

Financial Results (REIT) for the Fiscal Period Ended August 31, 2021

October 15, 2021

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

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(Amounts are rounded down to the nearest million yen)

1. Financial Results for the Fiscal Period Ended August 31, 2021 (March 1, 2021 to August 31, 2021)

(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 August 31, 2021	10,707	12.7	5,974	12.4	5,288	13.3	5,287	13.3
Fiscal period ended February 28, 2021	9,504	27.9	5,316	30.7	4,668	27.4	4,667	27.4
	Net income per unit		Ratio of net income on unitholders' equity (ROE)		Ratio of ordinary income on total assets (ROA)		Ratio of ordinary income on operating revenues	
	Yen		%		%		%	
Fiscal period ended August 31, 2021	3,041		2.6		1.4		49.4	
Fiscal period ended February 28, 2021	2,852		2.8		1.5		49.1	

(2) Distributions

	Distributions per unit (excluding those in excess of retained earnings per unit)	Total amount of distributions (excluding those in excess of retained earnings)	Distributions in excess of retained earnings per unit	Total amount of distributions in excess of retained earnings	Distributions per unit (including those in excess of retained earnings per unit)	Total amount of distributions (including those in excess of retained earnings)	Payout ratio	Net assets distribution ratio
	Yen	Million yen	Yen	Million yen	Yen	Million yen	%	%
Fiscal period ended August 31, 2021	2,962	5,287	231	412	3,193	5,699	100.0	2.5
Fiscal period ended February 28, 2021	2,849	4,666	228	373	3,077	5,040	100.0	2.6

Note 1. Due to the issuance of new investment, the payout ratio in the fiscal period ended February 28, 2021 and August 31, 2021 were calculated according to the following formula, shown rounded to two decimal places.

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

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

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

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

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

(3) Financial Position

	<u>Total assets</u>	<u>Net assets</u>	<u>Unitholders' equity ratio</u>	<u>Net assets per unit</u>
	Million yen	Million yen	%	Yen
Fiscal period ended August 31, 2021	385,675	214,911	55.7	120,398
Fiscal period ended February 28, 2021	345,529	190,874	55.2	116,528

(4) Cash Flows

	<u>Cash flows from operating activities</u>	<u>Cash flows from investing activities</u>	<u>Cash flows from financing activities</u>	<u>Cash and cash equivalents at period end</u>
	Million yen	Million yen	Million yen	Million yen
Fiscal period ended August 31, 2021	8,706	(39,709)	33,665	24,463
Fiscal period ended February 28, 2021	7,741	(76,948)	77,016	21,800

2. Forecasts for the Fiscal Periods Ending February 28, 2022 (September 1, 2021 to February 28, 2022) and August 31, 2022 (March 1, 2022 to August 31, 2022)

	<u>Operating revenues</u>		<u>Operating income</u>		<u>Ordinary income</u>		<u>Net income</u>		(% figures show period-over-period change)		
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Distributions per unit (excluding those in excess of retained earnings per unit)	Distributions in excess of retained earnings per unit	Distributions per unit (including those in excess of retained earnings per unit)
									Yen	Yen	Yen
Fiscal period ended February 28, 2022	10,523	(1.7)	5,680	(4.9)	5,092	(3.7)	5,091	(3.7)	2,852	238	3,090
Fiscal period ended August 31, 2022	10,587	0.6	5,622	(1.0)	5,024	(1.3)	5,023	(1.3)	2,814	241	3,055

Reference: Forecasted net income per unit for the period ending February 28, 2022: 2,852 yen ; forecasted net income per unit for the period ending August 31, 2022: 2,814 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

	<u>Fiscal period ended August 31, 2021</u>	<u>Fiscal period ended February 28, 2021</u>
(i) Total number of investment units issued and outstanding (including treasury units) at the end of the fiscal period	1,785,000 units	1,638,000 units
(ii) Number of treasury units at the end of the fiscal period	-	-

Note: Please see the "Notes to Per Unit Information" on page 29 for the number of investment units used as the basis for calculating net income per unit.

* Presentation of the status of implementation of audit procedures

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

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

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

For further details about the assumptions used in the forecasts above, please refer to the "Forecast Assumptions for the Fiscal Periods Ending February 28, 2022 and August 31, 2022" stated on page 6 below.

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【Table of Contents】

1. Management Policy and Management Status	
(1) Management Status	2
(2) Investment Risks	9
2. Financial Statements	
(1) Balance Sheet	10
(2) Income Statement.....	12
(3) Statement of Unitholders' Equity.....	13
(4) Statements related to Distributions	15
(5) Statements of Cash Flows	17
(6) Notes with respect to Going Concern Assumptions	18
(7) Notes on Matters concerning Significant Accounting Policies	18
(8) Notes to the Financial Statements	20
(9) Changes in Number of Investment Units Issued and Outstanding	30
3. Reference Information	
(1) Information on Price of the Managed Assets	32
(2) Capital Expenditures on Portfolio Assets	45

1. Management Policy and Management Status

(1) Management Status

(Overview of the Fiscal Period)

(i) Significant developments of the investment corporation

With LaSalle REIT Advisors K.K. as the organizer, LaSalle LOGIPORT REIT (LLR) was established on October 9, 2015, pursuant to the Investment Trusts Act, and was listed on the J-REIT section of the Tokyo Stock Exchange (Securities Code: 3466) on February 17, 2016.

The financial statements for the fiscal period ended August 31, 2021 (11th fiscal period) were recently completed, and the total number of issued and outstanding investment units as of the end of this fiscal period is 1,785,000 units.

(ii) Investment Environment and Management Performance

In the current fiscal year, although there were some signs of recovery in consumer spending and exports accompanying the resumption of the economy, the Japanese economy remained uncertain due to the issuance of four emergency declarations. Demand, particularly in the face-to-face service industry, has been sluggish due to the spread of COVID-19 infections since the beginning of 2020. On the other hand, the e-commerce market, which is the driving force behind rental demand for advanced logistics facilities, has grown significantly. There is also a growing movement towards optimizing the supply network centered on consumer goods.

Demand in the leasing market for prime logistics facilities is expected to stay strong. There is a continuing trend toward consolidation and integration of older locations primarily by third-party logistics (3PL) operators, as well as new expansions and diversification of space usage. The further establishment of a nationwide logistics network is expected to also support the expansion of structural demand for prime logistics facilities. In this environment, although new supply remained at a record high level in the Tokyo metropolitan area logistics facility market, total demand expanded. As a result, the vacancy rate remained low and stable at the 1% level, and rents also maintained a moderate upward trend. Similarly, even in the Kinki region, which also recorded record-high levels of new supply, existing properties maintained high occupancy rates across the market. In the Osaka coastal region and inland areas, vacancy rates declined to around 2% and rents, which were viewed as stagnant, started to rise moderately with the support of strong pre-leasing activities.

In financial markets, global monetary easing led to lower overseas interest rates and historically strong stock prices. In the logistics real estate market, inflow of investments from funds that are oriented toward income returns in excess of bond investments (pension funds, insurance companies, etc.) continued against the backdrop of solid demand and the outlook for stable rental income. The annual transaction volume in the logistics real estate market reached a record high despite the intensifying competition to acquire land for development, rising real estate prices, and continuously shrinking transaction yields.

Under these conditions, LLR steadily managed its 19 properties (total acquisition price 357,829 million yen, leasable floor area 1,478,651 square-meters) and the overall weighted average portfolio occupancy rate through the fiscal period was in a strong position at 98.8%. LLR's portfolio has 169 tenants as of the end of this fiscal period ended August 31, 2021 and aims for further tenant diversification.

(iii) Overview of Procurement of Funds

LLR raised 22,656 million yen through a public offering with a payment date of April 27, 2021 and an additional 1,132 million yen through a third-party allotment with a payment date of May 25, 2021, respectively. The total amount of capital contribution (net) as of the end of the fiscal period under review was 209,623 million yen.

In the fiscal year, LLR borrowed a total of 19,700 million yen in April 2021 in order to finance the acquisition of Logiport Osaka Bay as well as to finance part of the deal related costs. Also, as a result of the payment of proceeds for the issuance of new investment units through a third-party allotment (payment date: May 25, 2021), the refund of consumption tax for the acquisition of properties (including payment of miscellaneous expenses) and the redemption of the principal of preferred equity shares from Nanko Property TMK, a total of 1.9 billion yen in interest-bearing debt was prepaid and partially prepaid on June 11, 2021. Also, a total of 2.8 billion yen in interest-bearing debt were prepaid and partially prepaid on July 1, 2021.

As far as the 11th fiscal period was concerned, at the end of the current fiscal period, the balance of interest-bearing debt of LLR was 161,320 million yen and LTV was 41.8%.

The status of LLR's credit ratings assigned as of August 31, 2021 was as follows.

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

Note: This was the rating for the 1st, 2nd, 3rd, 4th, 5th, 6th and 7th Unsecured Investment Corporation Bonds.

(iv) Overview of Business Performance and Distributions

The operating period for the current fiscal period was 184 days from March 1, 2021 to August 31, 2021. During current fiscal period, LLR generated operating revenues of 10,707 million yen, operating income of 5,974 million yen, ordinary income of 5,288 million yen, and net income of 5,287 million yen.

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 2,962 yen.

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

In the current fiscal period, LLR distributed 412 million yen as an Ongoing Distribution in Excess of Retained Earnings, an amount equivalent to approximately 30% of the 1,375 million yen that was the amount resulting from deducting the total amount of the accumulated depreciation recorded as of the last day of the previous fiscal period from the total amount of accumulated depreciation for the current fiscal period. As a result, the distribution in excess of retained earnings per unit in the current fiscal period was 231 yen (Note 3).

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

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

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

(Outlook for the Future)

(i) Investment Environment Going Forward

In the next fiscal year, the main scenario will be the relaxation of restrictions on economic activities (based on the premise of progress of vaccinations) and the gradual transition to a post-COVID-19 economy centered on developed countries and a sustained economic recovery. In the global economic outlook for 2022, while service consumption, which had been affected by activity restrictions, is expected to head toward recovery, demand for capital goods, which has benefited from stay-at-home measures, is expected to peak. The inflation rate, which had remained high until now due to the tight supply and

demand conditions for goods, is also expected to gradually stabilize at a low level. However, the outlook remains uncertain. Based on the outlook for corporate earnings and capital investments, the level of investments are expected to recover to its pre-COVID-19 levels from fiscal year 2022 onwards.

Demand in the leasing market for prime logistics facilities is expected to remain strong. Together with the total working hours regulations that the government plans to introduce, the labor shortage in logistics companies is expected to worsen. Distribution networks will be affected as it needs to be improved. However, in the next few years, large-scale supply is expected to continue due to the increase in new market entrants along with other factors. Vacancy rates in the Tokyo metropolitan area are also expected to rise moderately from the current extremely low level. Similarly, in the Kinki region, supply and demand may ease due to mass supply, and we expect the importance of selection of sub-markets and individual properties to increase

(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 LaSalle Fund (Note 2), and because of this enjoys diverse sourcing routes that tap into both sourcing from the LaSalle Fund and sourcing from third parties.

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

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

Note 1. "LaSalle Group" refers to the group of companies that provides real estate investment management services in 22 office locations in 15 countries (as of June 30, 2021) in the United States, Europe and the Asia-Pacific region, centered on LaSalle Investment Management Inc., which is one of the world's leading real estate investment advisory firms.

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

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

(iii) Significant Subsequent Events

None

(iv) Forecast of Financial Results

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

	<u>Operating revenues</u>	<u>Operating income</u>	<u>Ordinary income</u>	<u>Net Income</u>	<u>Distributions per unit (excluding those in excess of retained earnings per unit)</u>	<u>Distributions in excess of retained earnings per unit</u>	<u>Distributions per unit (including those in excess of retained earnings per unit)</u>
	Million yen	Million yen	Million yen	Million yen	Yen	Yen	Yen
Fiscal period ending February 28, 2022	10,523	5,680	5,092	5,091	2,852	238	3,090
Fiscal period ending August 31, 2022	10,587	5,622	5,024	5,023	2,814	241	3,055

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

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

Forecast Assumptions for the Fiscal Periods Ending February28, 2022 and August 31, 2022

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> Fiscal period ending February28, 2022: September 1, 2021 to February28, 2022 (181 days) Fiscal period ending August 31, 2022: March 1, 2022 to August 31, 2022 (184 days)
Property portfolio	<ul style="list-style-type: none"> The real estate trust beneficiary interests (19 assets in total) and preferred shares (One underlying assets in total) currently held by LLR, (collectively, the “Currently Held Assets”), along with the second acquisition of preferred shares of Kansai I Property TMK (the first acquisition of preferred shares, which is included in the Currently Held Assets, and the second acquisition of preferred shares, collectively the “Kansai I Preferred Shares”) announced on March 10, 2021. • The prevailing assumption is that aside from (i) the second acquisitions of Kansai I Preferred Shares, no other changes (including acquisition of new property or disposition of properties held by LLR would occur by the end of the fiscal period ending August 31, 2022. There is a possibility for further changes should LLR decide to acquire additional assets in addition to the Anticipated Acquisition Asset or dispose of properties held by LLR.
Operating revenue	<ul style="list-style-type: none"> Leasing rental revenue is calculated based on information provided by the current owner regarding the Anticipated Acquisition Asset, the lease contracts of the Currently Held Assets in effect as of today, and market trends, etc. The average occupancy rate of all properties was expected to be 98.8% in the fiscal period ending February 28, 2022, and 98.5% in the fiscal period ending August 31, 2022. With respect to operating revenues, there is an underlying assumption that tenants will fully pay their contractual rents without delinquency. LLR expects that there will be no operating revenues to be generated in connection with the preferred shares.
Operating expenses	<ul style="list-style-type: none"> Leasing-related expenses, other than depreciation expense are calculated by reflecting variable factors of expenses based on information provided by the current owner regarding the Anticipated Acquisition Asset. It is also based on the actual historical figures of the Currently Held Assets and relevant agreements in effect as of today. Depreciation expense, including ancillary costs, was calculated using a straight-line depreciation method, and LLR assumed depreciation expense to be 1,420 million yen and 1,439 million yen for the fiscal periods ending February 28, 2022 and August 31, 2022, respectively. At acquisition, property taxes, city planning tax and depreciable asset tax (collectively, the “property taxes”) are typically calculated on a pro-rata basis, based on the actual number of days of the year that the properties are owned by the buyer and seller respectively, and LLR’s pro-rata amount of the property taxes is assumed to be capitalized as part of LLR’s acquisition costs. Accordingly, for the asset acquired during the fiscal period ending August 31, 2021 (LOGIPORT Osaka Bay), this capitalized cost will not be expensed during the fiscal period ending February 28, 2022 and the property taxes for the 2022 tax year will begin to be expensed through the income statement starting in the fiscal period ending August 31, 2022, Property taxes for the full fiscal period are expected to be 105 million yen in the fiscal period ending August 31, 2022. Repair and maintenance expenses are calculated based on a repair and maintenance plan prepared by the Asset Management Company, for items viewed as necessary for each property. Actual repair and maintenance expenses may be significantly different from the expected amount due to various factors around certain unexpected repairs, the tendency for significant variations in the amount depending on each fiscal period, and the fact that repair expenses do not generally arise on a periodic basis. LLR expects that there will be no operating expenses to be incurred in connection with the preferred shares.

Item	Assumptions
Loans payable	<ul style="list-style-type: none"> • As of today, the balance of interest-bearing debts of LLR was 161,320 million yen. • It is assumed that LLR will prepay 700 million yen during the fiscal period ending February 28, 2022 by using a consumption tax refund, which is expected to be received during the fiscal period ending February 28, 2022. • • It is assumed that all other borrowings or investment corporation bonds that are due by the end of the fiscal period ending August 31, 2022 will be refinanced. • The LTV ratio as of the end of each fiscal period ending February 28, 2022 and August 31, 2022 is assumed to be approximately 41.8%, respectively (rounded to one decimal place). • The LTV ratio is calculated by the following formula: • $LTV = \text{total interest-bearing debt} \div \text{total assets} \times 100$
Investment units	<ul style="list-style-type: none"> • Current outstanding number of units is 1,785,000. LLR does not expect any changes to the number of outstanding units until the fiscal period ending August 31, 2022..
Distributions per unit (excluding those in excess of retained earnings per unit)	<ul style="list-style-type: none"> • Distributions per unit (excluding distributions in excess of retained earnings per unit) are calculated on the premise that all profits will be distributed in accordance with the distribution policy provided in LLR's Articles of Incorporation. • Distributions per unit (excluding distributions in excess of retained earnings per unit) may change due to factors such as additional acquisitions or dispositions of real estate properties, changes in rental revenues attributable to tenant replacements, changes in the operating environment including unexpected repairs, changes in interest rates, the actual number of new investment units to be issued, the issue price of such investment units and any additional issuance of new investment units in the future.

Item	Assumptions
Distributions in excess of retained earnings per unit	<ul style="list-style-type: none"> • Distributions in excess of retained earnings per unit are calculated in accordance with the distribution policy in LLR's Articles of Incorporation and internal policies of the asset manager. Distributions in excess of retained earnings for the fiscal periods ending February 28, 2022, and August 31, 2022, are assumed to be 30% of the sum of the accumulated depreciation calculated on the last day of the applicable fiscal period, less the sum of the accumulated depreciation recorded on the last day of the preceding fiscal period, which are assumed to be 426 million yen and 431 million yen, respectively • Depreciation expenses may vary from the current assumed amount due to a change in portfolio assets, the amount of incidental expenses incurred, the amount of capital expenditures, 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 • LLR expects for the time being to make distributions in excess of retained earnings on a regular basis within an appropriate level for maintaining financial soundness and stability, after consideration is given to alternative uses of cash such as execution of repair plans, capital expenditures, repayment of debts along with potential property acquisitions, and will make such distributions equal to 30% of the amount resulting from deducting the total amount of accumulated depreciation recorded as of the last day of the previous fiscal period from the amount of accumulated depreciation calculated as of the last day of the relevant fiscal period. This amount will be decided by LLR taking into consideration the level of net income, gains or losses on sales of real estate, etc., the level of cancellation fees or penalties, the level of temporary revenues, the level of distributions including distributions in excess of retained earnings, and the financial condition of LLR (especially the Appraisal LTV set forth below) in the relevant calculation period. Unexpected factors, such as increases in repair expenses, may cause distributions in excess of retained earnings per unit to materially differ from the forecasted amount. If the Appraisal LTV (set forth below) exceeds 60%, LLR may decide to make reduced distributions or not to make any distributions in excess of retained earnings after considering the above-listed factors. • 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%: $\text{Appraisal LTV}(\%) = A/B \times 100$ <p>A = interest-bearing debt (inclusive of long-term corporate bonds and short-term corporate bonds but excluding subordinated debt) + tenant leasehold deposits (excluding the amount reserved by the trustees of LLR's properties as tenant leasehold deposits and the amount reserved as tenant leasehold deposits in LLR's relevant reserve account (this account is for the refund obligation which LLR has as the lessor to various tenants)).</p> <p>B = total appraised real estate value of LLR's portfolio + 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"> • As an underlying premise, LLR assumes that any revision that will have an impact on the forecast information above will be made in accordance with applicable laws and regulations (including tax laws), accounting standards, listing rules of the TSE and the standards set by the Investment Trusts Association, Japan. • As an underlying premise, LLR assumes that there are no unexpected material changes to general economic trends and real estate market conditions. • The assumption is that the negative impact of the spread of the novel coronavirus infections will not spread further.

(2) Investment Risks

Disclosure of this information is omitted because there are no material changes in the “Investment Risks” described in the most recent Securities Report (filed on May 28, 2021).

2. Financial Statements

(1) Balance Sheet

	Thousands of yen	
	As of	
	February 28, 2021	August 31, 2021
Assets		
Current assets		
Cash and deposits	17,259,071	19,293,300
Cash and deposits in trust	6,458,138	7,324,224
Operating accounts receivable	394,875	485,923
Prepaid expenses	231,513	236,127
Income taxes receivable	-	111,053
Consumption taxes receivable	2,572,251	867,975
Other	575	60
Total current assets	26,916,425	28,318,666
Non-current assets		
Property, plant and equipment		
Buildings in trust	112,970,789	128,385,798
Accumulated depreciation	(7,466,053)	(8,830,480)
Buildings in trust, net	105,504,736	119,555,317
Structures in trust	119,419	138,642
Accumulated depreciation	(13,865)	(19,452)
Structures in trust, net	105,553	119,190
Machinery and equipment in trust	214,383	214,383
Accumulated depreciation	(5,234)	(9,708)
Machinery and equipment in trust, net	209,148	204,674
Tools, furniture and fixtures in trust	12,164	14,156
Accumulated depreciation	(1,417)	(1,995)
Tools, furniture and fixtures in trust, net	10,747	12,161
Land in trust	210,619,389	236,108,725
Construction in progress in trust	13,714	74,374
Total property, plant and equipment	316,463,289	356,074,444
Investments and other assets		
Investment securities	1,149,747	207,827
Long-term prepaid expenses	832,661	881,743
Deferred tax assets	23	21
Lease and guarantee deposits	10,000	10,000
Lease and guarantee deposits in trust	10,137	10,137
Total investments and other assets	2,002,569	1,109,730
Total non-current assets	318,465,858	357,184,174
Deferred assets		
Investment unit issuance expenses	80,110	112,262
Investment corporation bond issuance costs	67,109	59,994
Total deferred assets	147,220	172,256
Total assets	345,529,503	385,675,097

Balance Sheet, continued

	Thousands of yen	
	As of	
	February 28, 2021	August 31, 2021
Liabilities		
Current liabilities		
Operating accounts payable	303,928	321,876
Short-term loans payable	800,000	700,000
Current portion of investment corporation bonds payable	5,000,000	5,000,000
Current portion of long-term loans payable	550,000	1,850,000
Accounts payable	1,514,226	1,821,739
Accrued expenses	9,507	6,732
Income taxes payable	1,069	741
Advances received	1,683,103	1,896,741
Other	560,112	639,838
Total current liabilities	10,421,947	12,237,669
Non-current liabilities		
Investment corporation bonds payable	11,500,000	11,500,000
Long-term loans payable	128,494,000	142,270,000
Tenant leasehold and security deposits in trust	4,239,193	4,756,026
Total non-current liabilities	144,233,193	158,526,026
Total liabilities	154,655,140	170,763,696
Net assets		
Unitholders' equity		
Unitholders' capital	188,074,335	211,863,933
Deduction from unitholders' capital	(1,867,286)	(2,240,750)
Unitholders' capital, net	186,207,049	209,623,183
Surplus		
Unappropriated retained earnings (undisposed loss)	4,667,314	5,288,218
Total surplus	4,667,314	5,288,218
Total unitholders' equity	190,874,363	214,911,401
Total net assets	(*) 190,874,363	(*) 214,911,401
Total liabilities and net assets	345,529,503	385,675,097

(2) Income Statement

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

(3) Statement of Unitholders' Equity

Previous period (For the period ended February 28, 2021)

	Thousands of yen				
	Unitholders' equity				
	Unitholders' capital			Surplus	
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital	Unappropriated retained earnings (undisposed loss)	Total surplus
Balance at beginning of current period	141,127,710	(1,589,234)	139,538,476	3,663,973	3,663,973
Changes of items during period					
Issuance of new investment units	46,946,625		46,946,625		
Distributions in excess of retained earnings		(278,052)	(278,052)		
Dividends of retained earnings				(3,663,744)	(3,663,744)
Net income				4,667,085	4,667,085
Total changes of items during period	46,946,625	(278,052)	46,668,573	1,003,341	1,003,341
Balance at end of current period	(*1) 188,074,335	(1,867,286)	186,207,049	4,667,314	4,667,314

	Thousands of yen	
	Unitholders' equity	
	Total unitholders' equity	Total net assets
Balance at beginning of current period	143,202,449	143,202,449
Changes of items during period		
Issuance of new investment units	46,946,625	46,946,625
Distributions in excess of retained earnings	(278,052)	(278,052)
Dividends of retained earnings	(3,663,744)	(3,663,744)
Net income	4,667,085	4,667,085
Total changes of items during period	47,671,914	47,671,914
Balance at end of current period	190,874,363	190,874,363

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

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

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

(4) Statements related to Distributions

	Yen	
	For the periods ended	
	February 28, 2021	August 31, 2021
I Unappropriated retained earnings for the period	4,667,314,074	5,288,218,351
II Additional amount of distributions in excess of retained earnings		
Deduction for unitholders' capital	373,464,000	412,335,000
III Amount of distributions	5,040,126,000	5,699,505,000
(amount of distributions per investment unit)	(3,077)	(3,193)
Of which, distributions of retained earnings	4,666,662,000	5,287,170,000
(of which, distributions of retained earnings per unit)	(2,849)	(2,962)
Of which, distributions in excess of retained earnings	373,464,000	412,335,000
(of which, distributions in excess of retained earnings per unit)	(228)	(231)
IV Retained earnings brought forward	652,074	1,048,351

Method of calculation of amount of distributions

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

Based on this policy, 4,666,662,000 yen was allocated as distributions of retained earnings. This is the maximum value of the integral multiple of the total number of units of the investment units issued and outstanding at end of the period in an amount that is not in excess of unappropriated retained earnings.

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

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

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

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

Yen

For the periods ended

February 28, 2021

August 31, 2021

Based on this policy, the amount roughly equivalent to 30% of the 1,245,054,374 yen that is the amount remaining after deducting the total amount of accumulated depreciation recorded in the previous period from the total amount of accumulated depreciation calculated for this fiscal period was calculated to be 373,464,000 yen, and was allocated as distributions of earnings in excess of retained earnings (amount of contributions refunded that under tax law is equivalent to a capital- refund distribution).

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

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

(5) Statements of Cash Flows

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

(6) Notes with respect to Going Concern Assumptions

None

(7) Notes on Matters concerning Significant Accounting Policies

1. Valuation standard and valuation method for investment securities

Available-for-sale securities

There is no market price

The moving average cost method was adopted.

2. Method of depreciation of non-current assets

Property, plant and equipment (including trust assets)

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

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

3. Accounting treatment for deferred assets

(i) Deferred organization expenses

Amortized over a period of five years.

(ii) Issuance costs for corporate bonds

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

(iii) Investment unit issuance expenses

Amortized over a period of three years.

4. Standards for revenue and expense recognition

Treatment of fixed asset taxes

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

The amount equivalent to the first year's fixed asset tax that is borne by LLR in association with the acquisition of real estate or beneficiary interests in trusts holding real estate, as trust assets are not recognized as an expense; rather, they are included in the acquisition cost of the relevant real estate. The amount of fixed asset taxes, etc. included in the acquisition costs of real estate, etc. was 154,345 thousand yen in the previous fiscal period, and 142,659 thousand yen in the current fiscal period.

5. Hedge accounting method

(i) Method of hedge accounting

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

(ii) Hedging instruments and hedged items

Hedging instruments: interest rate swap transactions

Hedged items: interest on loans

(iii) Hedging policy

Under its market risk management policy, LLR engages in derivative transactions for the purpose of hedging risk as provided for in its bylaws.

(iv) Method of assessing hedge effectiveness

Assessment of hedge effectiveness was omitted since interest rate swaps satisfy the requirements for special treatment.

6. Scope of funds in the statements of cash flows

The funds in the statements of cash flows (cash and cash equivalents) comprise cash on hand and cash in trusts, bank deposits and trust deposits available for withdrawal on demand, and short-term investments due within three months of the acquisition date, which are readily convertible to cash and bear only an insignificant risk of price fluctuations.

7. Other matters which constitute the basis for preparation of financial statements

(i) Accounting treatment for beneficiary interests in trusts that have real estate as assets in trust

With respect to trust beneficiary interests held by LLR, where the underlying assets are entrusted real estate, all asset and liability accounts within the trust assets as well as all revenue and expense accounts arising from the trust assets are recognized in the relevant accounts of the balance sheet and statements of income.

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

- (a) Cash in trust and deposits in trust
 - (b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust, construction in progress in trust
 - (c) Lease and guarantee deposits in trust
 - (d) Tenant leasehold and security deposits in trust
- (ii) Treatment of consumption taxes

LLR applies the tax-excluded method for the accounting treatment of consumption taxes and local consumption taxes. The nondeductible portion of consumption taxes imposed in connection with assets was charged to expense in the period incurred.

(8) Notes to the Financial Statements

[Notes to Balance Sheet]

1. Commitment line agreement

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

	Thousands of yen	
	As of	
	February 28, 2021	August 31, 2021
Total amount of committed line of credit	4,000,000	4,000,000
Borrowings drawn down	-	-
Balance of unused committed line of credit	4,000,000	4,000,000

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

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

[Notes to Income Statement]

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

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

* 2. Breakdown of Gain on sales of real estate properties

Previous period (For the period ended February 28, 2021)

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

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

None

[Notes to Statement of Changes in Unitholders' Capital]

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

	For the periods ended	
	February 28, 2021	August 31, 2021
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	1,638,000 units	1,785,000 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

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

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

	Thousands of yen	
	As of	
	February 28, 2021	August 31, 2021
Due within one year	14,517,714	16,131,646
Due after one year	39,406,544	38,458,247
Total	53,924,259	54,589,894

[Notes to Financial Instruments]

1. Matters concerning the status of financial instruments

(i) Policy for handling financial instruments

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

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

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

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

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

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

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

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 (As of February 28, 2021)

Amounts recognized on the balance sheet as of the fiscal period ended February 28, 2021, 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).

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

Current period (As of August 31, 2021)

Amounts recognized on the balance sheet as of the fiscal period ended August 31, 2021, fair values, and differences between these amounts are presented below. Financial instruments for which it is extremely difficult to determine fair value are not included in the following tables (Note 2).

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

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

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

	Thousands of yen	
	As of	
	February 28, 2021	August 31, 2021
Investment securities (*1)	1,149,747	207,827
Tenant leasehold and security deposits in trust (*2)	4,239,193	4,756,026

*1. Investment securities 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.

*2. 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. Amount to be redeemed after date of settlement of monetary claims

Previous period (As of February 28, 2021)

	Thousands of yen	
	Due within one year	
Cash and deposits		17,259,071
Cash and deposits in trust		6,458,138

Current period (As of August 31, 2021)

	Thousands of yen	
	Due within one year	
Cash and deposits		19,293,300
Cash and deposits in trust		7,324,224

Note 4. Repayment schedule for investment corporation bonds, long-term loans payable and other interest-bearing debt after the closing date

Previous period (As of February 28, 2021)

	Thousands of yen					
	As of February 28, 2021					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Short-term loans payable	800,000	-	-	-	-	-
Investment corporation bonds payable	5,000,000	-	-	-	-	11,500,000
Long-term loans payable	550,000	18,100,000	17,694,000	9,070,000	21,450,000	62,180,000
Total	6,350,000	18,100,000	17,694,000	9,070,000	21,450,000	73,680,000

Current period (As of August 31, 2021)

	Thousands of yen					
	As of August 31, 2021					
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Short-term loans payable	700,000	-	-	-	-	-
Investment corporation bonds payable	5,000,000	-	-	-	-	11,500,000
Long-term loans payable	1,850,000	15,110,000	16,560,000	20,820,000	17,580,000	72,200,000
Total	7,550,000	15,110,000	16,560,000	20,820,000	17,580,000	83,700,000

[Notes to Securities]

Previous period (As of February 28, 2021)

Because there are no market prices for the preferred securities (1,149,747 thousand yen recognized on the balance sheet) and it is difficult to reasonably estimate cash flows, it is understood to be extremely difficult to assess fair value, so fair value is not listed.

Current period (As of August 31, 2021)

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

[Notes to Derivative Transactions]

1. Derivative transactions to which hedge accounting was not applied

Previous period (As of February 28, 2021)

None

Current period (As of August 31, 2021)

None

2. Derivative transactions to which hedge accounting was applied

Previous period (As of February 28, 2021)

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

			Thousands of yen			
			As of February 28, 2021			
			Contract amount			
Hedge accounting method	Type of derivative transaction	Primary hedged item	Total	Due after one year	Fair value	Fair value measurement
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fixed	Long-term loans payable	95,900,000	95,900,000	(Note)	(Note)

Current period (As of August 31, 2021)

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

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

Note: Because the derivative transactions subject to special treatment for interest rate swaps are treated integrally with long-term loans that are being hedged, the stated fair value incorporates the fair value of the relevant long-term loans. (Please refer to Item (5) Current portion of long-term loans payable and (7) Long-term loans payable under (Notes to Financial Instruments) "Matters concerning the fair value of financial instruments" and "Note 1. Methods used to calculate the fair value of financial instruments and matters concerning derivative transactions" above.)

[Notes to Transactions with Related Parties]

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

Previous period (For the period ended February 28, 2021)

None

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

None

2. Transactions and Account Balances with Affiliates

Previous period (For the period ended February 28, 2021)

None

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

None

3. Transactions and Account Balances with Companies under Common Control

Previous period (For the period ended February 28, 2021)

Classification	Name of the company	Address	Stated capital (thousands of yen)	Type of business	Percentage of voting rights owned	Relation		Type of transaction (Note 2)	Transaction amount (thousands of yen) (Note 1)	Account	Ending Balance (thousands of yen) (Note 1)
						Common board member	Business relationship				
Subsidiary of an affiliate	LaSalle REIT Advisors K.K.	Chiyoda-ku, Tokyo	164,500	Investment management business	-	Executive Director of LLR and President & CEO of the Asset Manager	Asset Manager	Payment of asset management fee (Note 3)	1,912,476	Accounts payable	1,262,521

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

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

Note 3. The asset management fee, attributable to property acquisition, was 764,730 thousand yen.

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

Classification	Name of the company	Address	Stated capital (thousands of yen)	Type of business	Percentage of voting rights owned	Relation		Type of transaction (Note 2)	Transaction amount (thousands of yen) (Note 1)	Account	Ending Balance (thousands of yen) (Note 1)
						Common board member	Business relationship				
Subsidiary of an affiliate	LaSalle REIT Advisors K.K.	Chiyoda-ku, Tokyo	164,500	Investment management business	-	Executive Director of LLR and President & CEO of the Asset Manager	Asset Manager	Payment of asset management fee (Note 3)	1,745,962	Accounts payable	1,478,347

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

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

Note 3. The asset management fee, attributable to property and investment security acquisitions, were 400,000 thousand yen and 2,010 thousand yen, respectively.

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

Previous period (For the period ended February 28, 2021)

None

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

None

[Notes on Tax Effect Accounting]

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

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

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

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

[Notes to Retirement Benefits]

Previous period (As of February 28, 2021)

None

Current period (As of August 31, 2021)

None

[Notes to Equity Method Earnings]

Previous period (As of February 28, 2021)

None

Current period (As of August 31, 2021)

None

[Notes to Asset Retirement Obligations]

Previous period (As of February 28, 2021)

None

Current period (As of August 31, 2021)

None

[Notes to Segment Information]

(Segment Information)

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

(Related information)

Previous period (For the period ended February 28, 2021)

(1) Information by Products and Services

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

(2) Information by Geographic Region

(i) Operating Revenues

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

(ii) Property and Equipment

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

(3) Information by Major Customers

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

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

(1) Information by Products and Services

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

(2) Information by Geographic Region

(i) Operating Revenues

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

(ii) Property and Equipment

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

(3) Information by Major Customers

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

[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.

	Thousands of yen	
	For the periods ended	
	February 28, 2021	August 31, 2021
Book value (Note 1)		
Balance at the beginning of the period	244,714,698	316,463,289
Changes during the period (Note 2)	71,748,591	39,611,155
Balance at the end of the period	316,463,289	356,074,444
Fair value at the end of the period (Note 3)	358,420,000	407,690,000

Note 1. Book value was calculated by deducting accumulated depreciation from the acquisition cost.

Note 2. The increase for period ended February 28, 2021, was a result of the acquisition of four properties during the period with a total value of 77,239,353 thousand yen. The decrease for period ended February 28, 2021, was a result of the disposition of one property during the period with a total value of 4,574,798 thousand yen and the recognition of depreciation expenses of 1,245,054 thousand yen, respectively. In addition, the increase for period ended August 31, 2021, was a result of the acquisition of one property during the period with a total value of 40,541,662 thousand yen. The decrease for period ended August 31, 2021, was a result of the recognition of depreciation expenses of 1,375,066 thousand yen, respectively.

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

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

[Note to Per Unit Information]

	Yen	
	For the periods ended	
	February 28, 2021	August 31, 2021
Net assets per unit	116,528	120,398
Net income per unit	2,852	3,041

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

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

	Thousands of yen	
	For the periods ended	
	February 28, 2021	August 31, 2021
Net income	4,667,085	5,287,566
Amount not attributable to ordinary unitholders	-	-
Net income attributable to ordinary investment units	4,667,085	5,287,566
Weighted average number of units outstanding	1,635,974	1,738,396

[Notes to Significant Subsequent Events]

None

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

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

Date	Description	Total number of outstanding investment units (units)		Unitholders' capital (Note 1) (thousand yen)		Comment
		Increase (decrease)	Balance	Increase (decrease)	Balance	
November 21, 2016	Distributions in excess of retained earnings (refund of investment)	-	1,100,000	(202,400)	106,161,565	(Note 2)
May 22, 2017	Distributions in excess of retained earnings (refund of investment)	-	1,100,000	(174,900)	105,986,665	(Note 3)
November 20, 2017	Distributions in excess of retained earnings (refund of investment)	-	1,100,000	(187,000)	105,799,665	(Note 4)
May 21, 2018	Distributions in excess of retained earnings (refund of investment)	-	1,100,000	(188,100)	105,611,565	(Note 5)
November 19, 2018	Distributions in excess of retained earnings (refund of investment)	-	1,100,000	(204,600)	105,406,965	(Note 6)
May 20, 2019	Distributions in excess of retained earnings (refund of investment)	-	1,100,000	(205,700)	105,201,265	(Note 7)
June 5, 2019	Public offering	104,761	1,204,761	12,271,808	117,473,073	(Note 8)
June 28, 2019	Third-party allotment	5,239	1,210,000	613,701	118,086,775	(Note 9)
September 18, 2019	Public offering	145,714	1,355,714	20,836,373	138,923,148	(Note 10)
October 10, 2019	Third-party allotment	7,286	1,363,000	1,041,861	139,965,010	(Note 11)
November 21, 2019	Distributions in excess of retained earnings (refund of investment)	-	1,363,000	(183,920)	139,781,090	(Note 12)
May 22, 2020	Distributions in excess of retained earnings (refund of investment)	-	1,363,000	(242,614)	139,538,476	(Note 13)
September 1, 2020	Public offering	261,904	1,624,904	44,710,941	184,249,417	(Note 14)
September 29, 2020	Third-party allotment	13,096	1,638,000	2,235,683	186,485,101	(Note 15)
November 18, 2020	Distributions in excess of retained earnings (refund of investment)	-	1,638,000	(278,052)	186,207,049	(Note 16)
April 27, 2021	Public offering	140,000	1,778,000	22,656,760	208,863,809	(Note 17)
May 21, 2021	Distributions in excess of retained earnings (refund of investment)	-	1,778,000	(373,464)	208,490,345	(Note 18)
May 25, 2021	Third-party allotment	7,000	1,785,000	1,132,838	209,623,183	(Note 19)

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

Note 2. At the Board of Directors Meeting of LLR on October 18, 2016, LLR decided to make distributions in excess of retained 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 fiscal period (ended August 31, 2016) and payment of these commenced on November 21, 2016.

Note 3. At the Board of Directors Meeting of LLR on April 14, 2017, LLR decided to make distributions in excess of retained

earnings (refund of contributions that under tax law is equivalent to a refund of investment) at an amount of 159 yen per unit as distributions of funds for the second fiscal period (ended February 28, 2017) and payment of these commenced on May 22, 2017.

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

3. Reference Information

(1) Information on Price of the Managed Assets

A) Composition of LLR's Assets

Type of assets	Use	Area (Note 1)	Previous period (February 28, 2021)		Current period (August 31, 2021)	
			Total amount held (million yen) (Note 2)	Percentage to total assets (%) (Note 3)	Total amount held (million yen) (Note 2)	Percentage to total assets (%) (Note 3)
Real estate in trust	Logistics facilities	Tokyo area	225,731	65.3	225,234	58.4
		Osaka area	90,731	26.3	130,840	33.9
		Other	-	-	-	-
		Subtotal	316,463	91.6	356,074	92.3
Investment securities (Note 4)			1,149	0.3	207	0.1
Deposits / other assets			27,916	8.1	29,392	7.6
Total assets			345,529	100.0	385,675	100.0

	Previous period (February 28, 2021)		Current period (August 31, 2021)	
	Amount (million yen)	Percentage to total assets (%) (Note 3)	Amount (million yen)	Percentage to total assets (%) (Note 3)
Total liabilities	154,655	44.8	170,763	44.3
Total net assets	190,874	55.2	214,911	55.7
Total assets	345,529	100.0	385,675	100.0

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

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

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

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

B) Investment Assets

(i) Main Issues of the Investment Securities

Type	Name of Securities	Quantity (units)	Carrying Amount (thousand yen)	Appraisal value (thousand yen) (Note 2)	Share of Total Assets (%)
Preferred Securities	Kansai 1 Property TMK Preferred Securities (Note 1)	201,000	207,827	207,827	0.1

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

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

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

(ii) Overview of Real Estate, etc.

(a) Portfolio Overview

The assets (real estate or beneficiary interests in trusts holding real estate as trust assets; collectively referred to as “asset holdings” hereinafter) held by LLR as of August 31, 2021 are presented below.

Area	Property number (Note 1)	Property name	Location	Form of possession	Property age (Years) (Note 2)	As of end of current period carrying amount (million yen)	Acquisition Price (million yen) (Note 3)	Investment ratio (%) (Note 4)	Appraisal value (million yen) (Note 5)	Gross floor area (㎡) (Note 6)	
Tokyo area	Tokyo-1	LOGIPORT Hashimoto (Note 7)	Kanagawa Prefecture Sagamihara City	Trust beneficiary interest	7	20,757	21,200	5.9	24,400	145,801.69	
	Tokyo-2	LOGIPORT Sagamihara (Note 8)	Kanagawa Prefecture Sagamihara City	Trust beneficiary interest	8	22,710	23,020	6.4	26,600	200,045.57	
	Tokyo-3	LOGIPORT Kitakashiwa	Chiba Prefecture Kashiwa City	Trust beneficiary interest	9	24,879	25,300	7.1	30,400	104,302.62	
	Tokyo-5	LOGIPORT Nagareyama B	Chiba Prefecture Nagareyama City	Trust beneficiary interest	13	25,968	26,600	7.4	31,400	133,414.76	
	Tokyo-6	LOGIPORT Higashi Ogishima A	Kanagawa Prefecture Kawasaki City	Trust beneficiary interest	34	18,967	19,000	5.3	20,600	100,235.67	
	Tokyo-7	LOGIPORT Higashi Ogishima B	Kanagawa Prefecture Kawasaki City	Trust beneficiary interest	30	18,974	19,120	5.3	21,800	117,546.26	
	Tokyo-8	LOGIPORT Higashi Ogishima C	Kanagawa Prefecture Kawasaki City	Trust beneficiary interest	20	23,372	23,700	6.6	26,600	116,997.14	
	Tokyo-9	LOGIPORT Kawagoe	Saitama Prefecture Kawagoe City	Trust beneficiary interest	11	11,843	11,950	3.3	12,800	50,742.47	
	Tokyo-11	LOGIPORT Kashiwa Shonan	Chiba Prefecture Kashiwa City	Trust beneficiary interest	3	9,266	9,300	2.6	10,500	40,878.58	
	Tokyo-12	LOGIPORT Sayama Hidaka	Saitama Prefecture Hidaka City	Trust beneficiary interest	6	6,424	6,430	1.8	6,640	23,570.37	
	Tokyo-13	Higashi Ogishima (leasehold land)	Kanagawa Prefecture Kawasaki City	Trust beneficiary interest	-	1,264	1,189	0.3	1,650	-	
	Tokyo-14	LOGIPORT Kawasaki Bay (Note 9)	Kanagawa Prefecture Kawasaki City	Trust beneficiary interest	2	32,185	32,200	9.0	35,160	289,164.66	
	Tokyo-15	LOGIPORT Shinmoriya	Ibaraki Prefecture Tsukubamirai City	Trust beneficiary interest	2	8,619	8,580	2.4	9,530	37,089.81	
	Osaka area	Osaka-1	LOGIPORT Sakai Minamijimacho	Osaka Prefecture Sakai City	Trust beneficiary interest	5	8,066	8,150	2.3	8,960	30,696.61
		Osaka-2	LOGIPORT Sakai Chikko Shinmachi (Note 10)	Osaka Prefecture Sakai City	Trust beneficiary interest	3	4,341	4,160	1.2	5,050	20,428.39
Osaka-3		LOGIPORT Osaka Taisho (Note 11)	Osaka Prefecture Osaka City	Trust beneficiary interest	4	17,607	17,655	4.9	19,700	117,037.14	
Osaka-5		LOGIPORT Amagasaki	Hyogo Prefecture Amagasaki City	Trust beneficiary interest	4	48,203	48,200	13.5	60,200	259,004.56	

Area	Property number (Note 1)	Property name	Location	Form of possession	Property age (Years) (Note 2)	As of end of current period carrying amount (million yen)	Acquisition Price (million yen) (Note 3)	Investment ratio (%) (Note 4)	Appraisal value (million yen) (Note 5)	Gross floor area (m ²) (Note 6)
	Osaka-6	LOGIPORT Sakai (Note 12)	Osaka Prefecture Sakai City	Trust beneficiary interest	4	12,129	12,075	3.4	12,800	115,552.35
	Osaka-7	LOGIPORT Osaka Bay	Osaka Prefecture Osaka City	Trust beneficiary interest	4	40,417	40,000	11.2	42,900	139,551.94
Portfolio total / average					10	356,000	357,829	100.0	407,690	2,042,060.59

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

Note 2. "Property Age" with respect to "LOGIPORT Amagasaki" was calculated by taking the period from October 13, 2017, when renovation work and conversion from a factory to logistics facility was completed, to August 31, 2021, and this result was rounded to the nearest decimal place. The number presented as the portfolio age average is the weighted average weighted by acquisition price, rounded to the nearest whole number.

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

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

Note 5. "Appraisal value" represents the appraisal value as of August 31, 2021, shown in the real estate appraisal documents prepared by Tanizawa Sogo Appraisal Co, Ltd., CBRE K.K. or Japan Real Estate Institute, which have been contracted to appraise the asset holdings.

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

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

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

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

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

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

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

(b) Tenant Agreements

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

Area	Property number	Property name	Number of tenants (Note 1)	Annual lease revenue (million yen) (Note 2)	Lease & guarantee deposits (million yen) (Note 3)	Leasable floor area (㎡) (Note 4)	Leased floor area (㎡) (Note 5)	Occupancy rate (%) (Note 6)	
Tokyo area	Tokyo-1	LOGIPORT Hashimoto (Note 7)	16	1,185	291	130,052	130,052	100.0	
	Tokyo-2	LOGIPORT Sagamihara (Note 8)	19	1,334	313	180,971	180,373	99.7	
	Tokyo-3	LOGIPORT Kitakashiwa	6	1,410	393	100,211	100,211	100.0	
	Tokyo-5	LOGIPORT Nagareyama B	8	1,428	311	112,684	112,551	99.9	
	Tokyo-6	LOGIPORT Higashi Ogishima A	21	1,111	333	85,281	82,757	97.0	
	Tokyo-7	LOGIPORT Higashi Ogishima B	18	1,168	362	103,731	98,856	95.3	
	Tokyo-8	LOGIPORT Higashi Ogishima C	18	1,349	265	114,925	110,177	95.9	
	Tokyo-9	LOGIPORT Kawagoe	4	656	160	53,088	53,088	100.0	
	Tokyo-11	LOGIPORT Kashiwa Shonan	1	Not disclosed (Note 12)	Not disclosed (Note 12)	40,773	40,773	100.0	
	Tokyo-12	LOGIPORT Sayama Hidaka	1	Not disclosed (Note 12)	Not disclosed (Note 12)	23,565	23,565	100.0	
	Tokyo-13	Higashi Ogishima (leasehold land)	1	Not disclosed (Note 12)	Not disclosed (Note 12)	11,472	11,472	100.0	
	Tokyo-14	LOGIPORT Kawasaki Bay (Note 9)	13	1,531	353	261,801	261,412	99.9	
	Tokyo-15	LOGIPORT Shinmoriya	1	Not disclosed (Note 12)	Not disclosed (Note 12)	37,092	37,092	100.0	
	Osaka Area	Osaka-1	LOGIPORT Sakai Minamijimacho	1	Not disclosed (Note 12)	Not disclosed (Note 12)	30,690	30,690	100.0
		Osaka-2	LOGIPORT Sakai Chikko Shinmachi	1	Not disclosed (Note 12)	Not disclosed (Note 12)	20,427	20,427	100.0
Osaka-3		LOGIPORT Osaka Taisho (Note 10)	11	932	224	106,929	102,691	96.0	
Osaka-5		LOGIPORT Amagasaki	12	3,084	889	216,458	215,444	99.5	
Osaka-6		LOGIPORT Sakai (Note 11)	6	629	140	112,711	111,138	98.6	
Osaka-7		LOGIPORT Osaka Bay	11	1,859	734	136,516	136,516	100.0	
Portfolio total / average			169	19,663	5,261	1,879,386 1,478,651	1,859,295 1,461,462	98.9 98.8	

Note 1. "Number of tenants" is stated as the total number of lease agreements associated with the buildings shown for each of the trust properties as of August 31, 2021. If a master lease agreement has been executed for the trust property, it is stated as the total number of end tenants. However, if the same lessee has executed multiple lease agreements at the trust property, that lessee is counted as one tenant when arriving at calculating the total.

Note 2. "Annual lease revenue" is stated as the total annualized monthly rent calculated by multiplying the monthly lease amount (including common service fees) shown in each lease agreement associated with each trust property as of August 31, 2021 (excluding consumption taxes) by 12, rounded down to the nearest million yen. Therefore, the sum of the "annual lease revenue" for the individual trust properties may not necessarily match the portfolio total.

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

lease agreement associated with each trust property for each trust property as of August 31, 2021, rounded down to the nearest million yen. Therefore, the sum of the individual “lease & guarantee deposits” for the properties may not necessarily match the portfolio total.

- Note 4. “Leasable floor area” is the area that can be leased at the buildings associated with each trust property as of August 31, 2021, stated as the aggregate of the area considered leasable under the lease agreements or building drawings, rounded down to the nearest whole number. Additionally, in the “Portfolio total” row, the upper figure represents the aggregate leasable floor area for the buildings of each trust property. The lower figure represents the aggregate leasable floor area for the buildings of each trust property after factoring in LLR's share in the joint co-ownership interests in a trust beneficiary interest and calculating leasable floor area proportional to LLR's share, in cases of trust properties in which LLR has share of the joint co-ownership interests.
- Note 5. “Leased floor area” is stated as the aggregate leased floor area associated with the buildings shown in the lease agreements for each of the trust properties as of August 31, 2021. If a master lease agreement has been executed for the trust property, it is stated as the aggregate of the area which has actually been leased through the execution of lease agreements with end tenants, rounded down to the nearest whole number. Additionally, in the “Portfolio total/average” row, the upper figure represents the aggregate leased floor area for the buildings of each trust property. The lower figure represents the ratio of the aggregate leased floor area for the buildings of each trust property after factoring in LLR's share in the joint co-ownership interests in a trust beneficiary interest and calculating leased floor area proportional to LLR's share, in cases of trust properties in which LLR has share of the joint co-ownership interests.
- Note 6. “Occupancy rate” is stated as the ratio of leased floor area to leasable floor area with the buildings shown in the lease agreements for each of the trust properties as of August 31, 2021, rounded to the second decimal place. Additionally, in the “Portfolio total/average” row, the upper figure represents the ratio of the aggregate Leased Floor Area for a given building divided by the Leasable Floor Area for a given building, rounded to the second decimal place. The lower figure represents the ratio of the aggregate Leased Floor Area for a given building divided by the Leasable Floor Area for a given building, rounded to the second decimal place, after factoring in LLR's share in the joint co-ownership interests in a trust beneficial interest and calculating leasable and leased floor area proportional to LLR's share, in cases of trust properties in which LLR has share of the joint co-ownership interests.
- Note 7. The total number of tenants, leasable floor area, and leased floor area, and occupancy rate for “LOGIPORT Hashimoto” are stated as figures for the entire building, while the annual lease revenue and lease & guarantee deposits are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (55%).
- Note 8. The total number of tenants, leasable floor area, and leased floor area, and occupancy rate for “LOGIPORT Sagamihara” are stated as the figure for the entire building, while the annual lease revenue and lease & guarantee deposits are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (51%).
- Note 9. The total number of tenants, leasable floor area, and leased floor area, and occupancy rate for LOGIPORT Kawasaki Bay are stated as figures for the entire building, while the annual lease revenue and lease & guarantee deposits are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (40%).
- Note 10. The total number of tenants, leasable floor area, and leased floor area, and occupancy rate for LOGIPORT Osaka Taisho are stated as figures for the entire building, while the annual lease revenue and lease & guarantee deposits are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (62.5%).
- Note 11. The total number of tenants, leasable floor area, and leased floor area, and occupancy rate for “LOGIPORT Sakai” are stated as the figure for the entire building, while the annual lease revenue and lease & guarantee deposits are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (50%).
- Note 12. Not disclosed because approval for disclosure has not been obtained from the tenant.

(c) Appraisal report summary

Area	Property number	Property name	Appraiser	Appraisal date	Appraisal Value (million yen)	Cost-approach value (million yen)	Income approach value (million yen)				
							Direct capitalization method		Discounted cash flow (DCF) method		
							Income-approach value	Capitalization rate (%)	Income-approach value	Discount rate (%)	Terminal capitalization rate (%)
Tokyo area	Tokyo-1	LOGIPORT Hashimoto (Note 1)	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2021	24,400	20,700	24,500	3.9	24,300	4.0	4.1
	Tokyo-2	LOGIPORT Sagamihara (Note 2)	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2021	26,600	23,800	27,100	4.0	26,400	4.1	4.2
	Tokyo-3	LOGIPORT Kitakashiwa	CBRE K.K.	August 31, 2021	30,400	23,700	30,900	3.8	30,400	3.6	3.9
	Tokyo-5	LOGIPORT Nagareyama B	CBRE K.K.	August 31, 2021	31,400	23,100	31,000	4.1	31,400	3.8	4.1
	Tokyo-6	LOGIPORT Higashi Ogishima A	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2021	20,600	20,200	20,800	4.2	20,500	4.3	4.4
	Tokyo-7	LOGIPORT Higashi Ogishima B	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2021	21,800	21,600	22,000	4.2	21,700	4.3	4.4
	Tokyo-8	LOGIPORT Higashi Ogishima C	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2021	26,600	25,900	27,200	4.1	26,400	4.2	4.3
	Tokyo-9	LOGIPORT Kawagoe	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2021	12,800	11,300	13,100	4.2	12,600	4.3	4.4
	Tokyo-11	LOGIPORT Kashiwa Shonan	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2021	10,500	10,300	10,700	4.2	10,400	4.1 (Note 8)	4.4
	Tokyo-12	LOGIPORT Sayama Hidaka	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2021	6,640	6,420	6,810	4.2	6,560	4.1 (Note 9)	4.4
	Tokyo-13	Higashi Ogishima (leasehold land)	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2021	1,650	-	-	-	1,650	3.5 (Note 10)	3.6
	Tokyo-14	LOGIPORT Kawasaki Bay (Note 3)	Japan Real Estate Institute	August 31, 2021	35,160	33,600	35,480	3.9	34,800	3.6	4.0
	Tokyo-15	LOGIPORT Shinmoriya	Japan Real Estate Institute	August 31, 2021	9,530	8,000	9,640	4.3	9,420	3.8	4.4
Osaka Area	Osaka-1	LOGIPORT Sakai Minamijimacho	Japan Real Estate Institute	August 31, 2021	8,960	5,660	9,020	4.3	8,890	3.9	4.4
	Osaka-2	LOGIPORT Sakai Chikko Shinmachi (Note 4)	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2021	5,050	4,570	5,140	4.4	5,010	4.3 (Note 11)	4.6
	Osaka-3	LOGIPORT Osaka Taisho (Note 5)	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2021	19,700	17,600	20,400	4.0	19,400	4.1	4.2
	Osaka-5	LOGIPORT Amagasaki (Note 6)	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2021	60,200	54,100	60,100	4.2	59,767	4.3	4.4
	Osaka-6	LOGIPORT Sakai (Note 7)	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2021	12,800	10,800	13,000	4.3	12,700	4.4	4.5
	Osaka-7	LOGIPORT Osaka Bay	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2021	42,900	42,000	44,800	3.9	42,100	4.0	4.1
Portfolio total					407,690	363,350	411,690		404,397		

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

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

- Note 3. The appraisal value, cost-approach value, and income-approach values based on the direct capitalization method, and DCF method for LOGIPORT Kawasaki Bay are stated as amounts proportional to the joint co-ownership interests in trust beneficiary interests that LLR holds (40%).
- Note 4. LOGIPORT Sakai Chikko Shinmachis appraised value, cost approach valuation, direct capitalization and DCF method income approach valuation, each include a value attributed to the solar power generation equipment completed on August 31, 2020.
- Note 5. The appraisal value, cost-approach value, and income-approach values based on the direct capitalization method, and DCF method for LOGIPORT Osaka Taisho are stated as amounts proportional to the joint co-ownership interests in trust beneficiary interests that LLR holds (62.5%).
- Note 6. The value indicated by the cost-approach and direct capitalization method for LOGIPORT Amagasaki does not include the East Hazardous Materials Warehouse which was under construction as of August 31, 2021. The appraisal value and the value indicated by the income-approach under the DCF method (development lease type) are amounts that include the East Hazardous Materials Warehouse.
- Note 7. The appraisal value, cost-approach value, and income-approach values based on the direct capitalization method, and DCF method for LOGIPORT Sakai are stated as amounts proportional to the joint co-ownership interests in trust beneficiary interests that LLR holds (50%).
- Note 8. The discount rate for LOGIPORT Kashiwa Shonan is stated as the figure from the first fiscal year until the third fiscal year.
- Note 9. The discount rate for LOGIPORT Sayama Hidaka is stated as the figure from the first fiscal year until the second fiscal year.
- Note 10. The discount rate for Higashi Ogishima (leasehold land) is stated as the figure from the first fiscal year until the second fiscal year.
- Note 11. The discount rate for LOGIPORT Sakai Chikko Shinmachi is stated as the figure from the first fiscal year until the sixth fiscal year.

(d) Information about major real estate properties

Of the assets held by LLR, those properties where “total annual lease revenue” represents 10% or more of the “total annual lease revenue for the entire portfolio” as of August 31, 2021 are presented below.

Property name	Total annual lease revenue (million yen) (Note 1)	Share of lease revenue (%) (Note 2)
LOGIPORT Amagasaki (Note 3)	3,084	15.7
Total	3,084	15.7

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 August 31, 2021 (excluding consumption taxes), calculated by multiplying by 12, rounded down to the nearest million yen.

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

(e) Information about Major Tenants

Within the assets held by LLR, as of August 31, 2021 there are no tenants for which the leased floor area represents 10% or more of the total leased floor area for the entire portfolio (for those assets for which a pass-through type master lease agreement has been executed, this includes the end tenants and excludes the master lessee that has executed the master lease agreement).

(f) Portfolio Diversification

The distribution of LLR's asset holdings according to classification by area as of August 31, 2021 is as shown below.

a. Share by area

Area	Number of properties (Note 1)	Gross floor area (m ²)		Share (%)		Acquisition price (million yen)		Share (%)	
		(Note 1)	(Note 2)	(Note 1)	(Note 3)	(Note 1)	(Note 4)	(Note 1)	(Note 3)
Tokyo area	13	1,359,789.60		66.6		227,589		63.6	
Osaka area	6	682,270.99		33.4		130,240		36.4	
Other	-	-		-		-		-	
Total	19	2,042,060.59		100.0		357,829		100.0	

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

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

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

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

b. Share by property age (Note 1)

Property age (Note 2)	Number of properties	Gross floor area (m ²) (Note 3)	Share (%) (Note 4)	Acquisition Price (million yen) (Note 5)	Share (%) (Note 4)
20 years or more	3	334,779.07	16.4	61,820	17.3
At least 15 years but less than 20 years	-	-	-	-	-
At least 10 years but less than 15 years	2	184,157.23	9.0	38,550	10.8
At least 5 years but less than 10 years	5	504,416.86	24.7	84,100	23.6
Less than 5 years	8	1,018,707.43	49.9	172,170	48.3
Total	18	2,042,060.59	100.0	356,640	100.0

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

Note 2. "Property Age" with respect to "LOGIPORT Amagasaki" was calculated by taking the period from October 13, 2017, when renovation work and conversion from a factory to logistics facility was completed, to August 31, 2021, and this result was rounded to the nearest decimal place.

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

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

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

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

Size (gross floor area) (m ²)	Number of properties	Gross floor area (m ²) (Note 2)	Share (%) (Note 3)	Acquisition Price (million yen) (Note 4)	Share (%) (Note 3)
At least 100,000 m ²	12	1,838,654.36	90.0	308,070	86.4
At least 50,000 m ² less than 100,000 m ²	1	50,742.47	2.5	11,950	3.4
At least 30,000 m ² less than 50,000 m ²	3	108,665.00	5.3	26,030	7.3
At least 10,000 m ² less than 30,000 m ²	2	43,998.76	2.2	10,590	3.0
Less than 10,000 m ²	-	-	-	-	-
Total	18	2,042,060.59	100.0	356,640	100.0

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

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

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

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

d. Share by remaining lease term

Lease term (remaining lease term) (Note 1) (Note 2)	Leased floor area (m ²) (Note 3) (Note 5) (Note 6)	Share (%) (Note 4)	Annual lease revenue (million yen) (Note 3) (Note 5) (Note 6)	Share (%) (Note 4)
7 years or more	158,862	10.9	2,077	10.6
At least 5 years but less than 7 years	84,818	5.8	1,090	5.5
At least 3 years but less than 5 years	306,921	21.0	4,433	22.5
At least 1 year but less than 3 years	570,126	39.0	7,887	40.1
Less than 1 year	340,732	23.3	4,175	21.2
Total	1,461,462	100.0	19,663	100.0

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

Note 2. "Lease term (remaining term)" is based on the remaining term of leases as of August 31, 2021, under the lease agreements for asset holdings that have been executed as of that date.

Note 3. "Leased floor area" is stated as the leased floor area associated with each trust property for each trust property as of August 31, 2021, while "annual lease revenue" is stated as the annualized monthly rent (including common service fees) shown in each lease agreement associated with each trust property for each trust property as of August 31, 2021 (for trust properties with multiple lease agreements, the aggregate thereof) (excluding consumption taxes) calculated by multiplying by 12, rounded down to the nearest million yen. These are then aggregated for each remaining lease term category.

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

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

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

(g) Property Income/Expenses

(Unit: thousand yen)

Property number	Tokyo-1	Tokyo-2	Tokyo-3	Tokyo-5	Tokyo-6
Name of property	LOGIPORT Hashimoto	LOGIPORT Sagamihara	LOGIPORT Kitakashiwa	LOGIPORT Nagareyama B	LOGIPORT Higashi Ogishima A
Number of operating days in 11th period	184	184	184	184	184
(i) Total real estate leasing revenues	634,529	719,714	774,541	765,943	612,137
Rental revenues	590,141	666,417	697,381	708,159	555,019
Other rental revenues	44,387	53,296	77,159	57,783	57,117
(ii) Total real estate leasing expenses	194,035	225,792	258,528	287,893	180,530
Outsourcing costs	20,376	32,441	31,637	29,832	39,294
Utilities expenses	26,289	32,864	48,898	34,719	15,780
Taxes and public dues	52,919	59,278	72,614	51,058	40,346
Insurance premiums	819	964	1,210	1,421	1,118
Repair and maintenance	4,596	8,649	5,293	7,921	13,932
Depreciation	75,505	68,989	95,643	134,272	66,765
Other leasing expenses	13,527	22,602	3,230	28,668	3,292
(iii) Real estate leasing profit (= (i) - (ii))	440,493	493,921	516,013	478,049	431,606
(iv) Rent NOI (= (iii) + Depreciation)	515,999	562,911	611,656	612,322	498,371

(Unit: thousand yen)

Property number	Tokyo-7	Tokyo-8	Tokyo-9	Tokyo-11	Tokyo-12
Name of property	LOGIPORT Higashi Ogishima B	LOGIPORT Higashi Ogishima C	LOGIPORT Kawagoe	LOGIPORT Kashiwa Shonan	LOGIPORT Sayama Hidaka
Number of operating days in 11th period	184	184	184	184	184
(i) Total real estate leasing revenues	671,617	757,392	341,523		
Rental revenues	584,415	684,969	319,122		
Other rental revenues	87,201	72,423	22,401		
(ii) Total real estate leasing expenses	216,370	244,587	117,317		
Outsourcing costs	43,977	56,873	18,292		
Utilities expenses	25,206	23,264	16,622	Not disclosed (Note)	Not disclosed (Note)
Taxes and public dues	61,397	61,059	26,046		
Insurance premiums	1,404	1,475	526		
Repair and maintenance	11,656	5,684	12,916		
Depreciation	68,700	93,210	42,290		
Other leasing expenses	4,028	3,018	623		
(iii) Real estate leasing profit (= (i) - (ii))	455,246	512,805	224,205	191,311	120,652
(iv) Rent NOI (= (iii) + Depreciation)	523,947	606,016	266,495	227,349	141,605

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

(Unit: thousand yen)

Property number	Tokyo-13	Tokyo-14	Tokyo-15	Osaka-1	Osaka-2
Name of property	Higashi Ogishima (leasehold land)	LOGIPORT Kawasaki Bay	LOGIPORT Shinmoriya	LOGIPORT Sakai Minamijimacho	LOGIPORT Sakai Chikko Shinmachi
Number of operating days in 11th period	184	184	184	184	184
(i) Total real estate leasing revenues		799,850			
Rental revenues		773,036			
Other rental revenues		26,814			
(ii) Total real estate leasing expenses		251,491			
Outsourcing costs		23,896			
Utilities expenses	Not disclosed (Note)	23,333	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Taxes and public dues		89,650			
Insurance premiums		1,483			
Repair and maintenance		361			
Depreciation		107,369			
Other leasing expenses		5,397			
(iii) Real estate leasing profit (= (i) - (ii))	22,254	548,359	156,160	144,618	91,496
(iv) Rent NOI (= (iii) + Depreciation)	22,254	655,728	190,915	175,663	115,799

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

(Unit: thousand yen)

Property number	Osaka-3	Osaka-5	Osaka-6	Osaka-7
Name of property	LOGIPORT Osaka Taisho	LOGIPORT Amagasaki	LOGIPORT Sakai	LOGIPORT Osaka Bay
Number of operating days in 11th period	184	184	184	124
(i) Total real estate leasing revenues	473,456	1,629,123	351,472	632,497
Rental revenues	447,637	1,532,201	336,380	602,074
Other rental revenues	25,819	96,922	15,092	30,422
(ii) Total real estate leasing expenses	167,871	545,448	155,510	177,174
Outsourcing costs	18,961	53,971	17,731	15,897
Utilities expenses	17,907	68,023	13,355	23,997
Taxes and public dues	55,425	178,343	42,377	-
Insurance premiums	1,331	1,866	1,087	1,209
Repair and maintenance	1,428	12,346	465	1,393
Depreciation	71,800	224,677	53,650	125,094
Other leasing expenses	1,016	6,219	26,841	9,581
(iii) Real estate leasing profit (= (i) - (ii))	305,584	1,083,675	195,962	455,322
(iv) Rent NOI (= (iii) + Depreciation)	377,385	1,308,352	249,612	580,417

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

(2) Capital Expenditures on Portfolio Assets

A) Planned capital expenditures

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

Property number	Property name	Location	Purpose	Expected timing	Estimated work costs (million yen) (Note)		
					Total amount	Current Payment Amount	Total amount paid
Osaka-5	LOGIPORT Amagasaki	Hyogo Prefecture Amagasaki City	Hazardous material warehouse expansion project	From February, 2021 To September, 2021	448	55	67

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

B) Capital expenditures during the period

A summary of the main projects, treated as capital expenditures, associated with real estate held by LLR that were undertaken during the period is presented below. Capital expenditures were 383 million yen for the period, and there were also 87 million yen in maintenance expenses classified as other operating expenses.

Property number	Property name	Location	Purpose	Implementation period	Amount paid (million yen) (Note)
Tokyo-5	LOGIPORT Nagareyama (B)	Chiba Prefecture Nagareyama City	GHP Renewal	From December, 2020 To May, 2021	136
Tokyo-5	LOGIPORT Nagareyama (B)	Chiba Prefecture Nagareyama City	3F warehouse and office LED installation	From July, 2021 To August, 2021	24
Osaka-5	LOGIPORT Amagasaki	Hyogo Prefecture Amagasaki City	4F LED installation	From July, 2021 To August, 2021	15
Other capital expenditures					207
Total					383

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

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

None