

Financial Results (REIT) for the Fiscal Period Ended February 28, 2017

April 14, 2017

REIT Issuer: LaSalle LOGIPORT REIT  
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 Scheduled filing date of securities report: May 30, 2017  
 Scheduled date of distribution payment commencement: May 22, 2017

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

(Amounts are rounded down to the nearest million yen)

1. Financial Results for the Fiscal Period Ended February 28, 2017 (September 1, 2016 to February 28, 2017)

(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, 2017	4,853	(5.4)	2,956	(6.8)	2,740	9.7	2,739	9.7
Fiscal period ended August 31, 2016	5,130	-	3,171	-	2,498	-	2,496	-

	Net income per unit	Ratio of net income on unitholders' equity (ROE)	Ratio of ordinary income on total assets (ROA)	Ratio of ordinary income on operating revenues
	Yen	%	%	%
Fiscal period ended February 28, 2017	2,490	2.5	1.6	56.5
Fiscal period ended August 31, 2016	3,779	2.4	1.4	48.7

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

Note 2. Net income per unit of the fiscal period ended August 31, 2016 is calculated by dividing net income by the daily weighted average number of investment units (660,547 units). Furthermore, for the fiscal year ended August 31, 2016, net income per unit calculated using the daily weighted average number of investment units with the date of commencement of actual management (February 17, 2016) deemed as the beginning of the fiscal period (1,093,462 units) is 2,283 yen.

Note 3. For the period ended August 31, 2016, the ratio of net income on unitholders' equity (ROE) and the ratio of ordinary income on total assets (ROA) use the respective averages of unitholders' equity and total assets on February 17, 2016, the date from which the assets were actually under management, and as of the end of the fiscal period.

Note 4. Presentation of percentage figures for operating revenues, operating income, ordinary income and net income are the rate of period-over-period changes. There are not applicable numbers for the fiscal period ended August 31, 2016 because it is the first fiscal period.

(2) Distributions

	Distributions per unit (excluding those in excess of earnings per unit)	Total amount of distributions (excluding those in excess of earnings per unit)	Distributions in excess of earnings per unit	Total amount of distributions in excess of earnings	Distributions per unit (including those in excess of earnings per unit)	Total amount of distributions (including those in excess of earnings per unit)	Payout ratio	Net assets distribution ratio
	Yen	Million yen	Yen	Million yen	Yen	Million yen	%	%
Fiscal period ended February 28, 2017	2,491	2,740	159	174	2,650	2,915	100.0	2.5
Fiscal period ended August 31, 2016	2,269	2,495	184	202	2,453	2,698	100.0	2.3

Note 1. Due to the issuance of new investment, the payout ratio in the fiscal period ended August 31, 2016 is calculated according to the following formula,

shown rounded to two decimal places.

Payout ratio = total amount of distributions (excluding those in excess of earnings per unit) ÷ net income × 100

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

Distributions per unit (excluding those in excess of earnings per unit) / [(net assets per unit at the beginning of the fiscal period + net assets per unit at the end of the fiscal period) ÷ 2] × 100

Note 3. The total amount of distributions in excess of earnings is 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 shares of reductions in retained earnings due to distributions in excess of earnings per unit (a refund of investment categorized as a reduction in distribution from unitholders' capital for tax purposes) in the fiscal periods ended August 31, 2016 and February 28, 2017 were both 0.002. Note that the calculation of the share of reductions in retained earnings is based on Article 23, Paragraph 1, No. 4 of the Order for Enforcement of the Corporation Tax Act.

### (3) Financial Position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
	Million yen	Million yen	%	Yen
Fiscal period ended February 28, 2017	172,144	108,901	63.3	99,001
Fiscal period ended August 31, 2016	172,468	108,860	63.1	98,964

### (4) Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at period end
	Million yen	Million yen	Million yen	Million yen
Fiscal period ended February 28, 2017	2,861	(35)	(2,730)	7,618
Fiscal period ended August 31, 2016	4,842	-162,644	165,324	7,522

2. Forecasts for the Fiscal Periods Ending August 31, 2017 (March 1, 2017 to August 31, 2017) and February 28, 2018 (September 1, 2017 to February 28, 2018)

(% figures show period-over-period change)

	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (excluding those in excess of earnings per unit)	Distributions in excess of earnings per unit	Distributions per unit (including those in excess of earnings per unit)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen	Yen
Fiscal period ending August 31, 2017	5,191	7.0	2,698	(8.7)	2,393	(12.7)	2,392	(12.7)	2,174	171	2,345
Fiscal period ending February 28, 2018	5,120	(1.4)	2,672	(1.0)	2,419	1.1	2,418	1.1	2,198	171	2,369

Reference: Forecasted net income per unit for the period ending August 31, 2017: 2,174 yen; forecasted net income per unit for the period ending February 28, 2018: 2,198 yen

\*Other

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

(2) Total number of investment units issued and outstanding

(i) Total number of investment units issued and outstanding (including treasury units) at the end of the fiscal period	Fiscal period ended February 28, 2017	1,100,000units	Fiscal period ended August 31, 2016	1,100,000units
(ii) Number of treasury units at the end of the fiscal period	Fiscal period ended February 28, 2017	0units	Fiscal period ended August 31, 2016	0units

Note: Please see the “Notes on Per Unit Information” on page 32 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.

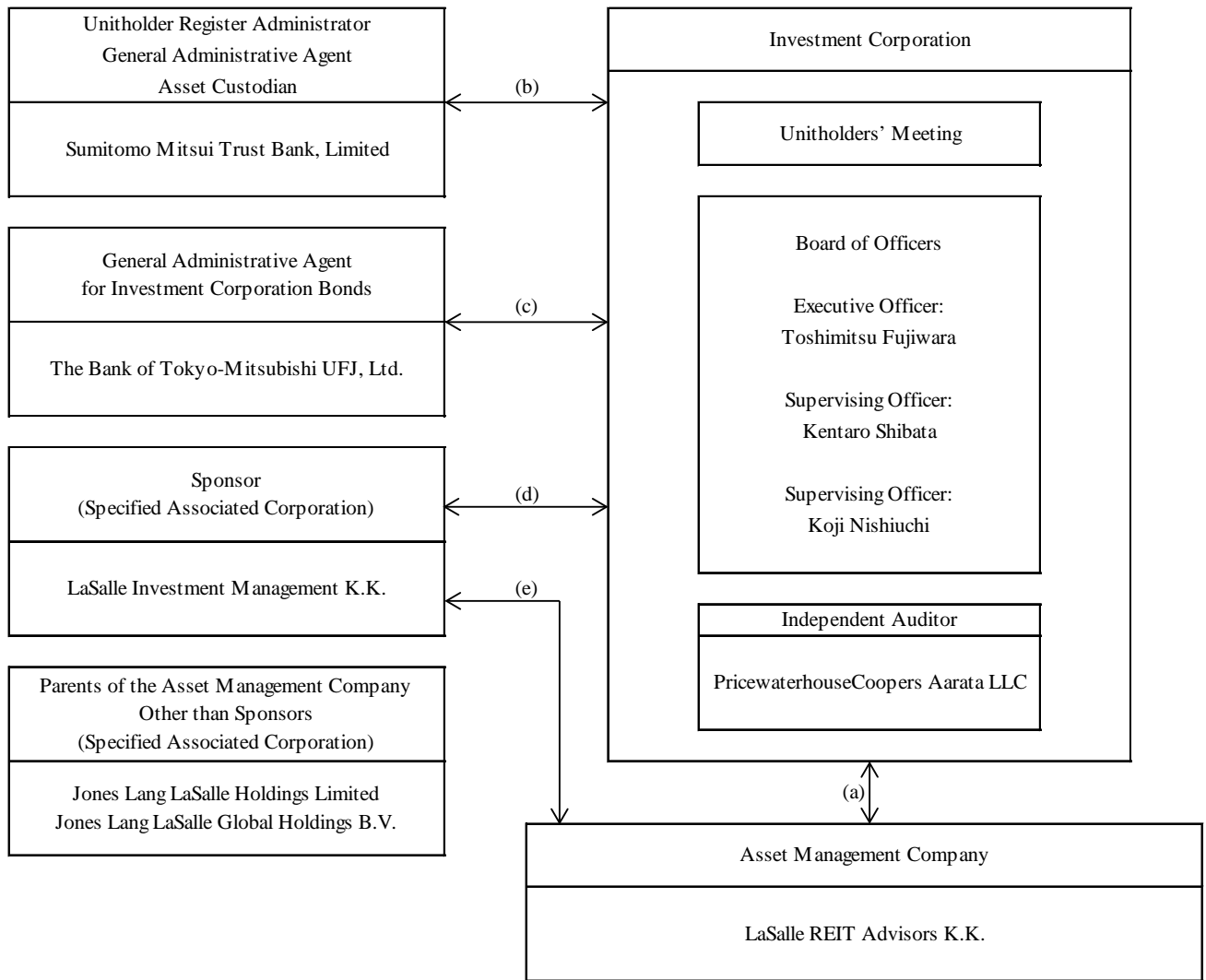
\* Explanation of appropriate use of the forecast of financial results and other matters of special note

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. 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, 2017 and February 28, 2018” stated on page 11 below.

# 1. Related Organizations

## (i) Structure of the REIT



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

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

Operational Role	Name	Description of Operations
Investment Corporation	LaSalle LOGIPORT REIT	LLR invests primarily in real estate-related assets, with an emphasis on logistics facilities.
Asset Management Company	LaSalle REIT Advisors K.K.	LaSalle REIT Advisors K.K. entered into an asset management agreement with LLR. Under this agreement, LaSalle REIT Advisors K.K., as an asset management company under the Act on Investment Trusts and Investment Corporations (“Investment Trusts Act,” Act No. 198 of 1951, including subsequent amendments), conducts services related to the management of assets in accordance with the bylaws established by LLR and the investment guidelines which serve as the asset management company’s internal rules.
Asset Custodian	Sumitomo Mitsui Trust Bank, Limited	LLR entered into an asset custody agreement with Sumitomo Mitsui Trust Bank, Limited (“SMTB”). Under this agreement, SMTB provides custodial services as a custodian for LLR under the Investment Trusts Act.
Unitholder Register Administrator	Sumitomo Mitsui Trust Bank, Limited	<p>(a) SMTB entered into a unitholder register agreement with LLR (the asset management company that formed LLR executed the aforementioned unitholder register agreement, and LLR succeeded to the asset management company’s contractual status). Under this agreement, SMTB, as the unitholder register administrator in accordance with the Investment Trusts Act (1), prepares and keeps the unitholder register and otherwise administers the unitholder register, (2) administers the cash disbursements of distributions to unitholders, and (3) accepts unitholder applications to exercise their voting rights with respect to LLR and other unitholder filings on behalf of LLR.</p> <p>(b) Furthermore, in relation to the aforementioned administrative services, SMTB is contracted by LLR to provide various services related to the use of numbers to identify specific individuals assigned under the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures (Act No. 27 of 2013, including subsequent amendments) such as obtaining, using, and controlling individual and corporate numbers, etc.</p>
General Administrative Agent for the Investment Corporate Bonds	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	On February 9, 2017, the Bank of Tokyo-Mitsubishi UFJ, Ltd. entered into fiscal agency agreements with LLR regarding the 1st Unsecured Investment Corporation Bonds (special pari passu conditions among specified investment corporation bonds) and the 2nd Unsecured Investment Corporation Bonds (special pari passu conditions among specified investment corporation bonds). Under these agreements, as a general administrative agent under the Investment Trusts Act, it provides administrative services for (i) issuance agency,

		(ii) payment of interest and redemptions to creditors of the investment corporation, and (iii) management of the creditor registry in connection with the 1st Unsecured Investment Corporation Bonds (special pari passu conditions among specified investment corporation bonds) and the 2nd Unsecured Investment Corporation Bonds (special pari passu conditions among specified investment corporation bonds).
General Administrative Agent (agent contracted to perform services related to organizational operation, calculations, accounting, and tax payments)	Sumitomo Mitsui Trust Bank, Limited	SMTB entered into a general administrative agreement with LLR to provide general administrative services (services related to organizational operations, calculations, accounting, and tax payments). Under this agreement, SMTB, as the general administrative agent under the Investment Trusts Act (agent contracted to perform services related to organizational operations, calculations, accounting, and tax payments), provides administrative services related to (1) the operation of the organization, (2) performing calculations, (3) preparation of accounting ledgers, and (4) tax payments on behalf of LLR.
Independent Auditor	PricewaterhouseCoopers Aarata LLC	PricewaterhouseCoopers Aarata LLC is contracted to perform financial audit services for LLR.
Sponsors Parents of the Asset Management Company (Specified Associated Corporations)	(i) LaSalle Investment Management K.K. (ii) Jones Lang LaSalle Holdings Limited (iii) Jones Lang LaSalle Global Holdings B.V.	As the parent company of LaSalle REIT Advisors K.K. (“Asset Management Company”), LaSalle Investment Management K.K. is a specified associated corporation. Furthermore, LaSalle Investment Management K.K. entered into a sponsor support agreement with the Asset Management Company and a memorandum concerning trade name use with LLR.

## 2. Management Policy and Management Status

### (1) Management Policy

Disclosure of this information is omitted because there are no material changes in the “Investment Policy,” “Investment Targets,” and “Distribution Policy” in the most recent Securities Report (filed on November 25, 2016).

### (2) Management Status

#### (Overview of the Fiscal Period)

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

With LaSalle REIT Advisors as the organizer, LLR was established with capital of 150 million yen (1,500 units) on October 9, 2015 pursuant to the Investment Trusts Act. Thereafter, LLR issued new investment units (1,050,800 units) through a public offering with a payment date of February 16, 2016, and was listed on the J-REIT section of the Tokyo Stock Exchange (Securities Code: 3466) on February 17, 2016. Furthermore, on March 15, 2016, LLR issued new investment units (47,700 units) through a third-party allotment associated with the aforementioned public offering. As a result, the total number of issued and outstanding investment units as of February 28, 2017 is 1,100,000 units.

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

Since the advent of the Trump administration, expectations for corporate tax cuts, infrastructure investment, and deregulation of the financial sector in the United States have been rising. The global economy and inflation expectations have improved. We are now entering a phase of rising interest rates based on rate increases by the U.S. Federal Reserve Board of Governors. On the other hand, in tandem with concerns about the effectiveness of various policies coupled with protectionist trade policy messaging coming from the US, capital market volatility has risen. While the Japanese economy continues to show modest growth, the outlook for exports and inflation expectations has become more susceptible to policies

abroad. However, due to global upward pressures on interest rates, the Bank of Japan has suppressed rates via its yield curve control program, and with the establishment of the draft government budget for FY2017, it has become increasingly clear that active monetary and fiscal policy measures will be continued. Within the logistics facility market, although the level of new supply has continued to be high, supply and demand remained balanced due to strong tenant demand. In the direct real estate investment market, as the rate of return on real estate continued to be higher than on securities, demand from domestic investors continues and prices remained at an elevated level. The J-REIT market is affected by interest rate trends and general capital market fluctuations, and although signs of change were evident in the public trading market by institutional investors, stock prices continued to trend at a high level.

Under these conditions, LLR steadily managed its eight properties acquired by the end of the fiscal period (total acquisition price 161,440 million yen, leasable floor area 699,028m<sup>2</sup>) and the overall portfolio occupancy rate was in a strong position at 97.8% as of the end of the fiscal period. It is a portfolio that has 96 tenants as of the end of the fiscal period and aims for tenant diversification.

(iii) Overview of Procurement of Funds

In the current fiscal period, LLR issued on February 15, 2017 the 1st Unsecured Investment Corporation Bonds (special pari passu conditions among specified investment corporation bonds) for 4,000 million yen and the 2nd Unsecured Investment Corporation Bonds (special pari passu conditions among specified investment corporation bonds) for 2,000 million yen, and obtained a short-term loan on February 17, 2017 of 1,690 million yen. By the funds of such Investment Corporation Bonds and short-term loan, LLR repaid a short-term loan of 3,690 million yen due on February 17, 2017, and prepaid 4,000 million yen as a portion of the long term loans of 7,540 million yen..

At the end of the current fiscal period, the balance of interest-bearing debt of LLR was 58,970 million yen and LTV was 34.3%.

The status of LLR's credit ratings assigned as of February 28, 2017 was as follows.

Credit rating agency	Rating type	Rating	Rating outlook
JCR (Japan Credit Rating Agency Ltd.)	Long-term issuer rating	AA-	Stable
	Securities Rating (Note)	AA-	-

Note: This is the rating for the No. 1 and No. 2 Unsecured Corporation Bonds.

(iv) Overview of Business Performance and Distributions

The operating period for the current fiscal period was 181 days from September 1, 2016 to February 28, 2017. During this fiscal period, LLR generated operating revenues of 4,853 million yen, operating income of 2,956 million yen, ordinary income of 2,740 million yen, and net income of 2,739 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 2,491 yen.

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

In the current fiscal period, LLR distributed 174 million yen as an ongoing distribution in excess of retained earnings, an amount equivalent to approximately 30% of the depreciation expense of 583 million yen for the current fiscal period. As a result, the distribution in excess of retained earnings per unit in the current fiscal period was 159 yen (Note 3).

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

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

Note 3. The engineering report for each property prepared by Earth-Appraisal Co., Ltd estimates that the amount of anticipated semi-annual average of emergency or short-term repair and maintenance expenses and medium- to long-term repair and maintenance expenses is 194 million yen. LLR determines to make distributions in excess of retained earnings, considering that the amount of distributions in excess of retained earnings maintain the value of its portfolio and its financial stability taking into account macroeconomic environment, trends in the real estate market and real estate leasing industry and its financial conditions. Please note that the amount of distributions in excess of retained earnings will be deducted from the balance of LLR's unit holders' equity upon payment.

(Outlook for the Future)

(i) Investment Environment Going Forward

The global economy is expected to grow strongly, driven by U.S. and Asian countries. However, issues surrounding U.S. economic policy, European political risk, and Chinese debt problems are the primary factors in short and medium-term uncertainty, and capital market volatility may increase further. In particular, factors such as trade policy, exchange rate fluctuations, and the dampening effects of rising interest rates on the economy are factors that have an influence on the Japanese economy as well. On the other hand, the outlook is strong for the real economy in Japan, centered on consumption, due to gradual wage increases and fiscal policy expansion. In the logistics facility market, demand for space from consumer goods 3PL firms and E-commerce firms is expected to continue (supported by stable commercial sales), but because new supply will remain at historically high levels for the next two to three years, in both the Tokyo metropolitan area and the Osaka area, the balance of supply and demand is expected to begin to soften in the near future. In the Tokyo metropolitan area, the balance of supply and demand is expected to vary greatly by submarket. In the direct real estate investment market, due to the difficulty of investing in a low interest rate environment, domestic investors continue to dominate investments into real estate, and yields are expected to remain at the lowest level. It is possible that substantial real estate investments by domestic pension funds will also increase liquidity of high-quality real estate over the medium term. Furthermore, in a situation of increasing volatility in the capital markets, investment demand for high-quality real estate has increased further, but caution is necessary concerning the possibility of deterioration in liquidity for lower-grade properties in less desirable areas.

(ii) Future Management Policy and Issues to Address

In this environment, LLR will seek to enhance unitholder value through stable long-term growth in cash 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 the 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. Within the LaSalle Group, LLR will work to realize external growth through clearly defined targets for investment for LLR and the LaSalle Fund. Specifically, LLR will invest in core assets that have achieved stable occupancy rates (Note 3), while the LaSalle Fund will invest mainly in development properties and low-occupancy properties.

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

With respect to financial strategy, LLR will strive to build an optimized capital structure with a sound financial foundation by taking advantage of its strong financial position in order to achieve a balance between stability in its finances and funding costs, while diversifying 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 24 office locations in 17 countries (as of December 30, 2016) in the United States, Europe and the Asia-Pacific region, centered on LaSalle Investment Management Inc., which is one of the world's leading real estate investment advisory firms.

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

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

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



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

(iii) Significant Subsequent Events

a. Acquisition of assets

LLR acquired the following asset on March 1, 2017. "Acquisition price" was the purchase price for the trust beneficiary interests as shown in the trust beneficiary interest purchase agreement of the Newly Acquired Asset (excluding consumption taxes, local consumption taxes, and various acquisition costs, and rounded down to the nearest million yen).

Area	Property number	Property	Location	Acquisition price (million yen)	Seller
Tokyo area	Tokyo-9	LOGIPORT Kawagoe	Kawagoe, Saitama	11,950	Logistics Feeder 1 G.K.

b. Borrowing of funds

For the properties listed above under "a. Acquisition of Assets," LLR borrowed the following funds in order to cover the acquisition of the trust beneficiary interests, part of related expenses and prepayment of outstanding debt.

Classification	Lender	Amount borrowed (million yen)	Interest rate (Note 5) (Note 6)	Borrowing Date	Borrowing method	Repayment date (Note 7)	Repayment method (Note 8)	Secured
Long-term	Syndicated facility consisting of Bank of Tokyo-Mitsubishi UFJ, Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 1)	1,900	Rate equal to 0.1625 points over the reference rate (3-month Japanese yen TIBOR by Japanese Bankers Association)	March 1, 2017	Borrowing based on a separate loan agreement dated February 27, 2017 with the lenders indicated above	September 3, 2018	Lump-sum at maturity	Unsecured Unguaranteed
	Syndicated facility consisting of Bank of Tokyo-Mitsubishi UFJ, Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 1)	1,400	Rate equal to 0.1875 points over the reference rate (3-month Japanese yen TIBOR by Japanese Bankers Association)	March 1, 2017	Borrowing based on a separate loan agreement dated February 27, 2017 with the lenders indicated above	September 2, 2019	Lump-sum at maturity	Unsecured Unguaranteed
	Syndicated facility consisting of Bank of Tokyo-Mitsubishi UFJ, Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 2)	2,990	0.42945% (fixed interest)	March 1, 2017	Borrowing based on a separate loan agreement dated February 27, 2017 with the lenders indicated above	March 1, 2022	Lump-sum at maturity	Unsecured Unguaranteed

	Syndicated facility with Bank of Tokyo-Mitsubishi UFJ, Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 3)	1,900	Rate equal to 0.3325 points over the reference rate (3-month Japanese yen TIBOR by Japanese Bankers Association)	March 1, 2017	Borrowing based on a separate loan agreement dated February 27, 2017 with the lenders indicated above	September 1, 2023	Lump-sum at maturity	Unsecured Unguaranteed
	Syndicated facility with Bank of Tokyo-Mitsubishi UFJ, Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 4)	5,600	0.47128% (Fixed interest rate)	March 1, 2017	Borrowing based on a separate loan agreement dated February 27, 2017 with the lenders indicated above	September 1, 2023	Lump-sum at maturity	Unsecured Unguaranteed

Note 1. The syndicated facility includes Resona Bank, Ltd. The Bank of Fukuoka, Ltd. Shinsei Bank, Ltd., The 77 Bank, Ltd., and The Nomura Trust and Banking Co., Ltd.

Note 2. The syndicated facility includes the Development Bank of Japan, The Bank of Fukuoka, Ltd. and The Mitsubishi UFJ Trust and Banking Corporation.

Note 3. The syndicated facility includes the Sumitomo Mitsui Banking Corporation.

Note 4. The syndicated facility includes the Bank of Tokyo-Mitsubishi UFJ, Mizuho Bank, Ltd., and Sumitomo Mitsui Trust Bank, Limited.

Note 5. "Interest rate" does not include loan fees payable to lenders.

Note 6. The first interest payment date is the last day of May, 2017, and subsequent interest payment dates are the last day of every February, May, August and November thereafter, and the repayment date. As to floating interest rates, the base interest rate refers to the Japanese yen Tokyo Interbank Offered Rate ("TIBOR") for three-month deposits announced by the JBA TIBOR Association (General Incorporated Association) two business days before the interest payment date for the immediately preceding interest calculation period. (however, for the first calculation period, the applicable date is the drawdown date) Please refer to the JBA TIBOR Association's website (<http://www.jbatibor.or.jp/english/>) for changes in the JBA Japanese yen TIBOR.

Note 7. The repayment date will be the immediately following business day in case such date would fall on a day that is not a business day and the immediate preceding business day in case such date would fall in the next calendar month.

Note 8. Partial or full principal repayment prior to the maturity date is permissible under certain conditions such as LLR providing prior written notice of its intention during the period between the borrowing date and the repayment date.

(iv) Forecast of Financial Results

The outlook for LLR's financial results for the fiscal period ending August 31, 2017 and the period ending February 28, 2018 are presented below.

	Operating revenues	Operating income	Ordinary income	Net income	Distributions per unit (excluding those in excess of earnings per unit)	Distributions in excess of earnings per unit	Distributions per unit (including those in excess of earnings per unit)
	Million yen	Million yen	Million yen	Million yen	Yen	Yen	Yen
Fiscal period ending Aug2017	5,191	2,698	2,393	2,392	2,174	171	2,345
Fiscal period ending Feb2018	5,120	2,672	2,419	2,418	2,198	171	2,369

For the assumptions used in this outlook, please refer to the "Forecast Assumptions for the Fiscal Periods Ending August 31, 2017 and February 28, 2018" below.

Note: The figures above represent LLR's outlook at present and are calculated based on certain assumptions. The actual operating revenues, operating income, ordinary income, net income, distributions per unit (excluding distributions in excess of earnings), and distributions per unit in excess of earnings may differ due to 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, 2017 and February 28, 2018

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> <li>• Fiscal period ending August 31, 2017: March 1, 2017 to August 31, 2017 (184 days)</li> <li>• Fiscal period ending February 28, 2018: September 1, 2017 to February 28, 2018 (181 days)</li> </ul>
Property portfolio	<ul style="list-style-type: none"> <li>• LLR assumes that there will be no changes to the property portfolio (e.g., any acquisition of new properties or any disposal of existing properties) of 9 properties ("Acquired Assets") that reflect the trust beneficiary interests in LOGIPORT Kawagoe (1 property, "Newly Acquired Asset") acquired on March 1, 2017 in addition to the existing trust beneficiary interests in 8 properties as of February 28, 2017.</li> <li>• LLR's property portfolio may change due to acquisitions of new properties other than the Acquired Assets or the disposal of existing properties, etc.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>• Rental revenues from the leasing of the Acquired Assets are calculated based on lease agreements for the Acquired Assets in effect as of today and other factors, including expectations based on market trends.</li> <li>• With respect to operating revenues, there is an underlying assumption that tenants will fully pay their contractual rents without delay or delinquency.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>• Leasing-related expenses other than depreciation expenses are calculated based on information reflecting fluctuations in the expenses based on historical data and outsourcing agreements in effect as of today.</li> <li>• Depreciation expenses, including ancillary costs, are calculated using a straight-line depreciation method, and LLR assumed that depreciation expenses of 627 million yen and 630 million yen are assumed for the fiscal periods ending August 31, 2017 and February 28, 2018, respectively.</li> <li>• While property taxes and city planning taxes are typically calculated pro-rata based on the actual number of days as to which the properties are owned and were settled at the time of acquisition, the settlement is included in LLR's acquisition costs. Accordingly, for the Newly Acquired Asset acquired in March 2017, the settlement amount will not be expensed during the fiscal periods ending August 31, 2017 and February 28, 2018 because it is included in LLR's acquisition costs. In addition, for the Newly Acquired Asset, property taxes and city planning taxes for the fiscal year 2018 will be expensed from the fiscal period ending August 31, 2018. The total amount of property taxes on the Newly Acquired Asset, which is included in the acquisition cost, is assumed to be 50 million yen (equivalent to the tax expenses for 306 days). If LLR were to expense property taxes in the fiscal periods ending August 31, 2017, LLR would expense 29 million yen for such fiscal period.</li> <li>• Repair and maintenance expenses are calculated based on a repair and maintenance plan prepared by the asset manager (LaSalle REIT Advisors K.K.), for items viewed as necessary for each property. Actual</li> </ul>

Item	Assumptions
	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.
Non-operating expenses	<ul style="list-style-type: none"> <li>• LLR expects to recognize the estimated amortization amount of deferred organization expenses in the amounts of 3 million yen for both of the fiscal periods ending August 31, 2017 and February 28, 2018, respectively.</li> <li>• Interest expenses and other debt-related costs (not including borrowing related expenses) are expected to be 301 million yen and 249 million yen for the fiscal periods ending August 31, 2017 and February 28, 2018, respectively. Non-cash items, which are included in other debt-related costs, are expected to be 37 million yen and 36 million yen for the fiscal periods ending August 31, 2017 and February 28, 2018, respectively.</li> </ul>
Loans payable	<ul style="list-style-type: none"> <li>• As of today, the balance of LLR's interest-bearing debt is 71,070 million yen.</li> <li>• The LTV ratio as of the end of the period ending August 31, 2017 is expected to be around 38.7%, and the LTV ratio as of the end of the period ending February 28, 2018 is expected to be around 38.7%. The LTV ratio is calculated by the following formula:  <math display="block">\text{LTV} = \frac{\text{total interest bearing debt}}{\text{total assets}} \times 100</math> </li> </ul>
Investment units	<ul style="list-style-type: none"> <li>• Current outstanding number of units is 1,100,000. LLR does not expect there to be any changes to the number of outstanding units until the fiscal period ending February 28, 2018.</li> </ul>
Distributions per unit (excluding those in excess of retained 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 materially due to factors such as additional acquisitions or dispositions of real estate properties, changes in rental revenues attributable to tenant replacements, changes in the operating environment including unexpected repairs, changes in interest rates and any additional issuance of new investment units in the future.</li> </ul>
Distributions in excess of retained earnings per unit	<ul style="list-style-type: none"> <li>• 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, 2017 and February 28, 2018 are assumed to be equal to approximately 30% of depreciation expenses for such fiscal period, which are assumed to be 188 million yen and 189 million yen, respectively.</li> <li>• 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>• LLR expects to make distributions in excess of retained earnings on a regular basis within an appropriate level for maintaining financial soundness and stability, after careful consideration is given to alternative uses of cash, such as execution of repair plans, capital expenditures, repayment of debts along with potential property acquisitions, and will make such distributions equal to 30% of the depreciation expense for the relevant fiscal period. Unexpected factors, such as increases in repair expenses, may cause distributions in excess of retained earnings per unit to materially differ from the forecasted amount. If the appraisal LTV (set forth below) exceeds 60%, LLR may decide not to make any distributions in excess of retained earnings after considering factors such as economic or real estate conditions, credit rating or financial conditions.</li> <li>• 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%:  <math display="block">\text{Appraisal LTV (\%)} = A/B \times 100</math> <p>A = interest-bearing debt (inclusive of long term corporate bonds and short-term corporate bonds but excluding subordinated debt) + tenant leasehold deposits (excluding the amount reserved by the trustees of LLR's properties as tenant leasehold deposits and the amount reserved as tenant leasehold deposits in LLR's relevant reserve account (this account is for the refund obligation which LLR has as the lessor to</p> </li> </ul>

Item	Assumptions
	<p>various tenants)).</p> <p>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.</p> <p>In addition, the total amount of distributions and distributions in excess of retained earnings (with respect to the return of capital invested) depends upon the figures for the most recent fiscal period.</p>
Other	<ul style="list-style-type: none"> <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> </ul>

(3) Investment Risks

Disclosure is omitted because there is no material change from the “Investment Risks” described in the most recent Securities Report (filed on November 25, 2016).

### 3. Financial Statements

#### (1) Balance Sheet

(Thousands of yen)

	As of August 31, 2016	As of February 28, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	4,244,719	4,538,137
Cash and deposits in trust	4,266,658	4,075,991
Operating accounts receivable	80,400	106,999
Prepaid expenses	67,645	86,727
Deferred tax assets	41	0
Other	63	176
<b>Total current assets</b>	<b>8,659,527</b>	<b>8,808,032</b>
Non-current assets		
Property, plant and equipment		
Buildings in trust	53,309,846	53,363,816
Accumulated depreciation	(677,203)	(1,260,220)
Buildings in trust, net	52,632,643	52,103,595
Structures in trust	3,459	7,729
Accumulated depreciation	(56)	(285)
Structures in trust, net	3,403	7,444
Tools, furniture and fixtures in trust	80	80
Accumulated depreciation	(3)	(10)
Tools, furniture and fixtures in trust, net	77	70
Land in trust	110,806,002	110,806,002
<b>Total property, plant and equipment</b>	<b>163,442,126</b>	<b>162,917,112</b>
Investments and other assets		
Long-term prepaid expenses	326,943	344,194
Lease and guarantee deposits	10,117	10,000
<b>Total investments and other assets</b>	<b>337,061</b>	<b>354,194</b>
<b>Total non-current assets</b>	<b>163,779,187</b>	<b>163,271,307</b>
Deferred assets		
Deferred organization expenses	29,860	26,204
Investment corporation bond issuance costs	-	38,764
<b>Total deferred assets</b>	<b>29,860</b>	<b>64,968</b>
<b>Total assets</b>	<b>172,468,575</b>	<b>172,144,308</b>

(Thousands of yen)

	As of August 31, 2016	As of February 28, 2017
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	103,029	115,061
Short-term loans payable	3,690,000	1,690,000
Accounts payable - other	1,085,571	738,202
Accrued expenses	-	869
Income taxes payable	1,842	609
Accrued consumption taxes	158,850	100,750
Advances received	815,597	820,072
Other	327,569	615,052
<b>Total current liabilities</b>	<b>6,182,459</b>	<b>4,080,617</b>
Non-current liabilities		
Investment corporation bond	-	6,000,000
Long-term loans payable	55,280,000	51,280,000
Tenant leasehold and security deposits in trust	2,145,534	1,881,801
<b>Total non-current liabilities</b>	<b>57,425,534</b>	<b>59,161,801</b>
<b>Total liabilities</b>	<b>63,607,993</b>	<b>63,242,419</b>
Net assets		
Unitholders' equity		
Unitholders' capital	106,363,965	106,363,965
Deduction from unitholders' capital	-	(202,400)
Unitholders' capital, net	106,363,965	106,161,565
Surplus		
Unappropriated retained earnings (undisposed loss)	2,496,616	2,740,324
<b>Total surplus</b>	<b>2,496,616</b>	<b>2,740,324</b>
<b>Total unitholders' equity</b>	<b>108,860,581</b>	<b>108,901,889</b>
<b>Total net assets</b>	<b>*1 108,860,581</b>	<b>*1 108,901,889</b>
<b>Total liabilities and net assets</b>	<b>172,468,575</b>	<b>172,144,308</b>



## (2) Income Statement

(Thousands of yen)

	Fiscal period ended August 31, 2016	Fiscal period ended February 28, 2017
<b>Operating revenue</b>		
Lease business revenue	*1 4,687,275	*1 4,411,877
Other lease business revenue	*1 442,863	*1 441,141
<b>Total operating revenue</b>	<b>5,130,139</b>	<b>4,853,019</b>
<b>Operating expenses</b>		
Expenses related to rent business	*1 1,282,837	*1 1,172,581
Asset management fee	600,537	633,517
Asset custody and administrative fee	25,882	23,600
Directors' compensations	6,000	3,600
Audit fee	-	10,000
Other operating expenses	43,733	53,344
<b>Total operating expenses</b>	<b>1,958,991</b>	<b>1,896,643</b>
<b>Operating income</b>	<b>3,171,147</b>	<b>2,956,375</b>
<b>Non-operating income</b>		
Interest income	205	41
Interest on refund	7,844	20
<b>Total non-operating income</b>	<b>8,049</b>	<b>62</b>
<b>Non-operating expenses</b>		
Interest expenses	204,153	179,774
Interest expenses on investment corporation bonds	-	783
Amortization of deferred organization expenses	6,718	3,656
Amortization of investment corporation bond issuance costs	-	524
Investment unit issuance expenses	9,902	-
Other offering costs associated with issuance of investment units	322,146	-
Borrowing related expenses	132,826	31,434
Other	5,000	-
<b>Total non-operating expenses</b>	<b>680,748</b>	<b>216,174</b>
<b>Ordinary income</b>	<b>2,498,448</b>	<b>2,740,264</b>
<b>Profit before income taxes</b>	<b>2,498,448</b>	<b>2,740,264</b>
Income taxes - current	1,873	615
Income taxes - deferred	△41	40
<b>Total income taxes</b>	<b>1,832</b>	<b>656</b>
<b>Profit</b>	<b>2,496,616</b>	<b>2,739,607</b>
Retained earnings brought forward	-	716
<b>Unappropriated retained earnings (undisposed loss)</b>	<b>2,496,616</b>	<b>2,740,324</b>

## (3) Statement of Unitholders' Equity

Previous Period (from October 9, 2015 to August 31, 2016)

(Thousands of yen)

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

Current Period (from September 1, 2016 to February 28, 2017)

	Unitholders' equity				
	Unitholders' capital			Surplus	
	Unitholders' capital	Deduction from unitholders' capital surplus	Unitholders' capital	Unappropriated retained earnings (undisposed loss)	Total surplus
Balance at beginning of current period	106,363,965	-	106,363,965	2,496,616	2,496,616
Changes of items during period					
Distributions in excess of retained earnings		(202,400)	(202,400)		
Dividends of surplus				(2,495,900)	(2,495,900)
Profit				2,739,607	2,739,607
Total changes of items during period	-	(202,400)	(202,400)	243,707	243,707
Balance at end of current period	*1 106,363,965	(202,400)	106,161,565	2,740,324	2,740,324

(Thousands of yen)

	Unitholders' equity	Total net assets
	Total unitholders' equity	
Balance at beginning of current period	108,860,581	108,860,581
Changes of items during period		
Distributions in excess of retained earnings	(202,400)	(202,400)
Dividends of surplus	(2,495,900)	(2,495,900)
Profit	2,739,607	2,739,607
Total changes of items during period	41,307	41,307
Balance at end of current period	108,901,889	108,901,889

## (4) Statements related to distributions

(unit: yen)

	Previous period From October 9, 2015 To August 31, 2016	Current period From September 1, 2016 To February 28, 2017
I. Unappropriated retained earnings for the period	2,496,616,937	2,740,324,515
II. Additional amount of distributions in excess of retained earnings		
Deduction for unitholders' capital	202,400,000	174,900,000
III. Amount of distributions	2,698,300,000	2,915,000,000
(amount of distributions per investment unit)	(2,453)	(2,650)
Of which distributions of earnings	2,495,900,000	2,740,100,000
(of which, distributions of retained earnings per unit)	(2,269)	(2,491)
Of which, distributions in excess of retained earnings	202,400,000	174,900,000
(of which, distributions in excess of retained earnings per unit)	(184)	(159)
IV. Retained earnings brought forward	716,937	224,515

III Method of calculation of amount of distributions	<p>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 earnings that can be allocated as stipulated in Article 67, Provision 15 of the Act on Special Measures Concerning Taxation.</p> <p>Based on this policy, 2,495,900,000 yen was allocated as distributions of 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.</p> <p>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</p> <p>Based on this policy, the amount roughly equivalent to 30% of the 677,263,181 yen that is the maximum amount of depreciation expenses in the</p>	<p>Based on the policy for distributions of funds set in Article 36, Paragraph 1 of LLR's Articles of Incorporation, the amount of distributions is to be the amount equivalent to 90% of the amount of LLR earnings that can be allocated as defined in Article 67, Provision 15 of the Act on Special Measures Concerning Taxation.</p> <p>Based on this policy, 2,740,100,000 yen was allocated as distributions of 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.</p> <p>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 (amount of contributions refunded that under tax law is equivalent to a capital-refund distribution) on a regular basis</p> <p>Based on this policy, the amount roughly equivalent to 30% of the 583,252,821 yen that is the maximum amount of depreciation expenses in the period was calculated to be 174,900,000</p>
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	<p>period was calculated to be 202,400,000 yen, and was allocated as distributions of earnings in excess of earnings (amount of contributions refunded that under tax law is equivalent to a capital-refund distribution).</p>	<p>yen, and was allocated as distributions of earnings in excess of earnings (a refund of investment categorized as a reduction in distribution from unitholders' capital for tax purposes).</p>
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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)

	Fiscal period ended August 31, 2016	Fiscal period ended February 28, 2017
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,498,448	2,740,264
Depreciation	677,263	583,252
Amortization of deferred organization expenses	6,718	3,656
Amortization of investment corporation bond issuance costs	-	524
Investment unit issuance expenses	9,902	-
Interest income	(205)	(41)
Interest expenses	204,153	180,558
Decrease (increase) in operating accounts receivable	(80,400)	(26,599)
Decrease (increase) in prepaid expenses	(67,645)	(19,081)
Decrease (increase) in long-term prepaid expenses	(326,943)	(17,251)
Increase (decrease) in operating accounts payable	103,029	12,032
Increase (decrease) in accounts payable - other	1,083,105	(359,162)
Increase (decrease) in accrued consumption taxes	158,850	(58,100)
Increase (decrease) in advances received	815,597	4,475
Payment of organization expenses	(36,579)	-
Other, net	1,414	(1,300)
Subtotal	5,046,710	3,043,226
Interest income received	205	41
Interest expenses paid	(204,153)	(179,688)
Income taxes paid	(31)	(1,848)
Net cash provided by (used in) operating activities	4,842,730	2,861,730
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment in trust	(164,116,923)	(46,445)
Proceeds from tenant leasehold and security deposits in trust	1,577,342	44,915
Repayments of tenant leasehold and security deposits in trust	(94,367)	(34,150)
Proceeds from collection of lease and guarantee deposits	-	117
Payments for lease and guarantee deposits	(10,117)	-
Net cash provided by (used in) investing activities	(162,644,065)	(35,563)
<b>Cash flows from financing activities</b>		
Increase in short-term loans payable	12,758,000	1,690,000
Decrease in short-term loans payable	(9,068,000)	(3,690,000)
Proceeds from long-term loans payable	55,280,000	-
Repayments of long-term loans payable	-	(4,000,000)
Proceeds from issuance of investment corporation bonds	-	5,960,711
Proceeds from issuance of investment units	106,354,062	-
Payment of distributions of retained earnings	-	(2,489,548)
Payment of distributions in excess of retained earnings	-	(201,754)
Net cash provided by (used in) financing activities	165,324,062	(2,730,592)
Net increase (decrease) in cash and cash equivalents	7,522,727	95,575
Cash and cash equivalents at beginning of period	-	7,522,727
Cash and cash equivalents at end of period	*1 7,522,727	*1 7,618,302

## (6) Notes with respect to Ongoing Company Assumptions

None

## (7) Notes on Matters concerning Significant Accounting Policies

1. Method of depreciation of non-current assets	<p>Property, plant and equipment (including trust assets)</p> <p>A straight-line method is used. The useful lives of principal property, plant and equipment are as follows:</p> <table border="0" style="margin-left: 40px;"> <tr> <td>Buildings</td> <td style="text-align: right;">2-79 years</td> </tr> <tr> <td>Structures</td> <td style="text-align: right;">10-20 years</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td style="text-align: right;">6 years</td> </tr> </table>	Buildings	2-79 years	Structures	10-20 years	Tools, furniture and fixtures	6 years
Buildings	2-79 years						
Structures	10-20 years						
Tools, furniture and fixtures	6 years						
2. Accounting treatment for deferred assets	<p>(1) Deferred organization expenses Amortized over a period of five years.</p> <p>(2) Issuance costs for corporate bonds Amortized using the straight-line method over the period until redemption.</p>						
3. Standards for revenue and expense recognition	<p>Treatment of fixed asset taxes</p> <p>With respect to fixed asset taxes, city planning taxes, and depreciable asset taxes associated with the real estate or beneficiary interests in trusts holding real estate as trust assets held by LLR, the amount of taxes levied corresponding to the relevant accounting period are treated as lease expenses and expensed.</p> <p>The amount equivalent to the first year's fixed asset tax that is borne by LLR in association with the acquisition of real estate or beneficiary interests in trusts holding real estate, as trust assets are not recognized as an expense; rather, they are included in the acquisition cost of the relevant real estate. During the previous period, the amount equivalent to the fixed asset tax included in the acquisition cost of real estate was 702,673 thousand yen, and this was not applicable in the current period.</p>						
4. Hedge accounting method	<p>(1) Method of hedge accounting LLR uses deferral hedge accounting. However, special treatment is applied to those interest rate swaps that satisfy the requirements for special accounting treatment.</p> <p>(2) Hedging instruments and hedged items Hedging instruments: interest rate swap transactions Hedged items: interest on loans</p> <p>(3) Hedging policy Under its market risk management policy, LLR engages in derivative transactions for the purpose of hedging risk as provided for in its bylaws.</p> <p>(4) Method of assessing hedge effectiveness Assessment of hedge effectiveness is omitted since interest rate swaps satisfy the requirements for special treatment.</p>						
5. Scope of funds in the statements of cash flows	<p>The funds in the statements of cash flows (cash and cash equivalents) comprise cash on hand and cash in trusts, bank deposits and trust deposits available for withdrawal on demand, and short-term investments due within three months of the acquisition date, which are readily convertible to cash and bear only an insignificant risk of price fluctuations.</p>						
6. Other significant matters which constitute the basis for preparation of financial statements	<p>(1) Accounting treatment for beneficiary interests in trusts that have real estate as assets in trust With respect to trust beneficiary interests held by LLR, where the underlying assets are entrusted real estate, all asset and liability accounts within the trust assets as well as all revenue and expense accounts arising from the trust assets are recognized in the relevant accounts of the balance sheet and statements of income.</p> <p>The following material items of the assets in trust recognized in the relevant account items are listed separately on the balance sheet.</p> <p>(i) Cash in trust and deposits in trust (ii) Buildings in trust, structures in trust, tools, furniture and fixtures in trust, land in trust (iii) Tenant leasehold and security deposits in trust</p> <p>(2) Treatment of consumption taxes LLR applies the tax-excluded method for the accounting treatment of consumption taxes and local consumption taxes.</p>						

## (8) Notes to the Financial Statements

[Notes to Balance Sheet]

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

Previous period (August 31, 2016)	This period (February 28, 2017)
50,000 thousand yen	50,000 thousand yen

[Notes to Income Statement]

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

(Unit: thousand yen)

	Previous period From October 9, 2015 To August 31, 2016	Current period From September 1, 2016 To February 28, 2017
A. Real estate leasing revenues		
Rent revenue – real estate		
Rent income	4,206,273	3,959,491
Common service fees	481,001	452,386
Other lease business revenue		
Utilities charge reimbursement	276,434	258,777
Parking area rental revenue	119,427	117,019
Other lease revenue	47,001	65,344
Total real estate leasing revenues	5,130,139	4,853,019
B. Real estate leasing expenses		
Expenses related to rent business		
Outsourcing costs	283,988	265,093
Utilities expenses	261,841	232,373
Insurance premiums	10,877	9,835
Maintenance expenses	24,473	58,398
Depreciation	677,263	583,252
Other leasing expenses	24,393	23,627
Total real estate leasing expenses	1,282,837	1,172,581
C. Real estate leasing profit (A-B)	3,847,301	3,680,438

[Notes to Statement of Changes in Unitholders' Capital]

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

	Previous period From October 9, 2015 To August 31, 2016	Current period From September 1, 2016 To February 28, 2017
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	1,100,000 units	1,100,000 units



[Notes to the Statements of Cash Flows]

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

	Previous period From October 9, 2015 To August 31, 2016	This period From September 1, 2016 To February 28, 2017
Cash and deposits	4,244,719 thousand yen	4,538,137 thousand yen
Cash and deposits in trust	4,266,658 thousand yen	4,075,991 thousand yen
Restricted deposits in trust (Note)	(988,650) thousand yen	(995,826) thousand yen
Cash and cash equivalents at period end	7,522,727 thousand yen	7,618,302 thousand yen

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

[Notes to Lease Transactions]

Operating lease transactions (lessor)

Unearned leasing fees associated with non-cancelable operating leases

	Previous period (August 31, 2016)	This period (February 28, 2017)
Due within one year	5,720,623 thousand yen	5,470,786 thousand yen
Due after one year	16,436,146 thousand yen	14,267,982 thousand yen
Total	22,156,769 thousand yen	19,738,768 thousand yen

[Notes to Financial Instruments]

1. Matters concerning the status of financial instruments

(1) 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.

(2) 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.

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

In addition to fair value based on the market price, the fair value of financial products includes a reasonably calculated price when there is no market price. Because certain assumptions are used in the calculation of a price in question, that price may differ when different assumptions are used.

## 2. Matters concerning the fair value of financial instruments

Previous period (ended August 31, 2016)

Amounts recognized on the balance sheet as of the fiscal period ended August 31, 2016, fair values, and differences between these amounts are presented below. Financial instruments for which it is extremely difficult to determine fair value are not included in the following tables (Note 2).

(Unit: thousand yen)

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

Current period (ended February 28, 2017)

Amounts recognized on the balance sheet as of the fiscal period ended February 28, 2017, fair values, and differences between these amounts are presented below. Financial instruments for which it is extremely difficult to determine fair value are not included in the following tables (Note 2).

(Unit: thousand yen)

	Amount recognized in balance sheet	Fair value	Difference
(1) Cash and deposits	4,538,137	4,538,137	-
(2) Cash and deposits in trust	4,075,991	4,075,991	-
Total assets	8,614,128	8,614,128	-
(3) Short-term loans payable	1,690,000	1,690,000	-
(4) Investment corporation bonds payable	6,000,000	6,012,800	12,800
(5) Long-term loans payable	51,280,000	51,885,042	605,042
Total liabilities	58,970,000	57,897,842	617,842
Derivative transactions	-	-	-

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

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

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

(3) Short-term loans payable

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

(4) Investment corporation bonds payable

These are the reference values published by the Japan Securities Dealer Association JSDA.

(5) Long-term loans payable

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

Derivative transactions

Please refer to "Notes to Derivative Transactions" below.

Note 2. Financial instruments for which it is extremely difficult to determine fair value

(Unit: thousand yen)

Classification	Previous period (August 31, 2016)	Current period (February 28, 2017)
Tenant leasehold and security deposits in trust	2,145,534	1,881,801

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

Note 3. Scheduled redemption amount of monetary claims after the closing date of the fiscal period

Previous period (ended August 31, 2016)

(Unit: thousand yen)

	1 year or less
Cash and deposits	4,244,719
Cash and deposits in trust	4,266,658

This period (ended February 28, 2017)

(Unit: thousand yen)

	1 year or less
Cash and deposits	4,538,137
Cash and deposits in trust	4,075,991

Note 4. Scheduled repayment amount of loans payable and other interest-bearing debt after the closing date of the fiscal period

Previous period (ended August 31, 2016)

(Unit: thousand yen)

	1 year or less	More than 1 year 2 years or less	More than 2 years 3 years or less	More than 3 years 4 years or less	More than 4 years 5 years or less	More than 5 years
Short-term loans payable	3,690,000	-	-	-	-	-
Long-term loans payable	-	-	7,540,000	-	10,740,000	37,000,000
Total	3,690,000	-	7,540,000	-	10,740,000	37,000,000

This period (ended February 28, 2017)

(Unit: thousand yen)

	1 year or less	More than 1 year 2 years or less	More than 2 years 3 years or less	More than 3 years 4 years or less	More than 4 years 5 years or less	More than 5 years
Short-term loans payable	1,690,000	-	-	-	-	-
Investment corporation bonds payable	-	-	-	-	4,000,000	2,000,000
Long-term loans payable	-	3,540,000	-	10,740,000	-	37,000,000
Total	1,690,000	3,540,000	-	10,740,000	4,000,000	39,000,000

[Notes to Marketable Securities]

Previous period (ended August 31, 2016)

None

This period (ended February 28, 2017)

None

[Notes to Derivative Transactions]

1. Derivative transactions to which hedge accounting is not applied

Previous period (ended August 31, 2016)

None

This period (ended February 28, 2017)

None

2. Derivative transactions to which hedge accounting is applied

Previous period (ended August 31, 2016)

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

(Unit: thousand yen)

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

This period (ended February 28, 2017)

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

(Unit: thousand yen)

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

\* Because the derivative transactions subject to special treatment for interest rate swaps are treated integrally with long-term loans that are being hedged, the stated fair value incorporates the fair value of the relevant long-term loans. (Please refer to Item (5) under (Notes to Financial Instruments) "Matters concerning the fair value of financial instruments" and "Note 1. Methods used to calculate the fair value of financial instruments and matters concerning derivative transactions" above.)

[Notes to Transactions with Related Parties]

1. Parent company and major corporate unitholders

Previous Period (from October 9, 2015 to August 31, 2016)

None

Current Period (from September 1, 2016 to February 28, 2017)

None

2. Related companies

Previous Period (from October 9, 2015 to August 31, 2016)

None

Current Period (from September 1, 2016 to February 28, 2017)

None

3. Sister companies

Previous Period (from October 9, 2015 to August 31, 2016)

Attributes	Name of company or personal name	Address	Equity or capital (thousand yen)	Content of business or profession	Share of voting rights held	Detail of relationship		Details of transaction (Note 2)	Transaction amount (thousand yen) (Note 1)	Category	Balance at the end of the period (thousand yen) (Note 1)
						Officers holding concurrent posts	Business relationship				
Subsidiaries of other affiliated companies	LaSalle REIT Advisors K.K.	Tokyo Chiyoda-ku	164,500	Asset Management services	-	Officers holding concurrent posts	Asset Management Company	Payment of asset management fee (Note 3)	2,214,937	Accounts payable - other	648,580

Note 1. In the above figures, the transaction amounts do not include consumption taxes, and the balance at the end of the period includes consumption taxes.

Note 2. Terms and conditions are determined based on market conditions.

Note 3. The asset management fee includes management fees (1,614,000 yen) related to the acquisition of properties included in the carrying amounts of each of the real estate properties.

This Period (from September 1, 2016 to February 28, 2017)

Attributes	Name of company or personal name	Address	Equity or capital (thousand yen)	Content of business or profession	Share of voting rights held	Details of relationship		Details of transaction (Note 2)	Transaction amount (thousand yen) (Note 1)	Category	Balance at the end of the period (thousand yen) (Note 1)
						Officers holding concurrent posts	Business relationship				
Subsidiaries of other affiliated companies	LaSalle REIT Advisors K.K.	Tokyo Chiyoda-ku	164,500	Asset Management services	-	Concurrent posts held by officers	Asset Management Company	Payment of asset management fee	633,517	Accounts payable - other	684,199

Note 1. In the above figures, the transaction amounts do not include consumption taxes, and the balance at the end of the period includes consumption taxes.

Note 2. Terms and conditions are determined based on market conditions.

4. Officers and key individual investors

Previous Period (from October 9, 2015 to August 31, 2016)

None

Current Period (from September 1, 2016 to February 28, 2017)

None

[Notes on Tax-Effect Accounting]

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

(Unit: thousand yen)

	Previous period As of August 31, 2016	Current period As of February 28, 2017
(Deferred tax assets)		
Non-deductible amount of unpaid business tax	41	0
Total deferred tax assets	41	0
Deferred tax assets	41	0

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

(Unit: %)

	Previous period As of August 31, 2016	Current period As of February 28, 2017
Statutory effective tax rate	32.31	31.74
(Adjusted)		
Deductible amount of dividend payments	(32.28)	(31.74)
Other	0.04	0.02
Burden of corporate taxes after application of tax-effect accounting	0.07	0.02

[Notes to Retirement Benefits]

Previous period (ended August 31, 2016)

None

This period (ended February 28, 2017)

None

[Notes to Equity Method Earnings]

Previous period (ended August 31, 2016)

None

This period (ended February 28, 2017)

None

[Notes to Asset Retirement Obligations]

Previous period (ended August 31, 2016)

None

This period (ended February 28, 2017)

None

[Notes to Segment Data]

(Segment information, etc.)

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

(Related Information)

Previous Period (from October 9, 2015 to August 31, 2016)

(1) Information about Products and Services

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

(2) Information by Geographical Area

(i) Operating revenues

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

(ii) Property, plant and equipment

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

(3) Information about Principal Customers

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

Current Period (from September 1, 2016 to February 28, 2017)

(1) Information about Products and Services

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

(2) Information by Geographical Area

(i) Operating revenues

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

(ii) Property, plant and equipment

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

(3) Information about Principal Customers

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

[Notes to Rental Properties]

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

(Unit: thousand yen)

	Previous period From October 9, 2015 To August 31, 2016	Current period From September 1, 2016 To February 28, 2017
Amount recognized in balance sheet		
Balance at the beginning of the period	-	163,442,126
Changes during the period	163,442,126	(525,013)
Balance at the end of the period	163,442,126	162,917,112
Fair value at end of the period	167,610,000	172,210,000

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

Note 2. During the period, the main increase was due to the acquisition of trust beneficiary interests in eight properties (164,034,318 thousand yen) and the main decrease was due to depreciation (677,263 thousand yen). Furthermore, the main decrease in the current period was due to depreciation (583,252 thousand yen).

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

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

[Note to Per Unit Information]

	Previous period From October 9, 2015 To August 31, 2016	Current period From September 1, 2016 To February 28, 2017
Net assets per unit	98,964 yen	99,001 yen
Net income per unit	3,779 yen (2,283 yen)	2,490 yen

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

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

	Previous period From October 9, 2015 To August 31, 2016	Current period From September 1, 2016 To February 28, 2017
Net income (thousand yen)	2,496,616	2,739,607
Amount not attributable to ordinary unitholders (thousand yen)	-	-
Net income attributable to ordinary investment units (thousand yen)	2,496,616	2,739,607
Average number of investment units during the period (units)	660,547	1,100,000



[Notes to Significant Subsequent Events]

a. Acquisition of assets

LLR acquired the following assets on March 1, 2017. "Acquisition price" is the purchase price for each of the trust beneficiary interests as shown in the trust beneficiary interest purchase agreement of the Newly Acquired Assets (excluding consumption taxes, local consumption taxes, and various acquisition costs, and is rounded down to the nearest million yen).

Area	Property number	Property	Location	Acquisition price (million yen)	Seller
Tokyo area	Tokyo-9	LOGIPORT Kawagoe	Kawagoe, Saitama	11,950	Logistics Feeder 1 G.K.

b. Borrowing of funds

For the properties listed above under "a. Acquisition of Assets," LLR borrowed the following funds to cover the acquisition of the trust beneficiary interests, part of related expenses and prepayment of outstanding debt.

Classification	Lender	Amount borrowed (million yen)	Interest rate (Note 5) (Note 6)	Borrowing Date	Borrowing method	Repayment date (Note 7)	Repayment method (Note 8)	Secured
Long-term	Syndicated facility consisting of Bank of Tokyo-Mitsubishi UFJ, Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 1)	1,900	Rate equal to 0.1625 points over the reference rate (3-month Japanese yen TIBOR by Japanese Bankers Association)	March 1, 2017	Borrowing based on a separate loan agreement dated February 27, 2017 with the lenders indicated above	September 3, 2018	Lump-sum at maturity	Unsecured Unguaranteed
	Syndicated facility consisting of Bank of Tokyo-Mitsubishi UFJ, Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 1)	1,400	Rate equal to 0.1875 points over the reference rate (3-month Japanese yen TIBOR by Japanese Bankers Association)	March 1, 2017	Borrowing based on a separate loan agreement dated February 27, 2017 with the lenders indicated above	September 2, 2019	Lump-sum at maturity	Unsecured Unguaranteed
	Syndicated facility consisting of Bank of Tokyo-Mitsubishi UFJ, Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 2)	2,990	0.42945% (fixed interest)	March 1, 2017	Borrowing based on a separate loan agreement dated February 27, 2017 with the lenders indicated above	March 1, 2022	Lump-sum at maturity	Unsecured Unguaranteed

	Syndicated facility with Bank of Tokyo-Mitsubishi UFJ, Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 3)	1,900	Rate equal to 0.3325 points over the reference rate (3-month Japanese yen TIBOR by Japanese Bankers Association)	March 1, 2017	Borrowing based on a separate loan agreement dated February 27, 2017 with the lenders indicated above	September 1, 2023	Lump-sum at maturity	Unsecured Unguaranteed
	Syndicated facility with Bank of Tokyo-Mitsubishi UFJ, Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 4)	5,600	0.47128% (Fixed interest rate)	March 1, 2017	Borrowing based on a separate loan agreement dated February 27, 2017 with the lenders indicated above	September 1, 2023	Lump-sum at maturity	Unsecured Unguaranteed

Note 1. The syndicated facility includes Resona Bank, Ltd. The Bank of Fukuoka, Ltd. Shinsei Bank, Ltd., The 77 Bank, Ltd., and The Nomura Trust and Banking Co., Ltd.

Note 2. The syndicated facility includes the Development Bank of Japan, The Bank of Fukuoka, Ltd. and The Mitsubishi UFJ Trust and Banking Corporation.

Note 3. The syndicated facility includes the Sumitomo Mitsui Banking Corporation.

Note 4. The syndicated facility includes the Bank of Tokyo-Mitsubishi UFJ, Mizuho Bank, Ltd., and Sumitomo Mitsui Trust Bank, Limited.

Note 5. "Interest rate" does not include loan fees payable to lenders.

Note 6. The first interest payment date is the last day of May, 2017, and subsequent interest payment dates are the last day of every February, May, August and November thereafter, and the repayment date. As to floating interest rates, the base interest rate refers to the Japanese yen Tokyo Interbank Offered Rate ("TIBOR") for three-month deposits announced by the JBA TIBOR Association (General Incorporated Association) two business days before the interest payment date for the immediately preceding interest calculation period. (however, for the first calculation period, the applicable date is the drawdown date) Please refer to the JBA TIBOR Association's website (<http://www.jbatibor.or.jp/english/>) for changes in the JBA Japanese yen TIBOR.

Note 7. The repayment date will be the immediately following business day in case such date would fall on a day that is not a business day and the immediate preceding business day in case such date would fall in the next calendar month.

Note 8. Partial or full principal repayment prior to the maturity date is permissible under certain conditions such as LLR providing prior written notice of its intention during the period between the borrowing date and the repayment date.

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

Unitholders' capital and changes in the number of investment units issued and outstanding as of the reporting date 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	
October 9, 2015	Established through private placement	1,500	1,500	150,000	150,000	(Note 2)
February 16, 2016	Public offering	1,050,800	1,052,300	101,601,852	101,751,852	(Note 3)
March 15, 2016	Third-party allotment	47,700	1,100,000	4,612,113	106,363,965	(Note 4)
November 21, 2016	Distributions in excess of earnings per unit (refund of investment)	-	1,100,000	(202,400)	106,161,565	(Note 5)

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

Note 2. LLR was incorporated at an issue price of 100,000 yen per unit.

Note 3. LLR issued new investment units for the purpose of raising funds to acquire new properties at an offer price of 100,000 per unit (underwriting price of 96,690 yen).

Note 4. LLR issued new investment units through a third-party allotment associated with the public offering at an underwriting price of 96,690 yen. The proceeds of this third-party allotment were partly used to repay loans made as financing to acquire new properties.

Note 5. At the Board of Directors Meeting of LLR on October 18, 2016, it was decided to make distributions in excess of earnings (amount of contributions refunded that under tax law is equivalent to a refund of investment) at an amount of 184 yen per unit as distributions of funds for the first period (ended August 31, 2016) and payment of these commenced on November 21, 2016.

#### 4. Changes in Officers and Directors

##### (1) Changes in Officers of LLR

There were no changes in officers and directors during the period.

##### (2) Changes in Directors of the Asset Management Company

There were no changes in directors during the period.

## 5. Reference Information

### (1) Composition of LLR's Assets

Type of assets	Use	Area (Note 1)	Previous period (as of August 31, 2016)		Current period (as of February 28, 2017)	
			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	163,442	94.8	162,917	94.6
		Osaka area	-	-	-	-
		Other	-	-	-	-
	Subtotal	163,442	94.8	162,917	94.6	
Deposits/Other assets			9,026	5.2	9,227	5.4
Total assets			172,468	100.0	172,144	100.0

	Previous period (as of August 31, 2016)		Current period (as of February 28, 2017)	
	Amount (million yen)	Percentage to total assets (%) (Note 3)	Amount (million yen)	Percentage to total assets (%) (Note 3)
Total liabilities	63,607	36.9	63,242	36.7
Total net assets	108,860	63.1	108,901	63.3
Total assets	172,468	100.0	172,144	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 is rounded down to the nearest million yen.

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

(2) Overview of Real Estate, etc.

(i) Portfolio Overview

The assets (real estate or beneficiary interests in trusts holding real estate as trust assets; collectively referred to as “asset holdings” hereinafter) held by LLR as of February 28, 2017 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)	Sagamihara, Kanagawa	Trust beneficiary interest	2	21,386	21,200	13.1	22,400	145,801.69
	Tokyo-2	LOGIPORT Sagamihara (Note 8)	Sagamihara, Kanagawa	Trust beneficiary interest	4	23,247	23,020	14.3	24,800	200,045.57
	Tokyo-3	LOGIPORT Kitakashiwa	Kashiwa, Chiba	Trust beneficiary interest	4	25,524	25,300	15.7	27,500	104,302.62
	Tokyo-4	LOGIPORT Nagareyama (A)	Nagareyama, Chiba	Trust beneficiary interest	9	3,542	3,500	2.2	3,810	17,673.87
	Tokyo-5	LOGIPORT Nagareyama (B)	Nagareyama, Chiba	Trust beneficiary interest	9	26,731	26,600	16.5	27,900	133,414.76
	Tokyo-6	LOGIPORT Higashi Ogishima (A)	Kawasaki, Kanagawa	Trust beneficiary interest	30	19,219	19,000	11.8	19,500	100,235.67
	Tokyo-7	LOGIPORT Higashi Ogishima (B)	Kawasaki, Kanagawa	Trust beneficiary interest	26	19,349	19,120	11.8	21,300	117,546.26
	Tokyo-8	LOGIPORT Higashi Ogishima (C)	Kawasaki, Kanagawa	Trust beneficiary interest	15	23,914	23,700	14.7	25,000	116,997.14
Portfolio total/Average					12	162,917	161,440	100.0	172,210	936,017.58

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

Note 2. “Property age” is generally calculated as the period from the construction completion date shown on the property registry for the main building until February 28, 2017, and is rounded to the nearest whole number. The number presented as the portfolio age average is the weighted average weighted by acquisition price, rounded to the nearest whole number.

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

Note 4. 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, 2017, shown in the real estate appraisal documents prepared by either Tanizawa Sogo Appraisal Co, Ltd. or CBRE K.K., which have been contracted to appraise the asset holdings.

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

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

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

(ii) Tenant Agreements

Information about the status of agreements with tenants for the asset holdings (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 rent (million yen) (Note 2)	Lease & guarantee deposits (million yen) (Note 3)	Leasable floor area (m <sup>2</sup> ) (Note 4)	Leased floor area (m <sup>2</sup> ) (Note 5)	Occupancy rate (m <sup>2</sup> ) (Note 6)
Tokyo area	Tokyo-1	LOGIPORT Hashimoto (Note 7)	14	1,050	255	130,162	123,858	95.2
	Tokyo-2	LOGIPORT Sagamihara (Note 8)	16	1,301	312	180,971	180,234	99.6
	Tokyo-3	LOGIPORT Kitakashiwa	10	1,352	365	100,349	100,349	100.0
	Tokyo-4	LOGIPORT Nagareyama (A)	1	1,564 (Note 9)	356 (Note 9)	18,172	18,172	100.0
	Tokyo-5	LOGIPORT Nagareyama (B)	8			112,684	112,468	99.8
	Tokyo-6	LOGIPORT Higashi Ogishima (A)	23	1,099	327	85,281	82,821	97.1
	Tokyo-7	LOGIPORT Higashi Ogishima (B)	16	1,138	381	103,731	97,722	94.2
	Tokyo-8	LOGIPORT Higashi Ogishima (C)	17	1,372	288	114,925	112,275	97.7
	Portfolio total/Average			105	8,879	2,287	846,278 699,028	827,902 683,851

Note 1. "Total # 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, 2017. 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 for each trust property as of February 28, 2017 (excluding consumption taxes) multiplied 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, 2017, 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, 2017, 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 ratio of the aggregate leased floor area for a given building divided by the leasable floor area for a given building, after factoring in and converting for LLR's proportional ownership interest of the joint co-ownership interests within a trust beneficial interest, as applicable for LOGIPORT Hashimoto and LOGIPORT Sagamihara.

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, 2017. 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 a given building divided by the Leasable Floor Area for a given building, after factoring in and converting for LLR's proportional ownership interest of the joint co-ownership interests within a trust beneficial interest, as applicable for LOGIPORT Hashimoto and LOGIPORT Sagamihara.

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, 2017, rounded to the second decimal place. Additionally, in the "Portfolio total/average" row, the upper figure represents the ratio of the aggregate Leased Floor Area for a given building divided by the Leasable Floor Area for a given building, rounded to the second decimal place. The lower figure represents the ratio of the aggregate Leased Floor Area for a given building divided by the Leasable Floor Area for a given building, rounded to the second decimal place, after factoring in and converting for LLR's proportional ownership interest of the joint co-ownership interests within a trust beneficial interest, as applicable for LOGIPORT Hashimoto and LOGIPORT Sagamihara.

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

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

Note 9. Because consent has not been obtained from the single end tenant at “LOGIPORT Nagareyama (A)” to disclose the annual lease revenue and lease & guarantee deposits, the annual lease revenue and lease & guarantee deposits are presented in aggregate with the annual lease revenue and lease & guarantee deposits, respectively, for LOGIPORT Nagareyama (B).



## (iii) Appraisal report summary

Area	Property number	Property name	Appraiser	Appraisal date	Appraisal value (million yen)	Cost-approach value (million yen)	Income approach value (million yen)				
							Direct capitalization method		Discounted cash flow (DCF) method		
							Income-approach value	Capitalization rate (%)	Income-approach value	Discount rate (%)	Terminal capitalization rate (%)
Tokyo Area	Tokyo-1	LOGIPORT Hashimoto (Note 1)	Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2017	22,400	20,100	23,000	4.2	22,200	4.3	4.4
	Tokyo-2	LOGIPORT Sagamihara (Note 2)	Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2017	24,800	22,500	25,400	4.3	24,500	4.4	4.5
	Tokyo-3	LOGIPORT Kitakashiwa	CBRE K.K.	February 28, 2017	27,500	22,900	27,700	4.3	27,500	4.1	4.4
	Tokyo-4	LOGIPORT Nagareyama (A)	CBRE K.K.	February 28, 2017	3,810	2,970	3,830	4.7	3,810	4.3	4.6
	Tokyo-5	LOGIPORT Nagareyama (B)	CBRE K.K.	February 28, 2017	27,900	22,200	27,700	4.6	27,900	4.3	4.6
	Tokyo-6	LOGIPORT Higashi Ogishima (A)	Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2017	19,500	18,400	19,600	4.8	19,400	4.8	4.9
	Tokyo-7	LOGIPORT Higashi Ogishima (B)	Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2017	21,300	19,800	22,300	4.8	20,800	4.8	4.9
	Tokyo-8	LOGIPORT Higashi Ogishima (C)	Tanizawa Sogo Appraisal Co., Ltd.	February 28, 2017	25,000	21,500	25,500	4.7	24,800	4.7	4.8
Portfolio total					172,210	150,370	175,030		170,910		

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

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

(iv) Information about major real estate properties

Of the assets held by LLR, those properties where “total annual lease revenue” represents 10% or more of the “total annual lease revenue for the entire portfolio” as of February 28, 2017 are presented below.

Property name	Total annual rent (million yen) (Note 1)	Share of lease revenue (%) (Note 2)
LOGIPORT Hashimoto (Note 3)	1,050	11.8
LOGIPORT Sagamihara (Note 4)	1,301	14.7
LOGIPORT Kitakashiwa	1,352	15.2
LOGIPORT Nagareyama (A) LOGIPORT Nagareyama (B) (Note 5)	1,564	17.6
LOGIPORT Higashi Ogishima (A)	1,099	12.4
LOGIPORT Higashi Ogishima (B)	1,138	12.8
LOGIPORT Higashi Ogishima (C)	1,372	15.5
Total	8,879	100.0

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, 2017 (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.

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

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

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

(v) Information about Major Tenants

Within the assets held by LLR, as of February 28, 2017 there are no tenants for which the leased floor area represents 10% or more of the total leased floor area for the entire portfolio (for those assets for which a pass-through type master lease agreement has been executed, this includes the end tenants and excludes the master lessee that has executed the master lease agreement).

(vi) Portfolio Diversification

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

a. Share by area

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

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

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

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

b. Share by property age

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

Note 1. As a general rule, "property age" is calculated as the period from the construction date shown on the registration for the main building until February 28, 2017, rounded to the nearest whole number.

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

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

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

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

c. Share by size (gross floor area)

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

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

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

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

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

d. Share by remaining lease term

Lease term (remaining lease term) (Note 1)	Leased floor area (m <sup>2</sup> ) (Note 2) (Note 4) (Note 5)	Share (%) (Note 3)	Annual rent (million yen) (Note 2) (Note 4) (Note 5)	Share (%) (Note 3)
7 years or more	61,164	8.9	827	9.3
At least 5 years but less than 7 years	54,393	8.0	716	8.1
At least 3 years but less than 5 years	111,363	16.3	1,525	17.2
At least 1 year but less than 3 years	182,543	26.7	2,342	26.4
Less than 1 year	274,387	40.1	3,466	39.0
Total	683,851	100.0	8,879	100.0

Note 1. "Lease term (remaining term)" is based on the remaining term of leases as of February 28, 2017, under the lease agreements for asset holdings that have been executed as of that date.

Note 2. "Leased floor area" is stated as the leased floor area associated with each trust property for each trust property as of February 28, 2017, 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, 2017 (for trust properties with multiple lease agreements, the aggregate thereof) (excluding consumption taxes) calculated by multiplying by 12, rounded down to the nearest million yen. These are then aggregated for each remaining lease term category.

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

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

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

(3) Capital expenditures on portfolio assets

(i) 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 period Amount paid	Already paid Total amount
Tokyo-7	LOGIPORT Higashi Ogishima (B)	Kawasaki, Kanagawa	Electrical equipment high-voltage cable improvement work	From September 2017 To February 2018	26	-	-

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

(ii) Capital expenditures during the period

A summary of the main projects, treated as capital expenditures, associated with real estate held by LLR that were undertaken during the period is presented below. Capital expenditures were 58 million yen for the period, and there were also 58 million yen in maintenance expenses classified as other operating expenses.

Property number	Property name	Location	Purpose	Implementation period	Amount paid (million yen) (Note)
Tokyo-7	LOGIPORT Higashi Ogishima (B)	Kawasaki, Kanagawa	Construction for improvement of card key system	From November 2016 To January 2017	24
Tokyo-6	LOGIPORT Higashi Ogishima (A)	Kawasaki, Kanagawa	Construction of improvements to rooftop lightning rod	December 2016	8
Other capital expenditures					24
Total					58

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

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

None

## (4) Property income/expenses

(Unit: thousand yen)

Property number	Tokyo-1	Tokyo-2	Tokyo-3	Tokyo-4	Tokyo-5
Name of real estate, etc.	LOGIPORT Hashimoto	LOGIPORT Sagamihara	LOGIPORT Kitakashiwa	LOGIPORT Nagareyama (A)	LOGIPORT Nagareyama (B)
Number of operating days in second period	181	181	181	181	
(i) Total real estate leasing revenues	556,238	720,913	754,619	840,200	
Rent revenue - real estate	519,177	648,672	677,271	772,134	
Other lease business revenue	37,060	72,241	77,348	68,065	
(ii) Total real estate leasing expenses	124,567	144,960	201,987	239,845	
Outsourcing costs	19,512	32,290	30,440	30,735	
Utilities expenses	26,295	32,558	54,398	47,079	
Insurance premiums	966	1,149	1,369	1,848	
Maintenance expenses	242	1,523	22,777	10,873	
Depreciation	74,668	67,483	90,079	145,967	
Other leasing expenses	2,882	9,954	2,922	3,340	
(iii) Real estate leasing profit (= (i) - (ii))	431,670	575,953	552,631	67,571	532,783
(iv) Rent NOI (= (iii) + Depreciation)	506,339	643,436	642,711	89,306	657,016

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

(Unit: thousand yen)

Property number	Tokyo-6	Tokyo-7	Tokyo-8
Name of real estate, etc.	LOGIPORT Higashi Ogishima (A)	LOGIPORT Higashi Ogishima (B)	LOGIPORT Higashi Ogishima (C)
Number of operating days in second period	181	181	181
(i) Total real estate leasing revenues	598,645	627,687	754,714
Rent revenue – real estate	546,619	557,273	690,729
Other lease business revenue	52,026	70,413	63,985
(ii) Total real estate leasing expenses	132,308	142,554	186,357
Outsourcing costs	56,905	46,270	48,938
Utilities expenses	14,707	23,879	33,454
Insurance premiums	1,256	1,577	1,668
Maintenance expenses	6,434	2,540	14,007
Depreciation	51,259	66,989	86,804
Other leasing expenses	1,746	1,298	1,483
(iii) Real estate leasing profit (= (i) - (ii))	466,337	485,132	568,357
(iv) Rent NOI (= (iii) + Depreciation)	517,596	552,121	655,162