due 2023	1,900,000	1,900,000
0.47128% unsecured long-term loans due 2023	5,600,000	5,600,000
0.51435% 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
0.44657% unsecured long-term loans due 2023	–	1,134,000
0.44909% 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
0.24176% unsecured long-term loans due 2022	550,000	550,000
0.41498% 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
0.38026% unsecured long-term loans due 2026	2,000,000	–
0.40440% unsecured long-term loans due 2028 (*)	2,800,000	–
0.52360% unsecured long-term loans due 2029 (*)	13,100,000	–
Total long-term loans payable	¥144,120,000	¥129,044,000

The stated interest rate is the weighted average interest rate during the period ended August 31, 2021. 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, 2021 is disclosed in Note 4, "Financial Instruments."

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

Notes to Financial Statements

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

	Thousands of yen	
	As of	
	August 31, 2021	February 28, 2021
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, 2021 and February 28, 2021.

	Issued date	Maturity date	Interest rate	Thousands of yen	
				As of	
				August 31, 2021	February 28, 2021
1st unsecured bond	February 15, 2017	February 15, 2022	0.260%	¥ 4,000,000	¥ 4,000,000
2nd unsecured bond	February 15, 2017	February 15, 2027	0.580%	2,000,000	2,000,000
3rd unsecured bond	July 13, 2017	July 13, 2027	0.650%	3,500,000	3,500,000
4th unsecured bond	December 21, 2017	December 21, 2021	0.170%	1,000,000	1,000,000
5th unsecured bond	December 21, 2017	December 21, 2027	0.630%	1,000,000	1,000,000
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
Total				¥16,500,000	¥16,500,000

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, 2021 and February 28, 2021 are as follows:

	Thousands of yen	
	As of	
	August 31, 2021	February 28, 2021
Enterprise tax payable	¥21	¥23
Total deferred tax assets	21	23
Net deferred tax assets	¥21	¥23

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, 2021 and February 28, 2021 are as follows:

	For the periods ended	
	August 31, 2021	February 28, 2021
Statutory tax rate	31.46%	31.46%
Adjustments:		
Deductible distributions	(31.45%)	(31.45%)
Other	0.01%	0.01%
Actual effective income tax rate	0.02%	0.02%

14. Per Unit Information

The following table summarizes per unit information for the fiscal period ended August 31, 2021 and February 28, 2021.

	Yen	
	For the periods ended	
	August 31, 2021	February 28, 2021
Net income per unit		
Basic net income per unit	¥ 3,041	¥ 2,852
Weighted average number of units outstanding	1,738,396	1,635,974
	Yen	
	As of	
	August 31, 2021	February 28, 2021
Net assets per unit	¥ 120,398	¥ 116,528

(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 5,287,566 thousand yen and 4,667,085 thousand yen for the period ended August 31, 2021 and February 28, 2021, 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, 2021)

None

(For the period ended February 28, 2021)

None

b) Transactions and Account Balances with Affiliates

(For the period ended August 31, 2021)

None

(For the period ended February 28, 2021)

None

c) Transactions and Account Balances with Companies under Common Control

(For the period ended August 31, 2021)

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)	¥1,745,962	Accounts payable	¥1,478,347

(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 security acquisitions, were 400,000 thousand yen and 2,010 thousand yen, respectively.

Notes to Financial Statements

(For the period ended February 28, 2021)

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)	¥1,912,476	Accounts payable	¥1,262,521

(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 acquisitions, was 764,730 thousand yen.

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, 2021)

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, 2021)

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. Subsequent Events

None

Supplementary Schedules

1. Schedule of Securities

a) Stocks

None

b) Securities other than stocks

		Thousands of yen				
		As of August 31, 2021				
Type	Issue	Face value	Book value	Fair value (Note 1)	Valuation gain or loss	Remarks
Preferred securities	Kansai 1 Property TMK Preferred Securities	¥ –	¥207,827	¥207,827	¥ –	(Note 2)
Total		¥ –	¥207,827	¥207,827	¥ –	

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

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

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

			Thousands of yen		
			As of August 31, 2021		
			Contract amounts (Note 1)		Fair value (Note 2)
Hedge accounting method	Type of derivative transaction	Primary hedged item	Total	Due after one year	
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fixed	Long-term loans payable	¥111,800,000	¥111,800,000	¥(863,025)

(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, 2021.”

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, 2021.”

5. Schedule of Investment Corporation Bonds Payable

				Thousands of yen				
				As of August 31, 2021				
	Issued date	Maturity date	Interest rate	Beginning balance	Decrease	Ending balance	Use	Collateral
1st unsecured bond	February 15, 2017	February 15, 2022	0.260%	¥ 4,000,000	¥ –	¥ 4,000,000		
2nd unsecured bond	February 15, 2017	February 15, 2027	0.580%	2,000,000	–	2,000,000		
3rd unsecured bond	July 13, 2017	July 13, 2027	0.650%	3,500,000	–	3,500,000		
4th unsecured bond	December 21, 2017	December 21, 2021	0.170%	1,000,000	–	1,000,000	Repayment of existing borrowings	Unsecured/ unguaranteed
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		
Total				¥16,500,000	¥ –	¥16,500,000		

(Note) The yearly schedule of redemption for investment corporation bonds payable within five years after August 31, 2021 is as follows:

		Thousands of yen				
		As of August 31, 2021				
		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		¥5,000,000	¥ –	¥ –	¥ –	¥ –

Supplementary Schedules

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

Lender	Thousands of yen				Average interest rate (Note 1)	Repayment date	Use	Remarks
	As of August 31, 2021							
	Beginning balance	Increase	Decrease	Ending balance				
Short-term loans payable								
MUFG Bank, Ltd.	¥ 515,000	¥ –	¥ 515,000	¥ –	0.42586%	August 31, 2021	(Note 2)	Unsecured/ unguaranteed
Mizuho Bank, Ltd.	285,000	–	285,000	–				
MUFG Bank, Ltd.	–	1,000,000	610,000	390,000	0.24276%	April 28, 2022	(Note 2)	Unsecured/ unguaranteed
Mizuho Bank, Ltd.	–	800,000	490,000	310,000				
Total short-term loans payable	¥ 800,000	¥ 1,800,000	¥1,900,000	¥ 700,000				
Long-term loans payable								
MUFG Bank, Ltd.	¥ 3,170,000	¥ –	¥ –	¥ 3,170,000	0.68000%	February 17, 2023	(Note 2)	Unsecured/ unguaranteed
Mizuho Bank, Ltd.	3,100,000	–	–	3,100,000	0.67680%	February 17, 2023	(Note 2)	Unsecured/ unguaranteed
Sumitomo Mitsui Banking Corporation	3,100,000	–	–	3,100,000				
Sumitomo Mitsui Trust Bank, Limited	3,020,000	–	–	3,020,000				
Development Bank of Japan Inc.	2,720,000	–	–	2,720,000	0.68000%	February 17, 2023	(Note 2)	Unsecured/ unguaranteed
MUFG Bank, Ltd.	2,870,000	–	–	2,870,000	0.79000%	February 19, 2024	(Note 2)	Unsecured/ unguaranteed
Mizuho Bank, Ltd.	2,530,000	–	–	2,530,000	0.76155%	February 19, 2024	(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
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				
MUFG Bank, Ltd.	1,690,000	–	1,690,000	–	0.42945%	March 1, 2022 (Note 6)	(Note 3)	Unsecured/ unguaranteed
Development Bank of Japan Inc.	500,000	–	–	500,000				
Resona Bank, Limited.	400,000	–	–	400,000				
The Bank of Fukuoka	400,000	–	–	400,000	0.41159%	September 1, 2023	(Note 3)	Unsecured/ unguaranteed
Sumitomo Mitsui Banking Corporation	1,900,000	–	–	1,900,000				

Lender	Thousands of yen				Average interest rate (Note 1)	Repayment date	Use	Remarks
	As of August 31, 2021							
	Beginning balance	Increase	Decrease	Ending balance				
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				
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	0.59950%	March 5, 2026	(Note 2)	Unsecured/ unguaranteed
MUFG Bank, Ltd.	1,850,000	–	–	1,850,000				
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				
Resona Bank, Limited.	550,000	–	–	550,000	0.34020%	February 17, 2026	(Note 2)	Unsecured/ unguaranteed
The Bank of Fukuoka	550,000	–	–	550,000				
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	0.42105%	February 15, 2027	(Note 2)	Unsecured/ unguaranteed
MUFG Bank, Ltd.	1,600,000	–	–	1,600,000				
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	0.30050%	February 17, 2026	(Note 2)	Unsecured/ unguaranteed
The Bank of Fukuoka	93,000	–	–	93,000				
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				

Supplementary Schedules

Lender	Thousands of yen				Average interest rate (Note 1)	Repayment date	Use	Remarks
	As of August 31, 2021							
	Beginning balance	Increase	Decrease	Ending balance				
Shinsei Bank, Limited	1,500,000	–	–	1,500,000	0.36250%	February 15, 2027	(Note 2)	Unsecured/ unguaranteed
Resona Bank, Limited.	1,300,000	–	–	1,300,000				
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	0.40350%	July 13, 2027	(Note 2)	Unsecured/ unguaranteed
MUFG Bank, Ltd.	2,300,000	–	–	2,300,000				
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				
Mizuho Bank, Ltd.	1,134,000	–	1,134,000	–	0.44657%	December 27, 2023	(Note 4)	Unsecured/ unguaranteed
Sumitomo Mitsui Trust Bank, Limited	5,000,000	–	–	5,000,000	0.44909%	August 29, 2025	(Note 2)	Unsecured/ unguaranteed
Development Bank of Japan Inc.	1,500,000	–	–	1,500,000	0.44400%	December 21, 2027	(Note 2)	Unsecured/ unguaranteed
Resona Bank, Limited.	1,300,000	–	–	1,300,000				
The Bank of Fukuoka	1,000,000	–	–	1,000,000				
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	0.50950%	December 20, 2028	(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				
MUFG Bank, Ltd.	200,000	–	–	200,000				
The Nomura Trust and Banking Co., Ltd.	350,000	–	–	350,000	0.24176%	February 28, 2022 (Note 6)	(Note 5)	Unsecured/ unguaranteed
Sumitomo Mitsui Trust Bank, Limited	1,540,000	–	–	1,540,000	0.41498%	February 17, 2026	(Note 5)	Unsecured/ unguaranteed
Resona Bank, Limited.	950,000	–	–	950,000	0.41000%	June 30, 2028	(Note 5)	Unsecured/ unguaranteed
The Bank of Fukuoka	1,350,000	–	–	1,350,000				
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 5)	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				

	Thousands of yen							
	As of August 31, 2021							
Lender	Beginning balance	Increase	Decrease	Ending balance	Average interest rate (Note 1)	Repayment date	Use	Remarks
Sumitomo Mitsui Trust Bank, Limited	–	2,000,000	–	2,000,000	0.38026%	April 30, 2026	(Note 2)	Unsecured/ unguaranteed
Shinsei Bank, Limited	–	1,000,000	–	1,000,000	0.40440%	June 30, 2028	(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	0.52360%	June 29, 2029	(Note 2)	Unsecured/ unguaranteed
Mizuho Bank, Ltd.	–	3,800,000	–	3,800,000				
Sumitomo Mitsui Banking Corporation	–	3,600,000	–	3,600,000				
Development Bank of Japan Inc.	–	1,500,000	–	1,500,000				
Total long-term loans payable	¥129,044,000	¥17,900,000	¥2,824,000	¥144,120,000				
Total short-term and long-term loans payable	¥129,844,000	¥19,700,000	¥4,724,000	¥144,820,000				

(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 acquisition of preferred securities.

(Note 5) The funds were used for repayment of short-term and long-term loans payable.

(Note 6) Current portion of long-term loans payable is included in long-term loans payable.

(Note 7) The yearly schedule of repayment for long-term loans payable within five years after August 31, 2021 is as follows:

	Thousands of yen				
	As of August 31, 2021				
	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	¥1,850,000	¥15,110,000	¥16,560,000	¥20,820,000	¥17,580,000

Independent Auditor’s Report



Independent Auditor’s Report

To the Board of Directors of LaSalle LOGIPORT REIT

Opinion

We have audited the financial statements of LaSalle LOGIPORT REIT (the Company), which comprise the balance sheet as at August 31 2021, 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 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 2021, 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.

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.

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



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, related safeguards.

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

PricewaterhouseCoopers Aarata LLC

November 29, 2021

Takashi Yabutani

Designated Engagement Partner
Certified Public Accountant

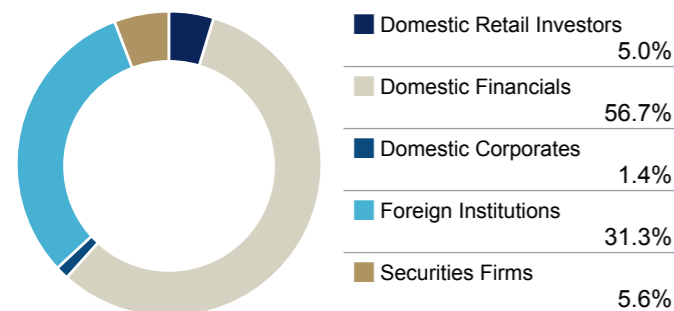
Investor Information

Change in Investment Unit Price

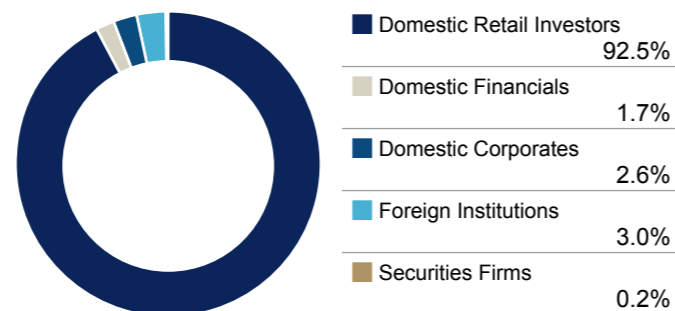


Unitholders Summary

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

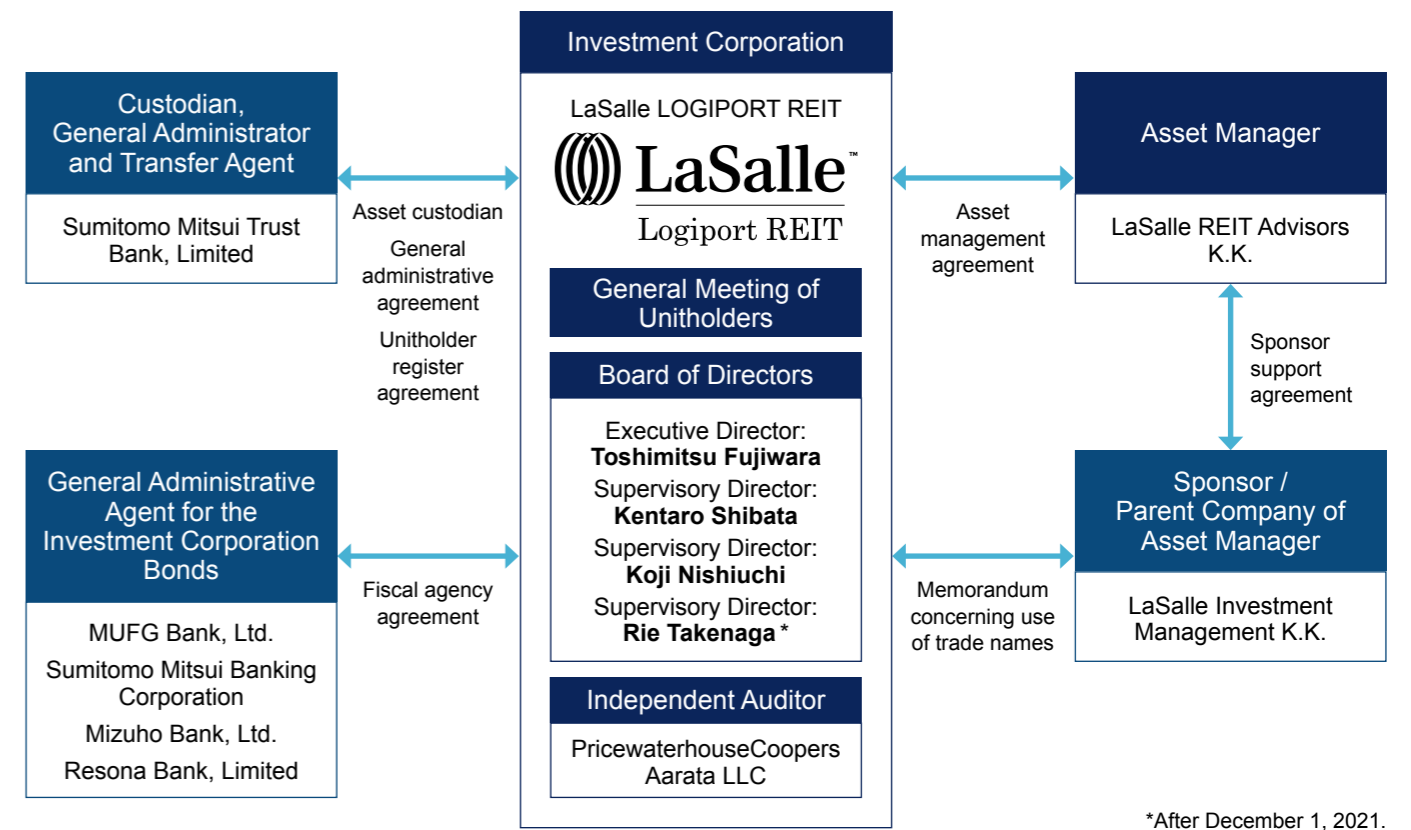
LLR's Website

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/>

Structure of LLR



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, 2021)
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

