

Financial Results (REIT) for the Fiscal Period Ended February 28, 2022

April 15,2022

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 Securities Code: 3466  
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Stock Exchange Listing: TSE  
 URL: <https://lasalle-logiport.com/english/>

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(Amounts are rounded down to the nearest million yen)

1. Financial Results for the Fiscal Period Ended February 28,2022(September 1, 2021 to February 28, 2022)

(1) Management Status

(% figures show period-over-period change)

	Operating revenues		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal period ended February 28, 2022	10,590	(1.1)	5,756	(3.6)	5,174	(2.2)	5,174	(2.1)
Fiscal period ended August 31, 2021	10,707	12.7	5,974	12.4	5,288	13.3	5,287	13.3
	Net income per unit		Ratio of net income on unitholders' equity (ROE)		Ratio of ordinary income on total assets (ROA)		Ratio of ordinary income on operating revenues	
	Yen		%		%		%	
Fiscal period ended February 28, 2022	2,898		2.4		1.3		48.9	
Fiscal period ended August 31, 2021	3,041		2.6		1.4		49.4	

(2) Distributions

	Distributions per unit (excluding those in excess of retained earnings per unit)	Total amount of distributions (excluding those in excess of retained earnings)	Distributions in excess of retained earnings per unit	Total amount of distributions in excess of retained earnings	Distributions per unit (including those in excess of retained earnings per unit)	Total amount of distributions (including those in excess of retained earnings)	Payout ratio	Net assets distribution ratio
	Yen	Million yen	Yen	Million yen	Yen	Million yen		
Fiscal period ended February 28, 2022	2,899	5,174	238	424	3,137	5,599	100.0	2.4
Fiscal period ended August 31, 2021	2,962	5,287	231	412	3,193	5,699	100.0	2.5

Note 1. Due to the issuance of new investment, the payout ratio in the fiscal period ended August 31, 2021 was calculated according to the following formula, shown rounded to two decimal places.

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

Note 2. The net assets distribution ratio was calculated according to the following formula.

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

Note 3. The total amount of distributions in excess of retained earnings was considered to be a refund of investment, which, for tax purposes, falls under a category of distribution as a reduction in unitholders' capital.

Note 4. The rates of reduction in retained earnings due to distributions in excess of retained earnings (a refund of investment categorized as a reduction in distribution from unitholders' capital for tax purposes) in the fiscal period ended August 31, 2021 and February 28, 2022 were 0.002 and 0.003, respectively. Note that the calculation of the rates of reduction in retained earnings are based on Article 23, Paragraph 1, No. 4 of the Order for Enforcement of the Corporation Tax Act.

(3) Financial Position

	<u>Total assets</u>	<u>Net assets</u>	<u>Unitholders' equity ratio</u>	<u>Net assets per unit</u>
	Million yen	Million yen	%	Yen
Fiscal period ended February 28, 2022	385,248	214,385	55.6	120,104
Fiscal period ended August 31, 2021	385,675	214,911	55.7	120,398

(4) Cash Flows

	<u>Cash flows from operating activities</u>	<u>Cash flows from investing activities</u>	<u>Cash flows from financing activities</u>	<u>Cash and cash equivalents at period end</u>
	Million yen	Million yen	Million yen	Million yen
Fiscal period ended February 28, 2022	8,081	(1,046)	(6,410)	25,088
Fiscal period ended August 31, 2021	8,706	(39,709)	33,665	24,463

2. Forecasts for the Fiscal Periods Ending August 31, 2022 (March 1, 2022 to August 31, 2022) and February 28, 2023 (September 1, 2022 to February 28, 2023)

	<u>Operating revenues</u>		<u>Operating income</u>		<u>Ordinary income</u>		<u>Net income</u>		(% figures show period-over-period change)		
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Distributions per unit (excluding those in excess of retained earnings per unit)	Distributions in excess of retained earnings per unit	Distributions per unit (including those in excess of retained earnings per unit)
									Yen	Yen	Yen
Fiscal period ended August 31, 2022	10,694	1.0	5,627	(2.3)	5,031	(2.8)	5,030	(2.8)	2,817	241	3,058
Fiscal period ended February 28, 2023	10,748	0.5	5,579	(0.8)	4,984	(0.9)	4,982	(0.9)	2,791	273	3,064

Reference: Forecasted net income per unit for the period ending August 31, 2022: 2,817 yen ; forecasted net income per unit for the period ending February 28, 2023: 2,791 yen

\* Other

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

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

Note: Please see the "Notes on Changes in Accounting Policies" on page 19.

(2) Total number of investment units issued and outstanding

	<u>Fiscal period ended February 28, 2022</u>	<u>Fiscal period ended August 31, 2021</u>
(i) Total number of investment units issued and outstanding (including treasury units) at the end of the fiscal period	1,785,000 units	1,785,000 units
(ii) Number of treasury units at the end of the fiscal period	-	-

Note: Please see the "Notes on Per Unit Information" on page 28 for the number of investment units used as the basis for calculating net income per unit.

\* Presentation of the status of implementation of audit procedures

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

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

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

For further details about the assumptions used in the forecasts above, please refer to the "Forecast Assumptions for the Fiscal Periods Ending August 31, 2022 and February 28, 2023" stated on page 5 below.

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## 1. Management Policy and Management Status

### (1) Management Status

#### (Overview of the Fiscal Period)

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

With LaSalle REIT Advisors K.K. as the organizer, LaSalle LOGIPORT REIT (LLR) was established on October 9, 2015, pursuant to the Investment Trusts Act, 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 February 28, 2022 (12th 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.

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

In the current fiscal year, the Japanese economy remained uncertain due to downward pressure on the economy caused by the sixth wave of the COVID-19 pandemic led by the Omicron variant, and the prolonged supply constraints, particularly in the shortage of semiconductors. In addition, commodity prices such as crude oil prices have risen significantly due to Russia's invasion of Ukraine. Uncertainty of the future economic outlook is increasing, including the impact from global supply chain disruptions and weakening of Japanese yen. In financial markets, interest rates in Japan are also on an uptrend, as monetary policy normalization by the U.S. Federal Reserve Board (FRB) and other central banks progresses. Although the Bank of Japan has indicated that it will continue with large-scale monetary easing, the future direction is closely watched amid continued uncertainty about the outlook for domestic prices, foreign exchange rates, and other factors.

In the leasing market for prime logistics facilities, there is a continuing trend toward consolidation and integration of older locations primarily by third-party logistics (3PL) operators, as well as new expansions and diversification of space usage. The further establishment of a nationwide logistics network is expected to also support the expansion of structural demand for prime logistics facilities. In this environment, in the Tokyo metropolitan area logistics facility market, rental demand from a wide range of industries continues, despite a record-high level of new supply and a moderate increase in the vacancy rate to nearly reach the 2% level. In addition, the vacancy rate in the Kinki region continues to decline, and the current vacancy rate is being maintained at the 1% level, resulting in a further tightening of supply and demand.

Under these conditions, LLR steadily managed its 19 properties (total acquisition price 357,829 million yen, leasable floor area 1,480,909 square-meters) and the overall weighted average portfolio occupancy rate through the fiscal period was in a strong position at 99.0%. LLR's portfolio has 173 tenants as of the end of this fiscal period ended February 28, 2022 and aims for further tenant diversification.

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

In the fiscal year, LLR repaid loans and redeemed investment corporation bonds totaling 7,550 million yen. On December 21, 2021, LLR procured the same amount of new borrowings in conjunction with the redemption of the fourth investment corporation bonds of 1,000 million yen. In addition, together with the redemption of the first investment corporation bonds of 4,000 million yen due on February 15, 2022, LLR made the prepayment on February 14 of 1,850 million yen in loans due on February 28 and March 1. In this refinancing, LLR newly issued the eighth investment corporation bonds (Special pari passu conditions among specified investment corporation bonds) (Green Bonds) of 2,000 million yen and newly borrowed 3,850 million yen.

As far as the 12th fiscal period was concerned, at the end of the current fiscal period, the balance of interest-bearing debt of LLR was 160,620 million yen and LTV was 41.7%.

The change of rating was announced in the current period, the status of LLR's credit ratings assigned as of February 28, 2022 was as follows.

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

Note: This was the rating for the 2nd, 3rd, 5th, 6th, 7th and 8th Unsecured Investment Corporation Bonds.

(iv) Overview of Business Performance and Distributions

The operating period for the current fiscal period was 181 days from September 1, 2021 to February 28, 2022. During current fiscal period, LLR generated operating revenues of 10,590 million yen, operating income of 5,756 million yen, ordinary income of 5,174 million yen, and net income of 5,174 million yen.

Furthermore, through application of Article 67, Provision 15(1) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, including subsequent amendments), LLR intends to include distributions as deductible expenses and distribute the entire amount of unappropriated retained earnings (excluding fractional distribution amounts of less than one yen per investment unit). As a result, the distribution amount per investment unit is 2,899 yen.

In addition to this, in accordance with the distribution policy provided for in LLR's Articles of Incorporation, in principle LLR makes ongoing distributions in excess of retained earnings each fiscal period ("Ongoing Distributions in Excess of Retained Earnings") (Note 1). Furthermore, in addition to Ongoing Distributions in Excess of Retained Earnings, LLR may make distributions, of an amount that it determines, as a distribution of the amount of temporary excess profit, but only for the purpose of equalizing the amount of distributions per unit (Note 2) in the event there are one-time reductions up to a certain amount of distributions per unit as a result of: (i) financing activities such as the issuance of new investment units, the issuance of short-term corporate bonds, or borrowings; (ii) large-scale repairs resulting from earthquakes and other natural disasters or fires and other accidents; (iii) payments for the settlement of lawsuits; (iv) losses on sales of real estate; or (v) other reasons.

In the current fiscal period, LLR distributed 424 million yen as an Ongoing Distribution in Excess of Retained Earnings, an amount equivalent to approximately 30% of the 1,419 million yen that was the amount resulting from deducting the total amount of the accumulated depreciation recorded as of the last day of the previous fiscal period from the total amount of accumulated depreciation for the current fiscal period. As a result, the distribution in excess of retained earnings per unit in the current fiscal period was 238 yen (Note 3).

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

Note 2. The amount of distributions which are the sum of the regular distributions in excess of retained earnings and the additional distributions in excess of our retained earnings when additional distributions in excess of retained earnings are made are limited to 60% of the amount resulting from deducting the total amount of the accumulated depreciation recorded as of the last day of the previous fiscal period from the total amount of accumulated depreciation calculated as of the last day of the relevant calculation period.

Note 3. The engineering report for each property prepared by building condition surveyors' estimates that the amount of anticipated semi-annual average of emergency or short-term repair and maintenance expenses and medium- to long-term repair and maintenance expenses is 282 million yen. LLR determines to make distributions in excess of retained earnings, considering that the amount of distributions in excess of retained earnings maintain the value of its portfolio and its financial stability taking into account macroeconomic environment, trends in the real estate market and real estate leasing industry and its financial conditions. Please note that the amount of distributions in excess of retained earnings will be deducted from the balance of LLR's unit holders' equity upon payment.

(Outlook for the Future)

(i) Future Management Policy and Issues to Address

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

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

support agreement, LLR is able to receive information about the sale of properties owned by LaSalle Fund (Note 2), and because of this enjoys diverse sourcing routes that tap into both sourcing from the LaSalle Fund and sourcing from third parties.

With respect to its internal growth strategy, LLR will aim to realize internal growth by leveraging its active asset management (Note 3) expertise that is a hallmark of the LaSalle Group, thanks in part to the personnel that will be provided to it and the information made available under the sponsor support agreement. LLR's portfolio is characterized by a highly stable cash flow attributed to a diversified tenant base, in addition to its staggered lease renewal dates, due to the terms of its lease agreements. When renewal dates are nearing, LLR will work to revise lease rates up after carefully reviewing market lease rates and vacancy rates. In addition, given the current uncertain outlook, LLR will work to stabilize rent income by actively renewing contracts that will come due in the future ahead of schedule. LLR will also endeavor to maintain and strengthen the competitiveness of its properties by making appropriate repairs and capital expenditures.

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

Note 1. "LaSalle Group" refers to the group of companies that provides real estate investment management services in 23 office locations in 15 countries (as of December 31, 2021) in the United States, Europe and the Asia-Pacific region, centered on LaSalle Investment Management Inc., which is one of the world's leading real estate investment advisory firms.

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

Note 3. "Active asset management" is a generic term for management techniques aimed at increasing cash flow by identifying opportunities to create added value of properties held by carefully examining macro factors such as market lease rates and vacancy rates as well as the micro factors of each property, such as tenant lease terms and building management conditions.

(ii) Significant Subsequent Events

None

(iii) Forecast of Financial Results

The outlook for LLR's financial results for the fiscal period ending August 31, 2022 and the period ending February 28, 2023 are presented below.

	Operating revenues	Operating income	Ordinary income	Net Income	Distributions per unit (excluding those in excess of retained earnings per unit)	Distributions in excess of retained earnings per unit	Distributions per unit (including those in excess of retained earnings per unit)
	Million yen	Million yen	Million yen	Million yen	Yen	Yen	Yen
Fiscal period ending August 31, 2022	10,694	5,627	5,031	5,030	2,817	241	3,058
Fiscal period ending February 28, 2023	10,748	5,579	4,984	4,982	2,791	273	3,064

For the assumptions used in this outlook, please refer to the "Forecast Assumptions for the Fiscal Periods Ending August 31, 2022 and February 28, 2023" below.

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

Forecast Assumptions for the Fiscal Periods Ending August 31, 2022 and February 28, 2023

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> <li>Fiscal period ending August 31, 2022: March 1, 2022 to August 31, 2022 (184 days)</li> <li>Fiscal period ending February 28, 2023: September 1, 2022 to February 28, 2023 (181 days)</li> </ul>
Property portfolio	<ul style="list-style-type: none"> <li>The prevailing assumption is that aside from the real estate trust beneficiary interests (19 assets in total) and preferred shares (One underlying asset in total) currently held by LLR (collectively, the “Currently Held Assets”), no other changes (including acquisition of new property or disposition of properties held by LLR) would occur by the end of the fiscal period ending February 28, 2023.</li> <li>There is a possibility for further changes should LLR decide to acquire additional assets in addition to the Anticipated Acquisition Asset or dispose of properties held by LLR.</li> </ul>
Operating revenue	<ul style="list-style-type: none"> <li>Leasing rental revenue is calculated based on information provided by the current owner regarding the Anticipated Acquisition Asset, the lease contracts of the Currently Held Assets in effect as of today, and market trends, etc.</li> <li>The average occupancy rate of all properties was expected to be 98.8% in the fiscal period ending August 31, 2022, and 99.0% in the fiscal period ending February 28, 2023.</li> <li>With respect to operating revenues, there is an underlying assumption that tenants will fully pay their contractual rents without delinquency.</li> <li>LLR expects that there will be no operating revenues to be generated in connection with the preferred shares.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>Leasing-related expenses, other than depreciation expense are calculated by reflecting variable factors of expenses based on information provided by the current owner regarding the Anticipated Acquisition Asset. It is also based on the actual historical figures of the Currently Held Assets and relevant agreements in effect as of today.</li> <li>Depreciation expense, including ancillary costs, was calculated using a straight-line depreciation method, and LLR assumed depreciation expense to be 1,434 million yen and 1,436 million yen for the fiscal periods ending August 31, 2022 and February 28, 2023, respectively.</li> <li>At acquisition, property taxes, city planning tax and depreciable asset tax (collectively, the “property taxes”) are typically calculated on a pro-rata basis, based on the actual number of days of the year that the properties are owned by the buyer and seller respectively, and LLR’s pro-rata amount of the property taxes is assumed to be capitalized as part of LLR’s acquisition costs. Accordingly, for the asset acquired during the fiscal period ending August 31, 2021 (LOGIPORT Osaka Bay), this capitalized cost will not be expensed during the fiscal period ending February 28, 2022 and the property taxes for the 2022 tax year will begin to be expensed through the income statement starting in the fiscal period ending August 31, 2022, Property taxes for the full fiscal period are expected to be 105 million yen in the fiscal period ending August 31, 2022.</li> <li>Repair and maintenance expenses are calculated based on a repair and maintenance plan prepared by the Asset Management Company, for items viewed as necessary for each property. Actual repair and maintenance expenses may be significantly different from the expected amount due to various factors around certain unexpected repairs, the tendency for significant variations in the amount depending on each fiscal period, and the fact that repair expenses do not generally arise on a periodic basis.</li> <li>LLR expects that there will be no operating expenses to be incurred in connection with the preferred shares.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>The projected amortization of costs related to the issuance of new investment units and the public offering of investment units are 27 million yen for the fiscal year ending August 31, 2022 and 22 million yen for the fiscal year ending February 28, 2023, respectively.</li> <li>Interest expenses and other debt-related costs (including interest expenses on investment corporation bonds, amortization of investment corporation bonds and borrowing related expenses) are expected to be 568 million yen and 573 million yen for the fiscal periods ending August 31, 2022, and February 28, 2023, respectively. Non-cash items, which are included in interest expenses and other debt-related costs, are expected to be 109 million yen and 109 million yen for the fiscal periods ending August 31, 2022 and February 28, 2023, respectively.</li> </ul>

Item	Assumptions
Loans payable	<ul style="list-style-type: none"> <li>• As of February 28, 2022, the balance of interest-bearing debts of LLR was 160,620 million yen.</li> <li>• It is assumed that all other borrowings or investment corporation bonds that are due by the end of the fiscal period ending February 28, 2023 will be refinanced.</li> <li>• The LTV ratio as of the end of each fiscal period ending August 31, 2022 and February 28, 2023 is assumed to be approximately 41.8%, respectively (rounded to one decimal place).</li> <li>• The LTV ratio is calculated by the following formula:</li> <li>• <math>LTV = \text{total interest-bearing debt} \div \text{total assets} \times 100</math></li> </ul>
Investment units	<ul style="list-style-type: none"> <li>• Current outstanding number of units is 1,785,000. It is assumed that LLR does not have any changes to the number of outstanding units by the end of the fiscal period ending February 28, 2023.</li> </ul>
Distributions per unit (excluding those in excess of retained earnings per unit)	<ul style="list-style-type: none"> <li>• Distributions per unit (excluding distributions in excess of retained earnings per unit) are calculated on the premise that all profits will be distributed in accordance with the distribution policy provided in LLR's Articles of Incorporation.</li> <li>• Distributions per unit (excluding distributions in excess of retained earnings per unit) may change due to factors such as additional acquisitions or dispositions of real estate properties, changes in rental revenues attributable to tenant replacements, changes in the operating environment including unexpected repairs, changes in interest rates, the actual number of new investment units to be issued, the issue price of such investment units and any additional issuance of new investment units in the future.</li> </ul>



Item	Assumptions
Distributions in excess of retained earnings per unit	<ul style="list-style-type: none"> <li data-bbox="416 226 1442 618">• Distributions in excess of retained earnings per unit are calculated in accordance with the distribution policy in LLR's Articles of Incorporation and internal policies of the asset manager. Distributions in excess of retained earnings for the fiscal periods ending August 31, 2022, and February 28, 2023, are assumed to be 430 million yen and 487 million yen, respectively. For the fiscal period ending February 28, 2023, the amount of distributions per unit (excluding distributions in excess of retained earnings) is expected to temporarily decrease. It is therefore assumed that 430 million yen as ongoing distributions in excess of retained earnings (an amount equivalent to 30.0% of depreciation of the period) and 57 million yen as distributions in excess of retained earnings on a one-time basis (an amount equivalent to approximately 4% of depreciation of the period) will be distributed for the purpose of equalizing the amount of distributions per unit (including distributions in excess of retained earnings).</li> <li data-bbox="416 622 1442 797">• Depreciation expenses may vary from the current assumed amount due to a change in portfolio assets, the amount of incidental expenses incurred, the amount of capital expenditures, and the pro-rata allocation of acquisition costs attributed to each asset and their respective useful life adopted for each asset. The total amount of distributions in excess of retained earnings, which will be based on depreciation expenses, may also vary accordingly</li> <li data-bbox="416 801 1442 1507">• LLR expects for the time being to make distributions in excess of retained earnings on a regular basis within an appropriate level for maintaining financial soundness and stability, after consideration is given to alternative uses of cash such as execution of repair plans, capital expenditures, repayment of debts along with potential property acquisitions, and will make such distributions equal to 30% of the amount resulting from deducting the total amount of accumulated depreciation recorded as of the last day of the previous fiscal period from the amount of accumulated depreciation calculated as of the last day of the relevant fiscal period. This amount will be decided by LLR taking into consideration the level of net income, gains or losses on sales of real estate, etc., the level of cancellation fees or penalties, the level of temporary revenues, the level of distributions including distributions in excess of retained earnings, and the financial condition of LLR (especially the Appraisal LTV set forth below) in the relevant calculation period. Furthermore, to maintain the stability of LLR's distributions per unit in the event that an amount of distributions per unit temporarily decreases due to a series of financing actions such as the issuance of new investment units (including investment unit third-party allotment) or large scale repair and maintenance, which may result in a temporary dilution of investment units or incurrence of large expenses, LLR may make distributions as one-time distributions in excess of retained earnings. In addition, unexpected factors, such as increases in repair expenses, may cause distributions in excess of retained earnings per unit to materially differ from the forecasted amount. If the Appraisal LTV (set forth below) exceeds 60%, LLR may decide to make reduced distributions or not to make any distributions in excess of retained earnings after considering the above-listed factors.</li> <li data-bbox="416 1512 1442 1581">• LLR does not plan to make distributions in excess of retained earnings to the extent doing so would cause what LLR calls its "Appraisal LTV," as calculated below, to exceed 60%:  Appraisal LTV (%) = <math>A/B \times 100</math>  A = interest-bearing debt (inclusive of long-term corporate bonds and short-term corporate bonds but excluding subordinated debt) + tenant leasehold deposits (excluding the amount reserved by the trustees of LLR's properties as tenant leasehold deposits and the amount reserved as tenant leasehold deposits in LLR's relevant reserve account (this account is for the refund obligation which LLR has as the lessor to various tenants)).  B = total appraised real estate value of LLR's portfolio + the amount of cash deposits in LLR's bank accounts (excluding reserve accounts for tenant leasehold deposits) + cash and deposits in trust (excluding the amount reserved by the trustees of our properties as tenant leasehold deposits) – the total amount of distributions for the immediately prior fiscal period – the total amount of distributions in excess of retained earnings for the immediately prior fiscal period.  In addition, the total amount of distributions and distributions in excess of retained earnings (with respect to the return of capital invested) depends upon the figures for the most recent fiscal period.</li> </ul>

Item	Assumptions
Other	<ul style="list-style-type: none"> <li>• As an underlying premise, LLR assumes that any revision that will have an impact on the forecast information above will be made in accordance with applicable laws and regulations (including tax laws), accounting standards, listing rules of the TSE and the standards set by the Investment Trusts Association, Japan.</li> <li>• As an underlying premise, LLR assumes that there are no unexpected material changes to general economic trends and real estate market conditions.</li> <li>• The assumption is that the negative impact of the spread of the novel coronavirus infections will not spread further.</li> <li>• LLR assumes that the further escalation of Russia's military aggression against Ukraine and the resulting sharp rise in global prices of resources and energy, further tightening of supply and demand, and price hikes will not have a material adverse effect on the Japanese economy. LLR also assumes that the financial markets in Japan will not be adversely affected by the prospect of interest rate hikes by the central banks of the United States and Europe or further yen depreciation.</li> </ul>

(2) Investment Risks

Disclosure of this information is omitted because there are no material changes in the “Investment Risks” described in the most recent Securities Report (filed on November 29, 2021).

## 2. Financial Statements

### (1) Balance Sheet

	Thousands of yen	
	As of	
	August 31, 2021	February 28, 2022
Assets		
Current assets		
Cash and deposits	19,293,300	20,396,318
Cash and deposits in trust	7,324,224	6,858,842
Operating accounts receivable	485,923	426,487
Prepaid expenses	236,127	268,848
Income taxes receivable	111,053	19
Consumption taxes receivable	867,975	-
Other	60	469
Total current assets	28,318,666	27,950,987
Non-current assets		
Property, plant and equipment		
Buildings in trust	128,385,798	129,444,498
Accumulated depreciation	(8,830,480)	(10,238,469)
Buildings in trust, net	119,555,317	119,206,028
Structures in trust	138,642	168,448
Accumulated depreciation	(19,452)	(26,077)
Structures in trust, net	119,190	142,370
Machinery and equipment in trust	214,383	214,383
Accumulated depreciation	(9,708)	(14,182)
Machinery and equipment in trust, net	204,674	200,200
Tools, furniture and fixtures in trust	14,156	24,704
Accumulated depreciation	(1,995)	(2,743)
Tools, furniture and fixtures in trust, net	12,161	21,960
Land in trust	236,108,725	236,108,725
Construction in progress in trust	74,374	1,409
Total property, plant and equipment	356,074,444	355,680,695
Investments and other assets		
Investment securities	207,827	513,701
Long-term prepaid expenses	881,743	934,415
Deferred tax assets	21	-
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	1,468,255
Total non-current assets	357,184,174	357,148,950
Deferred assets		
Investment unit issuance expenses	112,262	82,950
Investment corporation bond issuance costs	59,994	65,395
Total deferred assets	172,256	148,345
Total assets	385,675,097	385,248,283

## Balance Sheet, continued

	Thousands of yen	
	As of	
	August 31, 2021	February 28, 2022
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	321,876	263,599
Short-term loans payable	700,000	-
Current portion of investment corporation bonds payable	5,000,000	-
Current portion of long-term loans payable	1,850,000	15,110,000
Accounts payable	1,821,739	1,992,958
Accrued expenses	6,732	6,656
Income taxes payable	741	605
Accrued consumption taxes	-	658,284
Advances received	1,896,741	1,896,931
Other	639,838	789,101
Total current liabilities	12,237,669	20,718,137
Non-current liabilities		
Investment corporation bonds payable	11,500,000	13,500,000
Long-term loans payable	142,270,000	132,010,000
Tenant leasehold and security deposits in trust	4,756,026	4,634,239
Total non-current liabilities	158,526,026	150,144,239
Total liabilities	170,763,696	170,862,376
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital	211,863,933	211,863,933
Deduction from unitholders' capital	(2,240,750)	(2,653,085)
Unitholders' capital, net	209,623,183	209,210,848
Surplus		
Unappropriated retained earnings (undisposed loss)	5,288,218	5,175,059
Total surplus	5,288,218	5,175,059
Total unitholders' equity	214,911,401	214,385,907
Total net assets	(*) 214,911,401	(*) 214,385,907
Total liabilities and net assets	385,675,097	385,248,283

## (2) Income Statement

	Thousands of yen	
	For the periods ended	
	August 31, 2021	February 28, 2022
Operating revenues		
Rental revenues	(*1) 9,478,817	(*1) 9,867,955
Other rental revenues	(*1) 683,684	(*1) 722,172
Dividend income	545,328	-
Total operating revenue	10,707,830	10,590,128
Operating expenses		
Property-related expenses	(*1) 3,294,760	(*1) 3,379,849
Asset management fee	1,343,952	1,341,645
Asset custody and administrative fee	40,778	42,473
Directors' compensations	3,600	4,500
Audit fee	12,000	12,000
Other operating expenses	37,975	52,831
Total operating expenses	4,733,067	4,833,300
Operating profit	5,974,763	5,756,827
Non-operating income		
Interest income	126	130
Reversal of distributions payable	1,040	329
Interest on refund	1,624	241
Total non-operating income	2,791	700
Non-operating expenses		
Interest expenses	388,194	389,432
Interest expenses on investment corporation bonds	43,507	41,697
Amortization of investment unit issuance expenses	27,650	29,312
Amortization of investment corporation bond issuance costs	7,115	6,405
Investment unit public offering expenses	55,615	-
Borrowing related expenses	151,094	116,043
Loss on redemption of investment securities	15,747	-
Total non-operating expenses	688,924	582,890
Ordinary income	5,288,630	5,174,637
Income before income taxes	5,288,630	5,174,637
Income taxes - current	1,062	605
Income taxes - deferred	1	21
Total income taxes	1,063	626
Net income	5,287,566	5,174,010
Retained earnings brought forward	652	1,048
Unappropriated retained earnings (undisposed loss)	5,288,218	5,175,059

## (3) Statement of Unitholders' Equity

Previous period (For the period ended August 31, 2021)

	Thousands of yen				
	Unitholders' equity				
	Unitholders' capital			Surplus	
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital	Unappropriated retained earnings (undisposed loss)	Total surplus
Balance at beginning of current period	188,074,335	(1,867,286)	186,207,049	4,667,314	4,667,314
Changes of items during period					
Issuance of new investment units	23,789,598		23,789,598		
Distributions in excess of retained earnings		(373,464)	(373,464)		
Dividends of retained earnings				(4,666,662)	(4,666,662)
Net income				5,287,566	5,287,566
Total changes of items during period	23,789,598	(373,464)	23,416,134	620,904	620,904
Balance at end of current period	(*1) 211,863,933	(2,240,750)	209,623,183	5,288,218	5,288,218

	Thousands of yen	
	Unitholders' equity	
	Total unitholders' equity	Total net assets
Balance at beginning of current period	190,874,363	190,874,363
Changes of items during period		
Issuance of new investment units	23,789,598	23,789,598
Distributions in excess of retained earnings	(373,464)	(373,464)
Dividends of retained earnings	(4,666,662)	(4,666,662)
Net income	5,287,566	5,287,566
Total changes of items during period	24,037,038	24,037,038
Balance at end of current period	214,911,401	214,911,401

Current period (For the period ended February 28, 2022)

	Thousands of yen				
	Unitholders' equity				
	Unitholders' capital			Surplus	
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital	Unappropriated retained earnings (undisposed loss)	Total surplus
Balance at beginning of current period	211,863,933	(2,240,750)	209,623,183	5,288,218	5,288,218
Changes of items during period					
Distributions in excess of retained earnings		(412,335)	(412,335)		
Dividends of retained earnings				(5,287,170)	(5,287,170)
Net income				5,174,010	5,174,010
Total changes of items during period	-	(412,335)	(412,335)	(113,159)	(113,159)
Balance at end of current period	(*1) 211,863,933	(2,653,085)	209,210,848	5,175,059	5,175,059

	Thousands of yen	
	Unitholders' equity	
	Total unitholders' equity	Total net assets
Balance at beginning of current period	214,911,401	214,911,401
Changes of items during period		
Distributions in excess of retained earnings	(412,335)	(412,335)
Dividends of retained earnings	(5,287,170)	(5,287,170)
Net income	5,174,010	5,174,010
Total changes of items during period	(525,494)	(525,494)
Balance at end of current period	214,385,907	214,385,907



## (4) Statements related to Distributions

	Yen	
	For the periods ended	
	August 31, 2021	February 28, 2022
I Unappropriated retained earnings for the period	5,288,218,351	5,175,059,326
II Additional amount of distributions in excess of retained earnings		
Deduction for unitholders' capital	412,335,000	424,830,000
III Amount of distributions	5,699,505,000	5,599,545,000
(amount of distributions per investment unit)	(3,193)	(3,137)
Of which, distributions of retained earnings	5,287,170,000	5,174,715,000
(of which, distributions of retained earnings per unit)	(2,962)	(2,899)
Of which, distributions in excess of retained earnings	412,335,000	424,830,000
(of which, distributions in excess of retained earnings per unit)	(231)	(238)
IV Retained earnings brought forward	1,048,351	344,326

## Method of calculation of amount of distributions

Based on the policy for distributions of funds prescribed in Article 36, Paragraph 1 of LLR's Articles of Incorporation, the amount of distributions is to be an amount in excess of an amount equivalent to 90% of the amount of LLR retained earnings that can be allocated as stipulated in Article 67, Provision 15 of the Act on Special Measures Concerning Taxation.

Based on this policy, 5,287,170,000 yen was allocated as distributions of retained earnings. This is the maximum value of the integral multiple of the total number of units of the investment units issued and outstanding at end of the period in an amount that is not in excess of unappropriated retained earnings.

Based on the policy for distributions of funds prescribed in Article 36, Paragraph 1 of LLR's Articles of Incorporation, LLR performs distributions of funds in excess of retained earnings (refund of investment categorized as a reduction in distribution from unitholders' capital for tax purposes) on a regular basis.

Based on the policy for distributions of funds prescribed in Article 36, Paragraph 1 of LLR's Articles of Incorporation, the amount of distributions is to be an amount in excess of an amount equivalent to 90% of the amount of LLR retained earnings that can be allocated as stipulated in Article 67, Provision 15 of the Act on Special Measures Concerning Taxation.

Based on this policy, 5,174,715,000 yen was allocated as distributions of retained earnings. This is the maximum value of the integral multiple of the total number of units of the investment units issued and outstanding at end of the period in an amount that is not in excess of unappropriated retained earnings.

Based on the policy for distributions of funds prescribed in Article 36, Paragraph 1 of LLR's Articles of Incorporation, LLR performs distributions of funds in excess of retained earnings (refund of investment categorized as a reduction in distribution from unitholders' capital for tax purposes) on a regular basis.

Yen

For the periods ended

August 31, 2021

February 28, 2022

Based on this policy, the amount roughly equivalent to 30% of the 1,375,066,033 yen that is the amount remaining after deducting the total amount of accumulated depreciation recorded in the previous period from the total amount of accumulated depreciation calculated for this fiscal period was calculated to be 412,335,000 yen, and was allocated as distributions of earnings in excess of retained earnings (amount of contributions refunded that under tax law is equivalent to a capital- refund distribution).

Based on this policy, the amount roughly equivalent to 30% of the 1,419,837,083 yen that is the amount remaining after deducting the total amount of accumulated depreciation recorded in the previous period from the total amount of accumulated depreciation calculated for this fiscal period was calculated to be 424,830,000 yen, and was allocated as distributions of earnings in excess of retained earnings (amount of contributions refunded that under tax law is equivalent to a capital- refund distribution).

Note: In the event that LLR determines that it is appropriate as a result of in light of trends in the economic environment, real estate market and leasing market, conditions of properties held and its financial position, LLR may distribute funds in excess of funds available for distribution in an amount decided by LLR up to the amount stipulated under the regulations of the Investment Trust Association. Furthermore, when the amount of the distribution does not fulfill the requirements in the special provisions for taxes related to investment corporations stipulated in laws and ordinances, LLR may distribute funds in excess of the funds available for distribution in an amount decided upon by LLR for the purpose of meeting said requirements.

## (5) Statements of Cash Flows

	Thousands of yen	
	For the periods ended	
	August 31, 2021	February 28, 2022
Cash flows from operating activities		
Income before income taxes	5,288,630	5,174,637
Depreciation	1,375,066	1,419,837
Amortization of investment unit issuance expenses	27,650	29,312
Amortization of investment corporation bond issuance costs	7,115	6,405
Interest income	(126)	(130)
Interest expenses	431,701	431,129
Loss (gain) on redemption of investment securities	15,747	-
Decrease (increase) in operating accounts receivable	(91,048)	59,435
Decrease (increase) in Income taxes receivable	(111,053)	111,033
Decrease (increase) in consumption taxes refund receivable	1,704,275	867,975
Decrease (increase) in prepaid expenses	(4,614)	(32,720)
Decrease (increase) in long-term prepaid expenses	(49,082)	(52,672)
Increase (decrease) in operating accounts payable	17,947	(58,276)
Increase (decrease) in accounts payable - other	312,426	(95,297)
Increase (decrease) in accrued consumption taxes	-	658,284
Increase (decrease) in advances received	213,638	189
Other, net	3,753	(6,196)
Subtotal	9,142,027	8,512,947
Interest income received	126	130
Interest expenses paid	(434,476)	(431,206)
Income taxes paid	(1,391)	(741)
Net cash provided by (used in) operating activities	8,706,287	8,081,130
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(40,991,134)	(759,571)
Proceeds from redemption of investment securities	1,134,000	-
Purchase of investment securities	(207,827)	(305,874)
Proceeds from tenant leasehold and security deposits in trust	384,925	53,144
Repayments of tenant leasehold and security deposits in trust	(29,068)	(33,743)
Net cash provided by (used in) investing activities	(39,709,104)	(1,046,045)
Cash flows from financing activities		
Proceeds from short-term loans payable	1,800,000	-
Repayments of short-term loans payable	(1,900,000)	(700,000)
Proceeds from long-term loans payable	17,900,000	4,850,000
Repayments of long-term loans payable	(2,824,000)	(1,850,000)
Proceeds from issuance of investment corporation bonds	-	1,988,193
Redemption of investment corporation bonds	-	(5,000,000)
Proceeds from issuance of investment units	23,729,795	-
Payment of distributions of retained earnings	(4,666,478)	(5,286,303)
Payment of distributions in excess of retained earnings	(373,422)	(412,273)
Net cash provided by (used in) financing activities	33,665,894	(6,410,382)
Net increase (decrease) in cash and cash equivalents	2,663,077	624,702
Cash and cash equivalents at beginning of period	21,800,381	24,463,458
Cash and cash equivalents at end of period	(*1) 24,463,458	(*1) 25,088,160

(6) Notes with respect to Going Concern Assumptions

None

(7) Notes on Matters concerning Significant Accounting Policies

1. Valuation standard and valuation method for investment securities

Available-for-sale securities

Shares without market price

The moving average cost method was adopted.

2. Method of depreciation of non-current assets

Property, plant and equipment (including trust assets)

A straight-line method is used. The useful lives of principal property, plant and equipment are as follows:

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

3. Accounting treatment for deferred assets

(i) Issuance costs for corporate bonds

Amortized using the straight-line method over the period until redemption.

(ii) Investment unit issuance expenses

Amortized over a period of three years.

4. Standards for revenue and expense recognition

(i) Standards for recording revenue

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

(a) Sale of real estate property

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

(b) Utilities charge reimbursement

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

(ii) Treatment of fixed asset taxes

With respect to fixed asset taxes, city planning taxes, and depreciable asset taxes associated with the real estate or beneficiary interests in trusts holding real estate as trust assets held by LLR, the amount of taxes levied corresponding to the relevant accounting period are treated as lease expenses and expensed.

The amount equivalent to the first year’s fixed asset tax that is borne by LLR in association with the acquisition of real estate or beneficiary interests in trusts holding real estate, as trust assets are not recognized as an expense; rather, they are included in the acquisition cost of the relevant real estate. The amount of fixed asset taxes, etc. included in the acquisition costs of real estate, etc. was 142,659 thousand yen in the previous fiscal period, and was not recorded in the current fiscal period.

5. Hedge accounting method

(i) Method of hedge accounting

LLR uses deferral hedge accounting. However, special treatment was applied to those interest rate swaps that satisfy the requirements for special accounting treatment.

- (ii) Hedging instruments and hedged items
    - Hedging instruments: interest rate swap transactions
    - Hedged items: interest on loans
  - (iii) Hedging policy
    - Under its market risk management policy, LLR engages in derivative transactions for the purpose of hedging risk as provided for in its bylaws.
  - (iv) Method of assessing hedge effectiveness
    - Assessment of hedge effectiveness was omitted since interest rate swaps satisfy the requirements for special treatment.
6. Scope of funds in the statements of cash flows
- The funds in the statements of cash flows (cash and cash equivalents) comprise cash on hand and cash in trusts, bank deposits and trust deposits available for withdrawal on demand, and short-term investments due within three months of the acquisition date, which are readily convertible to cash and bear only an insignificant risk of price fluctuations.
7. Other matters which constitute the basis for preparation of financial statements
- (i) Accounting treatment for beneficiary interests in trusts that have real estate as assets in trust
    - With respect to trust beneficiary interests held by LLR, where the underlying assets are entrusted real estate, all asset and liability accounts within the trust assets as well as all revenue and expense accounts arising from the trust assets are recognized in the relevant accounts of the balance sheet and statements of income.
    - The following material items of the assets in trust recognized in the relevant account items are listed separately on the balance sheet.
      - (a) Cash in trust and deposits in trust
      - (b) 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
      - (c) Lease and guarantee deposits in trust
      - (d) Tenant leasehold and security deposits in trust
  - (ii) Treatment of consumption taxes
    - LLR applies the tax-excluded method for the accounting treatment of consumption taxes and local consumption taxes.
    - The nondeductible portion of consumption taxes imposed in connection with assets was charged to expense in the period incurred.
- (8) Notes on Changes in Accounting Policies
- 1. Application of Accounting Standard for Revenue Recognition
    - LLR has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) from the beginning of the current fiscal period, and recognized revenue at the amount expected to be received in exchange for the promised goods or services when control of the goods or services is transferred to the customer. The impact of this change on the financial statements is immaterial. Furthermore, in accordance with the transitional treatment stipulated in Paragraph 89-3 of the Revenue Recognition Accounting Standard, the note related to revenue recognition for the previous fiscal period is not shown.
  - 2. Application of Accounting Standard for Fair Value Measurement
    - LLR has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) from the beginning of the current fiscal period, and in accordance with the transitional treatments outlined in Paragraph 19 of Accounting Standard for Fair Value Measurement and Paragraph 44-2 of Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the new accounting policies outlined by Accounting Standard for Fair Value Measurement will be applied prospectively. The impact of this change on the financial statements is immaterial.

(9) Notes on the Financial Statements

[Notes on Balance Sheet]

1. Commitment line agreement

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

	Thousands of yen	
	As of	
	August 31, 2021	February 28, 2022
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

\* 2. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

	Thousands of yen	
	As of	
	August 31, 2021	February 28, 2022
	50,000	50,000

[Notes on Income Statement]

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

	Thousands of yen	
	For the periods ended	
	August 31, 2021	February 28, 2022
(i) Real estate leasing revenues		
Rental revenues		
Rental income	8,678,740	9,038,512
Common service fee	800,076	829,442
Total	9,478,817	9,867,955
Other rental revenues		
Utilities charge reimbursement	414,854	445,550
Parking revenue	179,404	188,089
Other lease revenues	89,425	88,533
Total	683,684	722,172
Total real estate leasing revenues	10,162,502	10,590,128
(ii) Real estate leasing expenses		
Property-related expenses		
Outsourcing costs	415,951	459,715
Utilities expenses	370,265	407,432
Taxes and public dues	897,896	897,776
Insurance premiums	17,628	18,531
Repair and maintenance	87,713	74,221
Depreciation	1,375,066	1,419,837
Other leasing expenses	130,238	102,335
Total real estate leasing expenses	3,294,760	3,379,849
(iii) Real estate leasing profit ((i) - (ii))	6,867,741	7,210,278

[Notes on Statement of Changes in Unitholders' Capital]

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

	For the periods ended	
	August 31, 2021	February 28, 2022
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	1,785,000 units	1,785,000 units

[Notes on the Statements of Cash Flows]

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

	Thousands of yen	
	For the periods ended	
	August 31, 2021	February 28, 2022
Cash and deposits	19,293,300	20,396,318
Cash and deposits in trust	7,324,224	6,858,842
Restricted deposits in trust (Note)	(2,154,066)	(2,167,000)
Cash and cash equivalents at period end	24,463,458	25,088,160

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

[Notes on Lease Transactions]

Operating lease transactions (lessor)

Unearned leasing fees associated with non-cancelable operating leases

	Thousands of yen	
	As of	
	August 31, 2021	February 28, 2022
Due within one year	16,131,646	16,230,299
Due after one year	38,458,247	35,113,459
Total	54,589,894	51,343,758

[Notes on Financial Instruments]

1. Matters concerning the status of financial instruments

(i) Policy for handling financial instruments

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

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

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

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

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

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

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

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

2. Matters concerning the fair value of financial instruments

Previous period (As of August 31, 2021)

Amounts recognized on the balance sheet as of the fiscal period ended August 31, 2021, fair values, and differences between these amounts are presented below. Shares without market price are not included in the following table (Note 2). The notes for “Cash and deposits”, “Cash and deposits in trust” and “Short-term loans payable” are omitted due to their short-term settlement. Also, the note for “Tenant leasehold and security deposits in trust” is omitted because of immaterial.

	Thousands of yen		
	As of August 31, 2021		
	Book value	Fair value	Difference
(1) Current portion of investment corporation bonds payable	5,000,000	4,996,000	(4,000)
(2) Current portion of long-term loans payable	1,850,000	1,851,862	1,862
(3) Investment corporation bonds payable	11,500,000	11,477,750	(22,250)
(4) Long-term loans payable	142,270,000	143,124,163	854,163
Total liabilities	160,620,000	161,449,776	829,776
Derivative transactions	-	-	-

Current period (As of February 28, 2022)

Amounts recognized on the balance sheet as of the fiscal period ended February 28, 2022, fair values, and differences between these amounts are presented below. Shares without market price are not included in the following table (Note 2). The notes for “Cash and deposits”, “Cash and deposits in trust” and “Short-term loans payable” are omitted due to their short-term settlement. Also, the note for “Tenant leasehold and security deposits in trust” is omitted because of immaterial.

	Thousands of yen		
	As of February 28, 2022		
	Book value	Fair value	Difference
(1) Current portion of investment corporation bonds payable	-	-	-
(2) Current portion of long-term loans payable	15,110,000	15,132,797	22,797
(3) Investment corporation bonds payable	13,500,000	13,338,850	(161,150)
(4) Long-term loans payable	132,010,000	132,828,350	818,350
Total liabilities	160,620,000	161,299,997	679,997
Derivative transactions	-	-	-

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

(1) Current portion of corporation bonds payable and (3) Investment corporation bonds payable

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

(2) Current portion of long-term loans payable, (4) Long-term loans payable

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

Derivative transactions

Please refer to “Notes to Derivative Transactions” below.



Note 2. Shares without market price

Previous period (As of August 31, 2021)

Because there are no market prices for the preferred securities (207,827 thousand yen recognized on the balance sheet) and it is difficult to reasonably estimate cash flows, it is understood to be extremely difficult to assess fair value, so fair value is not listed.

Current period (As of February 28, 2022)

Because there are no market prices for the preferred securities (513,701 thousand yen recognized on the balance sheet) and it is difficult to reasonably estimate cash flows, it is understood to be extremely difficult to assess fair value, so fair value is not listed.

Note 3. Repayment schedule for investment corporation bonds, long-term loans payable and other interest-bearing debt after the closing date

Previous period (As of 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
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	6,850,000	15,110,000	16,560,000	20,820,000	17,580,000	83,700,000

Current period (As of February 28, 2022)

	Thousands of yen					
	As of February 28, 2022					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds payable	-	-	-	-	2,000,000	11,500,000
Long-term loans payable	15,110,000	16,560,000	9,070,000	21,450,000	18,680,000	66,250,000
Total	15,110,000	16,560,000	9,070,000	21,450,000	20,680,000	77,750,000

[Notes on Securities]

Previous period (As of August 31, 2021)

Because there are no market prices for the preferred securities (207,827 thousand yen recognized on the balance sheet) and it is difficult to reasonably estimate cash flows, it is understood to be extremely difficult to assess fair value, so fair value is not listed.

Current period (As of February 28, 2022)

Because there are no market prices for the preferred securities (513,701 thousand yen recognized on the balance sheet) and it is difficult to reasonably estimate cash flows, it is understood to be extremely difficult to assess fair value, so fair value is not listed.

[Notes on Derivative Transactions]

1. Derivative transactions to which hedge accounting was not applied

Previous period (As of August 31, 2021)

None

Current period (As of February 28,2022)

None

2. Derivative transactions to which hedge accounting was applied

Previous period (As of August 31, 2021)

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

			Thousands of yen			
			As of August 31, 2021			
			Contract amount			
Hedge accounting method	Type of derivative transaction	Primary hedged item	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)

Current period (As of February 28,2022)

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

			Thousands of yen			
			As of February 28, 2022			
			Contract amount			
Hedge accounting method	Type of derivative transaction	Primary hedged item	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	115,650,000	106,430,000	(Note)	(Note)

Note: Because the derivative transactions subject to special treatment for interest rate swaps are treated integrally with long-term loans that are being hedged, the stated fair value incorporates the fair value of the relevant long-term loans. (Please refer to Item (2) Current portion of long-term loans payable and (4) Long-term loans payable under (Notes to Financial Instruments) “Matters concerning the fair value of financial instruments” and “Note 1. Methods used to calculate the fair value of financial instruments and matters concerning derivative transactions” above.)

[Notes on Transactions with Related Parties]

1. Transactions and Account Balances with the Parent Company and Major Unitholders

Previous period (For the period ended August 31, 2021)

None

Current period (For the period ended February 28,2022)

None

2. Transactions and Account Balances with Affiliates

Previous period (For the period ended August 31, 2021)

None

Current period (For the period ended February 28,2022)

None

3. Transactions and Account Balances with Companies under Common Control

Previous period (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.

Current period (For the period ended February 28, 2022)

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)	1,344,645	Accounts payable	1,475,809

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

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

Note 3. The asset management fee, attributable to investment security acquisitions, was 3,000 thousand yen.

4. Transactions and Account Balances with Officers and Key individual investors

Previous period (For the period ended August 31, 2021)

None

Current period (For the period ended February 28, 2022)

None

[Notes on Tax Effect Accounting]

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

	Thousands of yen	
	As of	
	August 31, 2021	February 28, 2022
(Deferred tax assets)		
Enterprise tax payable	21	-
Total deferred tax assets	21	-
Net deferred tax assets	21	-

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

	As of	
	August 31, 2021	February 28, 2022
Statutory tax rate	31.46 %	31.46 %
(Adjustments)		
Deductible distributions	(31.45 %)	(31.46 %)
Other	0.01 %	0.01 %
Actual effective income tax rate	0.02 %	0.01 %

[Notes on Retirement Benefits]

Previous period (As of August 31, 2021)

None

Current period (As of February 28, 2022)

None

[Notes on Equity Method Earnings]

Previous period (As of August 31, 2021)

None

Current period (As of February 28, 2022)

None

[Notes on Asset Retirement Obligations]

Previous period (As of August 31, 2021)

None

Current period (As of February 28, 2022)

None

[Notes on Segment Information]

(Segment Information)

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

(Related information)

Previous period (For the period ended August 31, 2021)

(1) Information by Products and Services

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

(2) Information by Geographic Region

(i) Operating Revenues

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

(ii) Property and Equipment

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

(3) Information by Major Customers

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

Current period (For the period ended February 28, 2022)

(1) Information by Products and Services

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

(2) Information by Geographic Region

(i) Operating Revenues

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

(ii) Property and Equipment

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

(3) Information by Major Customers

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

[Notes on Rental Properties]

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

	Thousands of yen	
	For the periods ended	
	August 31, 2021	February 28, 2022
Book value (Note 1)		
Balance at the beginning of the period	316,463,289	356,074,444
Changes during the period (Note 2)	39,611,155	(393,748)
Balance at the end of the period	356,074,444	355,680,695
Fair value at the end of the period (Note 3)	407,690,000	417,270,000

Note 1. Book value was 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, 2022, was a result of the acquisition of hazardous material warehouse during the period with a total value of 449,000 thousand yen. The decrease for period ended February 28, 2022, was a result of the recognition of depreciation expenses of 1,419,837 thousand yen, respectively.

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

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

[Notes on Per Unit Information]

	Yen	
	For the periods ended	
	August 31, 2021	February 28, 2022
Net assets per unit	120,398	120,104
Net income per unit	3,041	2,898

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

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

	Thousands of yen	
	For the periods ended	
	August 31, 2021	February 28, 2022
Net income	5,287,566	5,174,010
Amount not attributable to ordinary unitholders	-	-
Net income attributable to ordinary investment units	5,287,566	5,174,010
Weighted average number of units outstanding	1,738,396	1,785,000

[Note on Revenue Recognition]

1. Breakdown information on revenue from contracts with customers

Current period (For the period ended February 28, 2022)

	Thousands of yen	
	Revenue from contracts with customers (Note)	Sales to external customers
Sales of real estate properties	-	-
Utilities charge reimbursement	445,550	445,550
Other	-	10,144,577
Total	445,550	10,590,128

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

[Notes on Significant Subsequent Events]

None

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

Unitholders' capital and changes in the number of investment units issued and outstanding for the last five years are shown below.

Date	Description	Total number of outstanding investment units (units)		Unitholders' capital (Note 1) (thousand yen)		Comment
		Increase (decrease)	Balance	Increase (decrease)	Balance	
May 22, 2017	Distributions in excess of retained earnings (refund of investment)	-	1,100,000	(174,900)	105,986,665	(Note 2)
November 20, 2017	Distributions in excess of retained earnings (refund of investment)	-	1,100,000	(187,000)	105,799,665	(Note 3)
May 21, 2018	Distributions in excess of retained earnings (refund of investment)	-	1,100,000	(188,100)	105,611,565	(Note 4)
November 19, 2018	Distributions in excess of retained earnings (refund of investment)	-	1,100,000	(204,600)	105,406,965	(Note 5)
May 20, 2019	Distributions in excess of retained earnings (refund of investment)	-	1,100,000	(205,700)	105,201,265	(Note 6)
June 5, 2019	Public offering	104,761	1,204,761	12,271,808	117,473,073	(Note 7)
June 28, 2019	Third-party allotment	5,239	1,210,000	613,701	118,086,775	(Note 8)
September 18, 2019	Public offering	145,714	1,355,714	20,836,373	138,923,148	(Note 9)
October 10, 2019	Third-party allotment	7,286	1,363,000	1,041,861	139,965,010	(Note 10)
November 21, 2019	Distributions in excess of retained earnings (refund of investment)	-	1,363,000	(183,920)	139,781,090	(Note 11)
May 22, 2020	Distributions in excess of retained earnings (refund of investment)	-	1,363,000	(242,614)	139,538,476	(Note 12)
September 1, 2020	Public offering	261,904	1,624,904	44,710,941	184,249,417	(Note 13)
September 29, 2020	Third-party allotment	13,096	1,638,000	2,235,683	186,485,101	(Note 14)
November 18, 2020	Distributions in excess of retained earnings (refund of investment)	-	1,638,000	(278,052)	186,207,049	(Note 15)
April 27, 2021	Public offering	140,000	1,778,000	22,656,760	208,863,809	(Note 16)
May 21, 2021	Distributions in excess of retained earnings (refund of investment)	-	1,778,000	(373,464)	208,490,345	(Note 17)
May 25, 2021	Third-party allotment	7,000	1,785,000	1,132,838	209,623,183	(Note 18)
November 18, 2021	Distributions in excess of retained earnings (refund of investment)	-	1,785,000	(412,335)	209,210,848	(Note 19)

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

Note 2. At the Board of Directors Meeting of LLR on April 14, 2017, LLR decided to make distributions in excess of retained earnings (refund of contributions that under tax law is equivalent to a refund of investment) at an amount of 159 yen per unit as distributions of funds for the second fiscal period (ended February 28, 2017) and payment of these commenced on May 22, 2017.

- Note 3. At the Board of Directors Meeting of LLR on October 13, 2017, LLR decided to make distributions in excess of retained earnings (refund of contributions that under tax law is equivalent to a refund of investment) at an amount of 170 yen per unit as distributions of funds for the third fiscal period (ended August 31, 2017) and payment of these commenced on November 20, 2017.
- Note 4. At the Board of Directors Meeting of LLR on April 13, 2018, LLR decided to make distributions in excess of retained earnings (refund of contributions that under tax law is equivalent to a refund of investment) at an amount of 171 yen per unit as distributions of funds for the fourth fiscal period (ended February 28, 2018) and payment of these commenced on May 21, 2018.
- Note 5. At the Board of Directors Meeting of LLR on October 15, 2018, LLR decided to make distributions in excess of retained earnings (refund of contributions that under tax law is equivalent to a refund of investment) at an amount of 186 yen per unit as distributions of funds for the fifth fiscal period (ended August 31, 2018) and payment of these commenced on November 19, 2018.
- Note 6. At the Board of Directors Meeting of LLR on April 15, 2019, LLR decided to make distributions in excess of retained earnings (refund of contributions that under tax law is equivalent to a refund of investment) at an amount of 187 yen per unit as distributions of funds for the sixth fiscal period (ended February 28, 2019) and payment of these commenced on May 20, 2019.
- Note 7. LLR issued new investment units for the purpose of raising funds to acquire new properties at an offer price of 121,387 yen per unit (underwriting price of 117,141 yen).
- Note 8. LLR issued new investment units through a third-party allotment associated with the public offering at an underwriting price of 117,141 yen for the purpose of obtaining funds for future acquisition of property and the repayment of loans.
- Note 9. LLR issued new investment units for the purpose of raising funds to acquire new properties at an offer price of 148,005 yen per unit (underwriting price of 142,995 yen).
- Note 10. LLR issued new investment units through a third-party allotment associated with the public offering at an underwriting price of 142,995 yen for the purpose of obtaining funds for future acquisition of property and the repayment of loans.
- Note 11. At the Board of Directors Meeting of LLR on October 17, 2019, LLR decided to make distributions in excess of retained earnings (refund of contributions that under tax law is equivalent to a refund of investment) at an amount of 152 yen per unit as distributions of funds for the seventh fiscal period (ended August 31, 2019) and payment of these commenced on November 21, 2019.
- Note 12. At the Board of Directors Meeting of LLR on April 17, 2020, LLR decided to make distributions in excess of retained earnings (refund of contributions that under tax law is equivalent to a refund of investment) at an amount of 178 yen per unit as distributions of funds for the eighth fiscal period (ended February 29, 2020) and payment of these commenced on May 22, 2020.
- Note 13. LLR issued new investment units for the purpose of raising funds to acquire new properties at an offer price of 176,677 yen per unit (underwriting price of 170,715 yen).
- Note 14. LLR issued new investment units through a third-party allotment associated with the public offering at an underwriting price of 170,715 yen for the purpose of obtaining funds for future acquisition of property and the repayment of loans.
- Note 15. At the Board of Directors Meeting of LLR on October 15, 2020, LLR decided to make distributions in excess of retained earnings (refund of contributions that under tax law is equivalent to a refund of investment) at an amount of 204 yen per unit as distributions of funds for the ninth fiscal period (ended August 31, 2020) and payment of these commenced on November 18, 2020.
- Note 16. LLR issued new investment units for the purpose of raising funds to acquire new properties at an offer price of 167,700 yen per unit (underwriting price of 161,834 yen).
- Note 17. At the Board of Directors Meeting of LLR on April 14, 2021, LLR decided to make distributions in excess of retained earnings (refund of contributions that under tax law is equivalent to a refund of investment) at an amount of 228 yen per unit as distributions of funds for the ninth fiscal period (ended February 28, 2021) and payment of these commenced on May 21, 2021.
- Note 18. LLR issued new investment units through a third-party allotment associated with the public offering at an underwriting price of 161,834 yen for the purpose of obtaining funds for future acquisition of property and the repayment of loans.
- Note 19. At the Board of Directors Meeting of LLR on October 15, 2021, LLR decided to make distributions in excess of retained earnings (refund of contributions that under tax law is equivalent to a refund of investment) at an amount of 231 yen per unit as distributions of funds for the ninth fiscal period (ended August 31, 2021) and payment of these commenced on November 18, 2021.



### 3. Reference Information

#### (1) Information on Price of the Managed Assets

##### A) Composition of LLR's Assets

Type of assets	Use	Area (Note 1)	Previous period (August 31, 2021)		Current period (February 28, 2022)	
			Total amount held (million yen) (Note 2)	Percentage to total assets (%) (Note 3)	Total amount held (million yen) (Note 2)	Percentage to total assets (%) (Note 3)
Real estate in trust	Logistics facilities	Tokyo area	225,234	58.4	224,978	58.4
		Osaka area	130,840	33.9	130,702	33.9
		Other	-	-	-	-
		Subtotal	356,074	92.3	355,680	92.3
Investment securities (Note 4)			207	0.1	513	0.1
Deposits / other assets			29,392	7.6	29,053	7.5
Total assets			385,675	100.0	385,248	100.0

	Previous period (August 31, 2021)		Current period (February 28, 2022)	
	Amount (million yen)	Percentage to total assets (%) (Note 3)	Amount (million yen)	Percentage to total assets (%) (Note 3)
Total liabilities	170,763	44.3	170,862	44.4
Total net assets	214,911	55.7	214,385	55.6
Total assets	385,675	100.0	385,248	100.0

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

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

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

Note 4. "Investment Securities" were preferred shares investment of Nanko Property TMK up until the prior fiscal period. In addition, this defined term now refers to the preferred shares investment of Kansai 1 Property TMK, for this fiscal period.

##### B) Investment Assets

###### (i) Main Issues of the Investment Securities

Type	Name of securities	Quantity (units)	Carrying amount (thousand yen)	Appraisal value (thousand yen) (Note 2)	Share of total assets (%)
Preferred securities	Kansai 1 Property TMK preferred securities (Note 1)	501,000	513,701	513,701	0.1

Note 1. The underlying asset related to the preferred securities is as shown below.

Name of Securities	Property Portfolio	Property Name	Property Location
Kansai 1 Property TMK preferred securities	Trust beneficiary interest	(Tentative name) Osaka Suminoe Logistics Center Project	Shibatani 1-10 and 1 other, Suminoe-ku, Osaka-city, Osaka prefecture

Note 2. The carrying amount is shown for the appraisal value.

## (ii) Overview of Real Estate, etc.

## (a) Portfolio Overview

The assets (real estate or beneficiary interests in trusts holding real estate as trust assets; collectively referred to as “asset holdings” hereinafter) held by LLR as of February 28, 2022 are presented below.

Area	Property number (Note 1)	Property name	Location	Form of possession	Property age (years) (Note 2)	As of end of current period carrying amount (million yen)	Acquisition price (million yen) (Note 3)	Investment ratio (%) (Note 4)	Appraisal value (million yen) (Note 5)	Gross floor area (㎡) (Note 6)	
Tokyo area	Tokyo-1	LOGIPORT Hashimoto (Note 7)	Kanagawa Prefecture Sagami-hara City	Trust beneficiary interest	7	20,694	21,200	5.9	25,100	145,801.69	
	Tokyo-2	LOGIPORT Sagami-hara (Note 8)	Kanagawa Prefecture Sagami-hara City	Trust beneficiary interest	9	22,667	23,020	6.4	27,200	200,045.57	
	Tokyo-3	LOGIPORT Kitakashiwa	Chiba Prefecture Kashiwa City	Trust beneficiary interest	9	24,806	25,300	7.1	31,400	104,302.62	
	Tokyo-5	LOGIPORT Nagareyama B	Chiba Prefecture Nagareyama City	Trust beneficiary interest	14	26,078	26,600	7.4	32,300	133,414.76	
	Tokyo-6	LOGIPORT Higashi Ogishima A	Kanagawa Prefecture Kawasaki City	Trust beneficiary interest	35	18,968	19,000	5.3	20,600	100,235.67	
	Tokyo-7	LOGIPORT Higashi Ogishima B	Kanagawa Prefecture Kawasaki City	Trust beneficiary interest	31	19,058	19,120	5.3	21,800	117,546.26	
	Tokyo-8	LOGIPORT Higashi Ogishima C	Kanagawa Prefecture Kawasaki City	Trust beneficiary interest	20	23,311	23,700	6.6	26,900	116,997.14	
	Tokyo-9	LOGIPORT Kawagoe	Saitama Prefecture Kawagoe City	Trust beneficiary interest	11	11,822	11,950	3.3	12,800	50,742.47	
	Tokyo-11	LOGIPORT Kashiwa Shonan	Chiba Prefecture Kashiwa City	Trust beneficiary interest	4	9,230	9,300	2.6	10,600	40,878.58	
	Tokyo-12	LOGIPORT Sayama Hidaka	Saitama Prefecture Hidaka City	Trust beneficiary interest	6	6,403	6,430	1.8	6,640	23,570.37	
	Tokyo-13	Higashi Ogishima (leasehold land)	Kanagawa Prefecture Kawasaki City	Trust beneficiary interest	-	1,264	1,189	0.3	1,700	-	
	Tokyo-14	LOGIPORT Kawasaki Bay (Note 9)	Kanagawa Prefecture Kawasaki City	Trust beneficiary interest	3	32,085	32,200	9.0	36,160	289,164.66	
	Tokyo-15	LOGIPORT Shinmoriya	Ibaraki Prefecture Tsukubami-rai City	Trust beneficiary interest	3	8,584	8,580	2.4	9,760	37,089.81	
	Osaka area	Osaka-1	LOGIPORT Sakai Minamijimacho	Osaka Prefecture Sakai City	Trust beneficiary interest	5	8,035	8,150	2.3	9,170	30,696.61
		Osaka-2	LOGIPORT Sakai Chikko Shinmachi (Note 10)	Osaka Prefecture Sakai City	Trust beneficiary interest	4	4,316	4,160	1.2	5,040	20,428.39
Osaka-3		LOGIPORT Osaka Taisho (Note 11)	Osaka Prefecture Osaka City	Trust beneficiary interest	4	17,535	17,655	4.9	20,300	117,037.14	
Osaka-5		LOGIPORT Amagasaki	Hyogo Prefecture Amagasaki City	Trust beneficiary interest	4	48,453	48,200	13.5	62,300	261,001.36	

Area	Property number (Note 1)	Property name	Location	Form of possession	Property age (years) (Note 2)	As of end of current period carrying amount (million yen)	Acquisition price (million yen) (Note 3)	Investment ratio (%) (Note 4)	Appraisal value (million yen) (Note 5)	Gross floor area (m <sup>2</sup> ) (Note 6)
	Osaka-6	LOGIPORT Sakai (Note 12)	Osaka Prefecture Sakai City	Trust beneficiary interest	5	12,078	12,075	3.4	13,100	115,552.35
	Osaka-7	LOGIPORT Osaka Bay	Osaka Prefecture Osaka City	Trust beneficiary interest	4	40,282	40,000	11.2	44,400	139,551.94
Portfolio total / average					10	355,679	357,829	100.0	417,270	2,044,057.39

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

Note 2. "Property Age" with respect to "LOGIPORT Amagasaki" was calculated by taking the period from October 13, 2017, when renovation work and conversion from a factory to logistics facility was completed, to February 28, 2022, and this result was rounded to the nearest decimal place. The number presented as the portfolio age average is the weighted average weighted by acquisition price, rounded to the nearest whole number.

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

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

Note 5. "Appraisal value" represents the appraisal value as of February 28, 2022, shown in the real estate appraisal documents prepared by Tanizawa Sogo Appraisal Co, Ltd., CBRE K.K. or Japan Real Estate Institute, which have been contracted to appraise the asset holdings.

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

Note 7. The as of end of current period carrying amount, Acquisition Price and appraisal value for LOGIPORT Hashimoto are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (equating to 55%), while the gross floor area is the figure for the entire property.

Note 8. The as of end of current period carrying amount, Acquisition Price and appraisal value for LOGIPORT Sagamihara are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (equating to 51%), while the gross floor area is the figure for the entire property.

Note 9. The as of end of current period carrying amount, Acquisition Price and appraisal value for LOGIPORT Kawasaki Bay are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (equating to 40%), while the gross floor area is the figure for the entire property.

Note 10. The appraised value of LOGIPORT Sakai Chikko Shinmachi includes the value related to the solar power generation equipment completed on August 31, 2020.

Note 11. The as of end of current period carrying amount, Acquisition Price and appraisal value for LOGIPORT Osaka Taisho are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (equating to 62.5%), while the gross floor area is the figure for the entire property.

Note 12. The as of end of current period carrying amount, Acquisition Price and appraisal value for LOGIPORT Sakai are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (equating to 50%), while the gross floor area is the figure for the entire property.

(b) Tenant Agreements

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

Area	Property number	Property name	Number of tenants (Note 1)	Annual lease revenue (million yen) (Note 2)	Lease & guarantee deposits (million yen) (Note 3)	Leasable floor area (㎡) (Note 4)	Leased floor area (㎡) (Note 5)	Occupancy rate (%) (Note 6)	
Tokyo area	Tokyo-1	LOGIPORT Hashimoto (Note 7)	16	1,174	295	130,052	127,224	97.8	
	Tokyo-2	LOGIPORT Sagamihara (Note 8)	19	1,340	318	180,971	180,495	99.7	
	Tokyo-3	LOGIPORT Kitakashiwa	6	1,410	393	100,211	100,211	100.0	
	Tokyo-5	LOGIPORT Nagareyama B	7	1,447	311	112,645	112,479	99.9	
	Tokyo-6	LOGIPORT Higashi Ogishima A	21	1,112	333	85,281	82,757	97.0	
	Tokyo-7	LOGIPORT Higashi Ogishima B	17	1,190	366	103,731	98,776	95.2	
	Tokyo-8	LOGIPORT Higashi Ogishima C	23	1,412	208	114,925	113,876	99.1	
	Tokyo-9	LOGIPORT Kawagoe	4	656	160	53,088	53,088	100.0	
	Tokyo-11	LOGIPORT Kashiwa Shonan	1	Not disclosed (Note 12)	Not disclosed (Note 12)	40,773	40,773	100.0	
	Tokyo-12	LOGIPORT Sayama Hidaka	1	Not disclosed (Note 12)	Not disclosed (Note 12)	23,565	23,565	100.0	
	Tokyo-13	Higashi Ogishima (leasehold land)	1	Not disclosed (Note 12)	Not disclosed (Note 12)	11,472	11,472	100.0	
	Tokyo-14	LOGIPORT Kawasaki Bay (Note 9)	14	1,533	353	261,801	261,607	99.9	
	Tokyo-15	LOGIPORT Shinmoriya	1	Not disclosed (Note 12)	Not disclosed (Note 12)	37,092	37,092	100.0	
	Osaka Area	Osaka-1	LOGIPORT Sakai Minamijimacho	1	Not disclosed (Note 12)	Not disclosed (Note 12)	30,690	30,690	100.0
		Osaka-2	LOGIPORT Sakai Chikko Shinmachi	1	Not disclosed (Note 12)	Not disclosed (Note 12)	20,427	20,427	100.0
Osaka-3		LOGIPORT Osaka Taisho (Note 10)	11	932	224	106,929	102,691	96.0	
Osaka-5		LOGIPORT Amagasaki	12	3,161	907	218,754	217,741	99.5	
Osaka-6		LOGIPORT Sakai (Note 11)	6	702	158	112,711	111,138	98.6	
Osaka-7		LOGIPORT Osaka Bay	11	1,959	784	136,516	136,516	100.0	
Portfolio total / average			173	20,015	5,301	1,881,644 1,480,909	1,862,627 1,465,890	99.0 99.0	

Note 1. "Number of tenants" is stated as the total number of lease agreements associated with the buildings shown for each of the trust properties as of February 28, 2022. If a master lease agreement has been executed for the trust property, it is stated as the total number of end tenants. However, if the same lessee has executed multiple lease agreements at the trust property, that lessee is counted as one tenant when arriving at calculating the total.

Note 2. "Annual lease revenue" is stated as the total annualized monthly rent calculated by multiplying the monthly lease amount (including common service fees) shown in each lease agreement associated with each trust property as of February 28, 2022 (excluding consumption taxes) by 12, rounded down to the nearest million yen. Therefore, the sum of the "annual lease revenue" for the individual trust properties may not necessarily match the portfolio total.

Note 3. "Lease & guarantee deposits" is stated as the aggregate amount of the lease and guarantee deposit balances shown in each

lease agreement associated with each trust property for each trust property as of February 28, 2022, rounded down to the nearest million yen. Therefore, the sum of the individual “lease & guarantee deposits” for the properties may not necessarily match the portfolio total.

- Note 4. “Leasable floor area” is the area that can be leased at the buildings associated with each trust property as of February 28, 2022, stated as the aggregate of the area considered leasable under the lease agreements or building drawings, rounded down to the nearest whole number. Additionally, in the “Portfolio total” row, the upper figure represents the aggregate leasable floor area for the buildings of each trust property. The lower figure represents the aggregate leasable floor area for the buildings of each trust property after factoring in LLR's share in the joint co-ownership interests in a trust beneficiary interest and calculating leasable floor area proportional to LLR's share, in cases of trust properties in which LLR has share of the joint co-ownership interests.
- Note 5. “Leased floor area” is stated as the aggregate leased floor area associated with the buildings shown in the lease agreements for each of the trust properties as of February 28, 2022. If a master lease agreement has been executed for the trust property, it is stated as the aggregate of the area which has actually been leased through the execution of lease agreements with end tenants, rounded down to the nearest whole number. Additionally, in the “Portfolio total/average” row, the upper figure represents the aggregate leased floor area for the buildings of each trust property. The lower figure represents the ratio of the aggregate leased floor area for the buildings of each trust property after factoring in LLR's share in the joint co-ownership interests in a trust beneficiary interest and calculating leased floor area proportional to LLR's share, in cases of trust properties in which LLR has share of the joint co-ownership interests.
- Note 6. “Occupancy rate” is stated as the ratio of leased floor area to leasable floor area with the buildings shown in the lease agreements for each of the trust properties as of February 28, 2022, rounded to the second decimal place. Additionally, in the “Portfolio total/average” row, the upper figure represents the ratio of the aggregate Leased Floor Area for a given building divided by the Leasable Floor Area for a given building, rounded to the second decimal place. The lower figure represents the ratio of the aggregate Leased Floor Area for a given building divided by the Leasable Floor Area for a given building, rounded to the second decimal place, after factoring in LLR's share in the joint co-ownership interests in a trust beneficial interest and calculating leasable and leased floor area proportional to LLR's share, in cases of trust properties in which LLR has share of the joint co-ownership interests.
- Note 7. The total number of tenants, leasable floor area, and leased floor area, and occupancy rate for “LOGIPORT Hashimoto” are stated as figures for the entire building, while the annual lease revenue and lease & guarantee deposits are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (55%).
- Note 8. The total number of tenants, leasable floor area, and leased floor area, and occupancy rate for “LOGIPORT Sagamihara” are stated as the figure for the entire building, while the annual lease revenue and lease & guarantee deposits are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (51%).
- Note 9. The total number of tenants, leasable floor area, and leased floor area, and occupancy rate for LOGIPORT Kawasaki Bay are stated as figures for the entire building, while the annual lease revenue and lease & guarantee deposits are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (40%).
- Note 10. The total number of tenants, leasable floor area, and leased floor area, and occupancy rate for LOGIPORT Osaka Taisho are stated as figures for the entire building, while the annual lease revenue and lease & guarantee deposits are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (62.5%).
- Note 11. The total number of tenants, leasable floor area, and leased floor area, and occupancy rate for “LOGIPORT Sakai” are stated as the figure for the entire building, while the annual lease revenue and lease & guarantee deposits are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (50%).
- Note 12. Not disclosed because approval for disclosure has not been obtained from the tenant.

## (c) Appraisal report summary

Area	Property number	Property name	Appraiser	Appraisal date	Income approach value (million yen)						
					Appraisal value (million yen)	Cost-approach value (million yen)	Direct capitalization method		Discounted cash flow (DCF) method		
							Income-approach value	Capitalization rate (%)	Income-approach value	Discount rate (%)	Terminal capitalization rate (%)
Tokyo area	Tokyo-1	LOGIPORT Hashimoto (Note 1)	Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2022	25,100	21,100	25,100	3.8	25,100	3.9	4.0
	Tokyo-2	LOGIPORT Sagamihara (Note 2)	Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2022	27,200	23,900	27,700	3.9	27,000	4.0	4.1
	Tokyo-3	LOGIPORT Kitakashiwa	CBRE K.K.	February 28, 2022	31,400	24,300	31,800	3.7	31,400	3.5	3.8
	Tokyo-5	LOGIPORT Nagareyama B	CBRE K.K.	February 28, 2022	32,300	23,300	31,600	4.0	32,300	3.7	4.0
	Tokyo-6	LOGIPORT Higashi Ogishima A	Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2022	20,600	20,500	20,800	4.2	20,500	4.3	4.4
	Tokyo-7	LOGIPORT Higashi Ogishima B	Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2022	21,800	21,800	21,900	4.2	21,800	4.3	4.4
	Tokyo-8	LOGIPORT Higashi Ogishima C	Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2022	26,900	26,400	27,300	4.1	26,700	4.2	4.3
	Tokyo-9	LOGIPORT Kawagoe	Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2022	12,800	11,500	13,100	4.2	12,700	4.3	4.4
	Tokyo-11	LOGIPORT Kashiwa Shonan	Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2022	10,600	10,200	10,700	4.2	10,500	4.1 (Note 7)	4.4
	Tokyo-12	LOGIPORT Sayama Hidaka	Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2022	6,640	6,560	6,810	4.2	6,560	4.1 (Note 8)	4.4
	Tokyo-13	Higashi Ogishima (leasehold land)	Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2022	1,700	-	-	-	1,700	3.5 (Note 9)	3.6
	Tokyo-14	LOGIPORT Kawasaki Bay (Note 3)	Japan Real Estate Institute	February 28, 2022	36,160	34,200	36,480	3.8	35,800	3.5	3.9
	Tokyo-15	LOGIPORT Shinmoriya	Japan Real Estate Institute	February 28, 2022	9,760	7,940	9,870	4.2	9,650	3.7	4.3
Osaka Area	Osaka-1	LOGIPORT Sakai Minamijimacho	Japan Real Estate Institute	February 28, 2022	9,170	5,550	9,230	4.2	9,100	3.8	4.3
	Osaka-2	LOGIPORT Sakai Chikko Shinmachi (Note 4)	Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2022	5,040	4,520	5,130	4.4	5,000	4.3 (Note 10)	4.6
	Osaka-3	LOGIPORT Osaka Taisho (Note 5)	Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2022	20,300	17,700	20,900	3.9	20,000	4.0	4.1
	Osaka-5	LOGIPORT Amagasaki	Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2022	62,300	54,300	63,100	4.1	61,900	4.2	4.3
	Osaka-6	LOGIPORT Sakai (Note 6)	Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2022	13,100	10,700	13,400	4.3	13,000	4.4	4.5
	Osaka-7	LOGIPORT Osaka Bay	Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2022	44,400	43,000	46,400	3.8	43,600	3.9	4.0
Portfolio total					417,270	367,470	421,320		414,310		

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

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

Note 3. The appraisal value, cost-approach value, and income-approach values based on the direct capitalization method, and DCF method for LOGIPORT Kawasaki Bay are stated as amounts proportional to the joint co-ownership interests in trust beneficiary interests that LLR holds (40%).

Note 4. LOGIPORT Sakai Chikko Shinmachi appraised value, cost approach valuation, direct capitalization and DCF method income approach valuation, each include a value attributed to the solar power generation equipment completed on August 31, 2020.

Note 5. The appraisal value, cost-approach value, and income-approach values based on the direct capitalization method, and DCF method for LOGIPORT Osaka Taisho are stated as amounts proportional to the joint co-ownership interests in trust beneficiary interests that LLR holds (62.5%).

Note 6. The appraisal value, cost-approach value, and income-approach values based on the direct capitalization method, and DCF method for LOGIPORT Sakai are stated as amounts proportional to the joint co-ownership interests in trust beneficiary interests that LLR holds (50%).

Note 7. The discount rate for LOGIPORT Kashiwa Shonan is stated as the figure from the first fiscal year until the second fiscal year.

Note 8. The discount rate for LOGIPORT Sayama Hidaka is stated as the figure from the first fiscal year until the second fiscal year.

Note 9. The discount rate for Higashi Ogishima (leasehold land) is stated as the figure from the first fiscal year until the second fiscal year.

Note 10. The discount rate for LOGIPORT Sakai Chikko Shinmachi is stated as the figure from the first fiscal year until the sixth fiscal year.

(d) Information about major real estate properties

Of the assets held by LLR, those properties where “total annual lease revenue” represents 10% or more of the “total annual lease revenue for the entire portfolio” as of February 28, 2022 are presented below.

Property name	Total annual lease revenue (million yen) (Note 1)	Share of lease revenue (%) (Note 2)
LOGIPORT Amagasaki	3,161	15.8
Total	3,161	15.8

Note 1. “Total annual lease revenue” is stated as the total annualized monthly rent (including common service fees) shown in each lease agreement associated with each trust property as of February 28, 2022 (excluding consumption taxes), calculated by multiplying by 12, rounded down to the nearest million yen.

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

(e) Information about Major Tenants

Within the assets held by LLR, as of February 28, 2022 there are no tenants for which the leased floor area represents 10% or more of the total leased floor area for the entire portfolio (for those assets for which a pass-through type master lease agreement has been executed, this includes the end tenants and excludes the master lessee that has executed the master lease agreement).

(f) Portfolio Diversification

The distribution of LLR's asset holdings according to classification by area as of February 28, 2022 is as shown below.

a. Share by area

Area	Number of properties (Note 1)	Gross floor area (m <sup>2</sup> )		Share (%)		Acquisition price (million yen)		Share (%)	
		(Note 1)	(Note 2)	(Note 1)	(Note 3)	(Note 1)	(Note 4)	(Note 1)	(Note 3)
Tokyo area	13	1,359,789.60		66.5		227,589		63.6	
Osaka area	6	684,267.79		33.5		130,240		36.4	
Other	-	-		-		-		-	
<b>Total</b>	<b>19</b>	<b>2,044,057.39</b>		<b>100.0</b>		<b>357,829</b>		<b>100.0</b>	

Note 1. Because Higashi Ogishima (leasehold land) is leasehold land, they are included in the number of properties, Acquisition Price, and share thereof in the table above, but not included in gross floor area and share thereof.

Note 2. "Gross floor area" reflects the figure shown in the registrations for all buildings associated with the real estate in trust (excluding ancillary buildings that are not subject to leasing) held by LLR. The table above was created using the gross floor areas based on figures for the entire LOGIPORT Hashimoto, LOGIPORT Sagamihara, LOGIPORT Kawasaki Bay, LOGIPORT Osaka Taisho, and LOGIPORT Sakai properties.

Note 3. "Share" is rounded to the second decimal place. Therefore, the tally may not equal to exactly 100%.

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

b. Share by property age (Note 1)

Property age (Note 2)	Number of properties	Gross floor area (m <sup>2</sup> ) (Note 3)	Share (%) (Note 4)	Acquisition Price (million yen) (Note 5)	Share (%) (Note 4)
20 years or more	3	334,779.07	16.4	61,820	17.3
At least 15 years but less than 20 years	-	-	-	-	-
At least 10 years but less than 15 years	2	184,157.23	9.0	38,550	10.8
At least 5 years but less than 10 years	6	619,969.21	30.3	96,175	27.0
Less than 5 years	7	905,151.88	44.3	160,095	44.9
<b>Total</b>	<b>18</b>	<b>2,044,057.39</b>	<b>100.0</b>	<b>356,640</b>	<b>100.0</b>

Note 1. Because Higashi Ogishima (leasehold land) is leasehold land, they are not included in the table above.

Note 2. "Property Age" with respect to "LOGIPORT Amagasaki" was calculated by taking the period from October 13, 2017, when renovation work and conversion from a factory to logistics facility was completed, to February 28, 2022, and this result was rounded to the nearest decimal place.

Note 3. "Gross floor area" reflects the figure shown in the registrations for all buildings associated with the real estate in trust (excluding ancillary buildings that are not subject to leasing) held by LLR. The table above was created using the gross floor areas based on figures for the entire LOGIPORT Hashimoto, LOGIPORT Sagamihara, LOGIPORT Kawasaki Bay, LOGIPORT Osaka Taisho, and LOGIPORT Sakai properties.

Note 4. "Share" is rounded to the second decimal place. Therefore, the tally may not equal to exactly 100%.

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



c. Share by size (gross floor area) (Note 1)

Size (gross floor area) (m <sup>2</sup> )	Number of properties	Gross floor area (m <sup>2</sup> ) (Note 2)	Share (%) (Note 3)	Acquisition Price (million yen) (Note 4)	Share (%) (Note 3)
At least 100,000 m <sup>2</sup>	12	1,840,651.16	90.0	308,070	86.4
At least 50,000 m <sup>2</sup> less than 100,000 m <sup>2</sup>	1	50,742.47	2.5	11,950	3.4
At least 30,000 m <sup>2</sup> less than 50,000 m <sup>2</sup>	3	108,665.00	5.3	26,030	7.3
At least 10,000 m <sup>2</sup> less than 30,000 m <sup>2</sup>	2	43,998.76	2.2	10,590	3.0
Less than 10,000 m <sup>2</sup>	-	-	-	-	-
Total	18	2,044,057.39	100.0	356,640	100.0

Note 1. Because Higashi Ogishima (leasehold land) is leasehold land, they are not included in the table above.

Note 2. “Gross floor area” reflects the figure shown in the registrations for all buildings associated with the real estate in trust (excluding ancillary buildings that are not subject to leasing) held by LLR. The table above was created using the gross floor areas based on figures for the entire LOGIPORT Hashimoto, LOGIPORT Sagami-hara, LOGIPORT Kawasaki Bay, LOGIPORT Osaka Taisho, and LOGIPORT Sakai properties.

Note 3. “Share” is rounded to the second decimal place. Therefore, the tally may not equal to exactly 100%.

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

d. Share by remaining lease term

Lease term (remaining lease term) (Note 1) (Note 2)	Leased floor area (m <sup>2</sup> ) (Note 3) (Note 5) (Note 6)	Share (%) (Note 4)	Annual lease revenue (million yen) (Note 3) (Note 5) (Note 6)	Share (%) (Note 4)
7 years or more	153,162	10.4	2,092	10.5
At least 5 years but less than 7 years	97,759	6.7	1,172	5.9
At least 3 years but less than 5 years	263,062	17.9	3,896	19.5
At least 1 year but less than 3 years	631,867	43.1	8,734	43.6
Less than 1 year	320,038	21.8	4,119	20.6
Total	1,465,890	100.0	20,015	100.0

Note 1. Because Higashi Ogishima (leasehold land) is both leasehold land, they are included in the table above based on their respective leaseback agreement terms for the leasehold land.

Note 2. “Lease term (remaining term)” is based on the remaining term of leases as of February 28, 2022, under the lease agreements for asset holdings that have been executed as of that date.

Note 3. “Leased floor area” is stated as the leased floor area associated with each trust property for each trust property as of February 28, 2022, while “annual lease revenue” is stated as the annualized monthly rent (including common service fees) shown in each lease agreement associated with each trust property for each trust property as of February 28, 2022 (for trust properties with multiple lease agreements, the aggregate thereof) (excluding consumption taxes) calculated by multiplying by 12, rounded down to the nearest million yen. These are then aggregated for each remaining lease term category.

Note 4. “Share” is rounded to the second decimal place. Therefore, the total may not add up to 100%.

Note 5. “Leased floor area” is rounded down to the nearest whole number. “Annual lease revenue” is rounded down to the nearest million yen.

Note 6. The table above was created using the leased floor area and annual lease revenue based on figures equivalent to LLR’s respective shares in the joint co-ownership interests in LOGIPORT Hashimoto, LOGIPORT Sagami-hara, LOGIPORT Kawasaki Bay, LOGIPORT Osaka Taisho, and LOGIPORT Sakai properties.

## (g) Property Income/Expenses

(Unit: thousand yen)

Property number	Tokyo-1	Tokyo-2	Tokyo-3	Tokyo-5	Tokyo-6
Name of property	LOGIPORT Hashimoto	LOGIPORT Sagamihara	LOGIPORT Kitakashiwa	LOGIPORT Nagareyama B	LOGIPORT Higashi Ogishima A
Number of operating days in 12th period	181	181	181	181	181
(i) Total real estate leasing revenues	635,008	722,244	768,015	768,440	615,549
Rental revenues	588,467	667,264	697,381	709,495	556,567
Other rental revenues	46,541	54,980	70,634	58,944	58,981
(ii) Total real estate leasing expenses	193,540	216,342	272,285	315,310	183,036
Outsourcing costs	22,707	32,176	39,538	31,803	49,423
Utilities expenses	29,649	35,363	50,574	40,695	17,393
Taxes and public dues	52,914	59,281	72,610	51,055	40,346
Insurance premiums	904	1,061	1,214	1,426	1,119
Repair and maintenance	4,140	7,166	9,046	6,987	3,799
Depreciation	75,786	69,829	95,946	137,357	68,209
Other leasing expenses	7,436	11,463	3,355	45,985	2,746
(iii) Real estate leasing profit (= (i) - (ii))	441,468	505,902	495,730	453,130	432,512
(iv) Rent NOI (= (iii) + Depreciation)	517,255	575,731	591,676	590,487	500,722

(Unit: thousand yen)

Property number	Tokyo-7	Tokyo-8	Tokyo-9	Tokyo-11	Tokyo-12
Name of property	LOGIPORT Higashi Ogishima B	LOGIPORT Higashi Ogishima C	LOGIPORT Kawagoe	LOGIPORT Kashiwa Shonan	LOGIPORT Sayama Hidaka
Number of operating days in 12th period	181	181	181	181	181
(i) Total real estate leasing revenues	680,332	769,408	346,710		
Rental revenues	589,400	689,499	324,129		
Other rental revenues	90,932	79,909	22,581		
(ii) Total real estate leasing expenses	224,849	252,743	118,998		
Outsourcing costs	55,349	60,791	17,677		
Utilities expenses	27,322	26,694	17,538	Not disclosed (Note)	Not disclosed (Note)
Taxes and public dues	61,397	61,059	26,046		
Insurance premiums	1,405	1,480	528		
Repair and maintenance	4,532	6,120	14,136		
Depreciation	73,387	94,849	42,391		
Other leasing expenses	1,454	1,747	680		
(iii) Real estate leasing profit (= (i) - (ii))	455,483	516,665	227,711	191,965	120,790
(iv) Rent NOI (= (iii) + Depreciation)	528,870	611,515	270,103	228,008	141,743

Note: Not disclosed because approval for disclosure has not been obtained from the tenant.

(Unit: thousand yen)

Property number	Tokyo-13	Tokyo-14	Tokyo-15	Osaka-1	Osaka-2
Name of property	Higashi Ogishima (leasehold land)	LOGIPORT Kawasaki Bay	LOGIPORT Shinmoriya	LOGIPORT Sakai Minamijimacho	LOGIPORT Sakai Chikko Shinmachi
Number of operating days in 12th period	181	181	181	181	181
(i) Total real estate leasing revenues		813,437			
Rental revenues		775,448			
Other rental revenues		37,989			
(ii) Total real estate leasing expenses		257,511			
Outsourcing costs		23,856			
Utilities expenses	Not disclosed (Note)	25,247	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Taxes and public dues		89,649			
Insurance premiums		1,458			
Repair and maintenance		614			
Depreciation		107,413			
Other leasing expenses		9,272			
(iii) Real estate leasing profit (= (i) - (ii))	22,254	555,926	156,335	143,505	87,960
(iv) Rent NOI (= (iii) + Depreciation)	22,254	663,339	191,090	174,567	112,264

Note: Not disclosed because approval for disclosure has not been obtained from the tenant.

(Unit: thousand yen)

Property number	Osaka-3	Osaka-5	Osaka-6	Osaka-7
Name of property	LOGIPORT Osaka Taisho	LOGIPORT Amagasaki	LOGIPORT Sakai	LOGIPORT Osaka Bay
Number of operating days in 12th period	181	181	181	181
(i) Total real estate leasing revenues	468,784	1,645,033	363,802	997,547
Rental revenues	444,270	1,545,021	348,289	950,858
Other rental revenues	24,514	100,012	15,512	46,689
(ii) Total real estate leasing expenses	167,382	552,706	135,334	216,810
Outsourcing costs	19,161	54,324	16,798	23,287
Utilities expenses	18,271	71,900	12,402	34,378
Taxes and public dues	55,328	178,341	42,375	-
Insurance premiums	1,316	1,983	1,116	1,800
Repair and maintenance	250	8,425	4,440	3,345
Depreciation	71,899	231,784	53,702	150,161
Other leasing expenses	1,153	5,947	4,496	3,837
(iii) Real estate leasing profit (= (i) - (ii))	301,401	1,092,327	228,467	780,737
(iv) Rent NOI (= (iii) + Depreciation)	373,301	1,324,111	282,170	930,899

Note: Not disclosed because consent for disclosure has not been obtained from the tenant.

(2) Capital Expenditures on Portfolio Assets

A) Planned capital expenditures

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

Property number	Property name	Location	Purpose	Expected timing	Estimated work costs (million yen) (Note)		
					Total amount	Current payment amount	Total amount paid
Tokyo-3	LOGIPORT Kitakashiwa	Chiba Prefecture Kashiwa City	Installation work of air conditioning equipment	From March, 2022 To August, 2022	69	-	-
Tokyo-5	LOGIPORT Nagareyama B	Chiba Prefecture Nagareyama City	LED lighting conversion work in 1st floor on leased area	April, 2022	41	-	-

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

B) Capital expenditures during the period

A summary of the main projects, treated as capital expenditures, associated with real estate held by LLR that were undertaken during the period is presented below. Capital expenditures were 1,099 million yen for the period, and there were also 74 million yen in maintenance expenses classified as other operating expenses.

Property number	Property name	Location	Purpose	Implementation period	Amount paid (million yen) (Note)
Osaka-5	LOGIPORT Amagasaki	Hyogo Prefecture Amagasaki City	Hazardous material warehouse expansion project	From February, 2021 To September, 2021	449
Tokyo-5	LOGIPORT Nagareyama B	Chiba Prefecture Nagareyama City	Renewal work of heavyweight shutters	From November, 2021 To February, 2022	200
Other capital expenditures					449
Total					1,099

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

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

None