

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

May 20, 2016

REIT Issuer: LaSalle LOGIPORT REIT Stock Exchange Listing: TSE
 Securities Code: 3466 URL: <http://lasalle-logiport.com/english/>
 Representative: (Title) Executive Director (Name) Toshimitsu Fujiwara

Asset Management Company: LaSalle REIT Advisors K.K.

Representative: (Title) President and CEO (Name) Toshimitsu Fujiwara

Contact: (Title) Director, General Manager of Finance & Management Department (Name) Daisuke Ishida

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Supplementary information for interim financial results: Yes

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

(Amounts are rounded down to the nearest million yen)

1. Financial Results for the Interim Period from October 9, 2015 to March 31, 2016

(1) Management

(% figures show period-over-period change)

	Operating revenues		Operating income		Ordinary income		Net income	
Interim period ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2016	1,134	-	723	-	227	-	227	-

	Net income per unit
Interim period ended	Yen
March 31, 2016	822 (212)

Note 1. While the interim period of LaSalle LOGIPORT REIT's (LLR's) ended March 31, 2016, was a period of 175 days from October 9, 2015 to March 31, 2016, the assets were actually under management for 44 days starting on February 17, 2016.

Note 2. Net income per unit was calculated by dividing net income by the daily weighted average number of investment units (276,340 units). In addition, net income per unit calculated using the daily weighted average number of investment units with the date of commencement of actual management (February 17, 2016) deemed as the beginning of the fiscal period (1,070,730 units) is shown in parentheses.

Note 3. Presentation of percentage figures for operating revenues, operating income, ordinary income and net income are the rate of period-over-period changes, but are not applicable for the fiscal period ending August 31, 2016 because it is the first fiscal period.

This is an English language translation of the original Japanese announcement of the financial statements ("Kessan Tanshin"). This translation is provided for information purposes only. Should there be any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.

(2) Financial Position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
	Million yen	Million yen	%	Yen
Interim period ended March 31, 2016	174,266	106,591	61.2	96,901

(3) Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at period end
	Million yen	Million yen	Million yen	Million yen
Interim period ended March 31, 2016	(2,634)	(162,622)	169,782	4,524

2. Forecasts for the Fiscal Periods Ending August 31, 2016 (October 9, 2015 to August 31, 2016) and February 28, 2017 (September 1, 2016 to February 28, 2017)

(% figures show period-over-period change)

	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (including those in excess of earnings per unit)	Distributions per unit (excluding those in excess of earnings per unit)	Distributions per unit in excess of earnings per unit
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen	Yen
Fiscal period ending August 31, 2016	5,105	-	3,053	-	2,367	-	2,366	-	2,332	2,150	182
Fiscal period ending February 28, 2017	4,774	(6.5)	2,845	(6.8)	2,626	10.9	2,625	11.0	2,543	2,386	157

Reference: Forecasted net income per unit (forecasted net income ÷ forecasted average number of investment units during the fiscal period)

(Period ending August 31, 2016) 2,150 yen (Period ending February 28, 2017) 2,386 yen

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

*Other

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

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

(2) Total number of investment units issued and outstanding

- (i) Total number of investment units issued and outstanding (including treasury units) at the end of the interim period

As of March 31, 2016 1,100,000 units

- (ii) Number of treasury units at the end of the interim period

As of March 31, 2016 --- units

Note: Please refer to “Notes on Per Unit Information” on page 25 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 interim financial results, audit procedures for the interim financial results pursuant to the Financial Instruments and Exchange Act have not been completed.

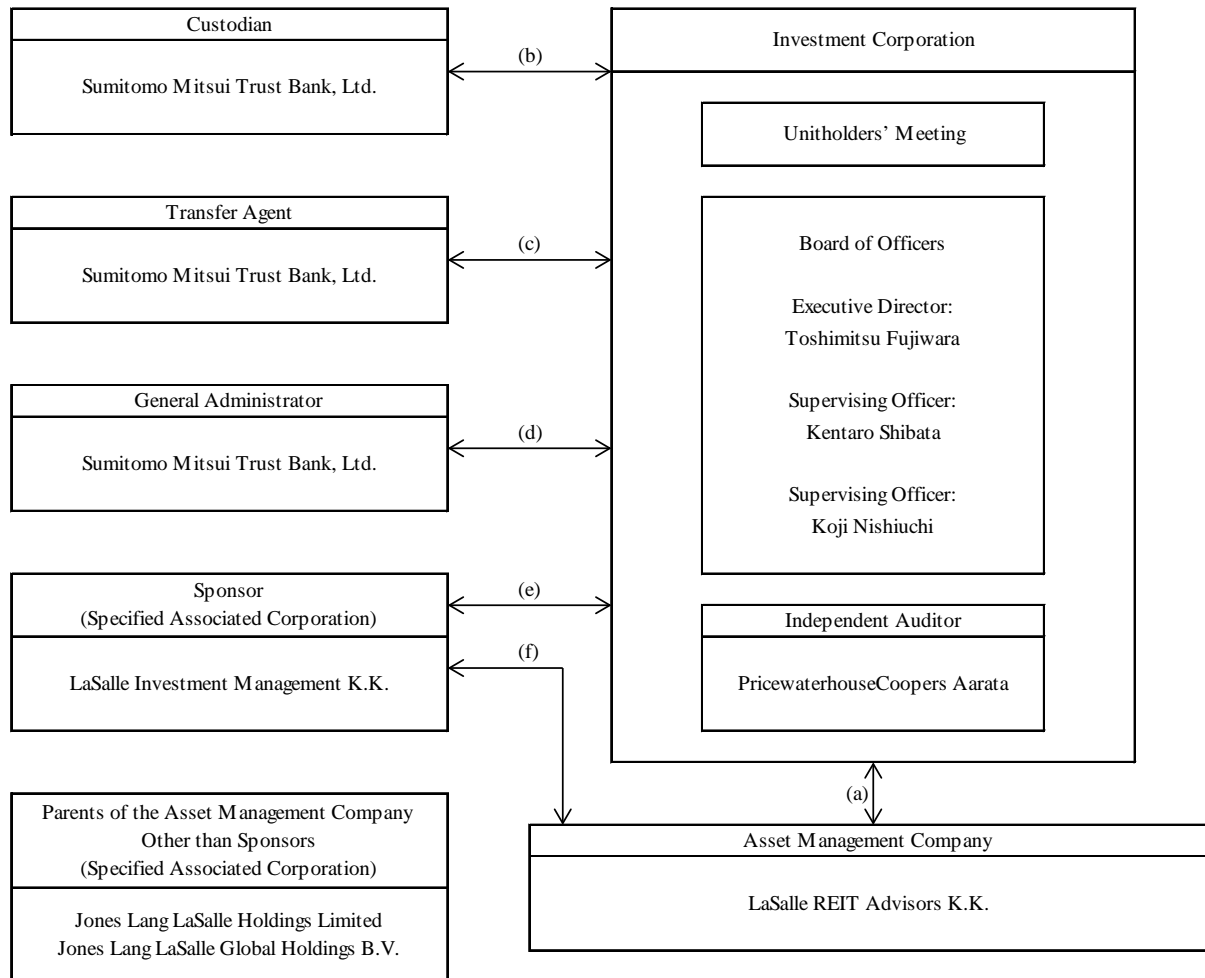
*Appropriate use of the forecast of financial results and other matters of special note

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

The first fiscal period for LLR began on October 9, 2015 and will end on August 31, 2016, and because this period exceeds nine months, LLR has decided to disclose its interim financial results. In the future the closing dates of LLR’s fiscal period will be the last day of February and August 31.

1. Related Organizations

(1) Structure of the REIT



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

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

Operational Role	Name	Description of Operations
Investment Corporation	LaSalle LOGIPORT REIT	LLR invests primarily in real estate-related assets, with an emphasis on logistics facilities.
Asset Management Company	LaSalle REIT Advisors K.K.	LaSalle REIT Advisors K.K. entered into an asset management agreement with LLR. Under this agreement, and in accordance with bylaws established by LLR and investment guidelines which serve as the asset management company's internal rules, LaSalle REIT Advisors K.K., as an asset management company under the Investment Trusts Act, provides services concerning management of the assets.
Custodian	Sumitomo Mitsui Trust Bank, Limited	Sumitomo Mitsui Trust Bank, Limited ("SMTB") entered into an asset custody agreement with LLR. Under this agreement, SMTB provides custodial services as a custodian under the Investment Trusts Act.
Transfer Agent (Registrar)	Sumitomo Mitsui Trust Bank, Limited	<p>(a) SMTB entered into a transfer agent agreement with LLR (the asset management company that formed LLR executed the aforementioned transfer agent agreement, and LLR succeeded to the asset management company's contractual status). Under this agreement, SMTB, as the transfer agent in accordance with the Investment Trusts Act (1), prepares and keeps the unitholder register and otherwise administers the unitholder register, (2) administers the cash disbursements of distributions to unitholders, and (3) accepts unitholder applications to exercise their voting rights with respect to LLR and other unitholder filings on behalf of LLR.</p> <p>(b) Furthermore, in relation to the aforementioned administrative services, SMTB is contracted to provide various services such as obtaining, using, and controlling individual numbers and corporate numbers assigned under the Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure (No. 27 of 2013, including subsequent amendments).</p>

General Administrator (agent contracted to perform services related to organizational operation, calculations, accounting, and tax payments)	Sumitomo Mitsui Trust Bank, Limited	SMTB entered into a general administrative agreement with LLR to provide general administrative services (services related to organizational operations, calculations, accounting, and tax payments). Under this agreement, SMTB, as the general administrative agent under the Investment Trusts Act (agent contracted to perform services related to organizational operations, calculations, accounting, and tax payments), provides administrative services related to (1) the operation of the organization, (2) performing calculations, (3) preparation of accounting ledgers, and (4) tax payments on behalf of LLR.
Independent Auditor	PricewaterhouseCoopers Arata	PricewaterhouseCoopers Arata is contracted to perform financial auditing services for LLR.
Sponsors Parent of the Asset Management Company (Specified Associated Corporations)	(i) LaSalle Investment Management K.K. (ii) Jones Lang LaSalle Holdings Limited (iii) Jones Lang LaSalle Global Holdings B.V.	As the parent company of LaSalle REIT Advisors K.K. (“Asset Management Company”), LaSalle Investment Management K.K. is a specified associated corporation. Furthermore, LaSalle Investment Management K.K. entered into a sponsor support agreement with the Asset Management Company and a memorandum concerning trade name use with LLR.

2. Management Policy and Management Status

(1) Management Policy

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

(2) Management Status

(Overview of the Interim Period)

(i) Significant developments of the investment corporation

With LaSalle REIT Advisors as the organizer, LLR was established with capital of 150 million yen (1,500 units) on October 9, 2015 pursuant to the Act on Investment Trusts and Investment Corporations (“Investment Trusts Act,” Act. No. 198 of 1951, including subsequent amendments). Thereafter, LLR issued new investment units (1,050,800 units) through a public offering with a payment date of February 16, 2016, and was listed on the J-REIT section of the Tokyo Stock Exchange (Securities Code: 3466) on February 17, 2016. Furthermore, on March 15, 2016, LLR issued new investment units (47,700 units) through a third-party allotment associated with the aforementioned public offering. As a result, the total number of issued and outstanding investment units as of March 31, 2016 is 1,100,000 units.

(ii) Investment Environment and Management Performance

During the interim period, business sentiment in the Japanese economy was pessimistic due to factors such as the increasing volatility of stocks, the appreciating yen, and a contraction in exports in February. Although the Bank of Japan's decision to introduce negative interest rates was a surprise to investors, the G20 Finance Ministers and Central Bank Governors Meeting in February and the Chinese government's return to a growth-oriented path subsequently contributed to stabilizing the stock market. In the real estate investment market, the further decline in interest rates led mainly to institutional investors continuing to increase their property investments. However, the rise in purchase prices began to decline due to caution about the future, and transaction volume took a downward turn. In the logistics facilities market, new demand in third-party logistics (“3PL”) operators and consumer goods companies continued to show stable performance. Nevertheless, vacancy rates began to rise in the Tokyo metropolitan area due to an increase in new supply. In the Kinki area, on the other hand, there continued to be a shortfall in vacancies, and therefore new supply was steadily absorbed.

Under these circumstances, on February 17, 2016, LLR acquired and began operating eight properties (combined acquisition price of 161,440 million yen). The actual operating period for the time period used for calculating the interim period (October 9, 2015 to March 31, 2016) was 44 days from February 17, 2016 to March 31, 2016.

These eight properties (with leasable floor area of 846,281 m²) comprise LLR's asset holdings as of March 31, 2016, and the occupancy rate for the entire portfolio as of March 31, 2016 is a solid 96.5%. Furthermore, with 95 tenants, the portfolio has achieved tenant diversification.

(iii) Overview of Procurement of Funds

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

Moreover, although LLR borrowed funds in conjunction with assets during the interim period, it used the funds raised through issuance of investment units for the third-party allotment to prepay a portion of the outstanding debt. As a result, its loans payable stood at 63,428 million yen as of March 31, 2016. With respect to the characteristics on the financing, LLR used a combination of loans in an effort to stagger the maturities and to diversify its financing sources. It also made efforts to ensure stability and flexibility of its financial foundation by setting payments on its long-term loans payable (due dates from 2021 onwards) by borrowing at fixed rates or by using swaps to fix interest rates, in combination with short-term loans (with due dates up to 2019).

As a result of the foregoing, the ratio of LLR's interest-bearing liabilities to total assets (LTV) was 36.4% as of March

31, 2016.

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

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

(iv) Overview of Business Performance

The actual operating period for the interim period was 44 days from February 17, 2016 to March 31, 2016. During this period, LLR generated operating revenues of 1,134 million yen, operating income of 723 million yen, ordinary income of 227 million yen, and net income of 227 million yen.

Outlook for the Future

(i) Investment Environment Going Forward

Although evidence of strength in exports and capital investment is currently lacking within the Japanese economy, demand is expected to be supported by a FY2016 government budget that focuses on consumers and ongoing structural reforms. If the consumption tax increase is postponed, this can also be expected to help improve consumer sentiment. Furthermore, despite economic growth in the U.S. and Europe being modest, it is expected to support Japanese export volumes. On the other hand, in the real estate investment market, amid ongoing concerns about pressure on profitability in the banking industry due to the introduction of negative interest rates, central bank policy is expected to continue to have an impact on investment behavior. Nevertheless, there is strong demand for investments that offer stable yields, and demand for investment in real estate with high occupancy rates and stable rents is expected to remain high. In the logistics facilities market, the supply-demand dynamic is expected to remain robust as the growth of 3PL and e-commerce, as well as aggregate demand from shipping companies support new demand, while the volume of new supply remains high in both the Tokyo metropolitan area and Osaka areas. As a result the rise in market lease rates is expected to be moderate.

(ii) Future Management Policy and Issues to Address

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

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

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

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

Note 1. “LaSalle Group” refers to the group of companies that provides real estate investment management services in 24 locations in 17 countries (as of June 30, 2015) in the United States, Europe and the Asia-Pacific region, centered on LaSalle Investment Management Inc., which is one of the world's leading real estate investment advisory firms.

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

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

Note 4. “Active asset management” is a generic term for management techniques aimed at increasing cash flow by identifying opportunities to create added value of properties held by carefully examining macro factors such as market lease rates and vacancy rates as well as the micro factors of each property, such as tenant lease terms and building management conditions.

(iii) Significant Subsequent Events

None

(iv) Forecast of Financial Results

The outlook for LLR’s financial results for the fiscal period ending August 31, 2016 and the period ending February 28, 2017 are presented below.

	Operating revenues	Operating income	Ordinary income	Net income	Distributions per unit (including those in excess of earnings per unit)	Distributions per unit (excluding those in excess of earnings per unit)	Distributions per unit in excess of earnings
	Million yen	Million yen	Million yen	Million yen	Yen	Yen	Yen
Fiscal period ending Aug 2016	5,105	3,053	2,367	2,366	2,332	2,150	182
Fiscal period ending Feb 2017	4,774	2,845	2,626	2,625	2,543	2,386	157

For the assumptions used in this outlook, please refer to the “Forecast Assumptions for the Fiscal Periods Ending August 31, 2016 and February 28, 2017” below.

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

Forecast Assumptions for the Fiscal Periods Ending August 31, 2016 and February 28, 2017

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> Fiscal period ending August 31, 2016: October 9, 2015 to August 31, 2016 (328 days) Fiscal period ending February 28, 2017: September 1, 2016 to February 28, 2017 (181 days) LLR's actual operating period during the first fiscal period is expected to be from February 17, 2016, the expected acquisition date of the initial portfolio, to August 31, 2016 (197 days).
Property portfolio	<ul style="list-style-type: none"> LLR assumed that it would acquire the trust beneficiary interests in real estate for 8 properties in total (the "Acquired Assets") on February 17, 2016 and expects there will be no changes in the property portfolio (e.g. any acquisition of new properties or any disposal of existing properties) to the end of the fiscal period ending February 28, 2017. LLR's property portfolio may change due to acquisitions of new properties other than the Acquired Assets or the disposal of existing properties, etc.
Operating revenues	<ul style="list-style-type: none"> Rental revenues from the leasing of the Acquired Assets is calculated based on lease agreements for the Acquired Assets in effect as of today and other factors, including expectations based on market trends. With respect to Operating revenues, there is an underlying assumption that tenants will fully pay their contractual rents without delay or delinquency.
Operating expenses	<ul style="list-style-type: none"> Leasing-related expenses other than depreciation expenses are calculated based on information reflecting fluctuations in the expenses based on historical data and outsourcing agreements in effect as of today. Depreciation expenses, including ancillary costs, are calculated using a straight-line depreciation method, and LLR assumed that depreciation expenses of 670 million yen and 576 million yen are assumed for the fiscal periods ending August 31, 2016 and February 28, 2017, respectively. While property taxes and city planning taxes are typically calculated pro-rata based on the actual number of days as to which the properties are owned and were settled at the time of acquisition, the settlement is included in LLR's acquisition costs. Accordingly, for the Acquired Assets, the settlement amount will not be expensed during the fiscal periods ending August 31, 2016 and February 28, 2017 because it is included in LLR's acquisition costs. In addition, for the Acquired Assets, property taxes and city planning taxes for the fiscal year 2017 will be expensed from the fiscal period ending August 31, 2017. The total amount of property taxes and city planning taxes on the Acquired Assets, which is included in the acquisition cost, is assumed to be 701 million yen (equivalent to the tax expenses for 319 days). If LLR was to expense such property-related taxes during the fiscal periods ending August 31, 2016 and February 28, 2017, LLR would expense 434 million yen and 399 million yen, respectively, for such fiscal periods. Repair and maintenance expenses are calculated based on a repair and maintenance plan prepared by the asset manager (LaSalle REIT Advisors K.K.), for items viewed as necessary for each property. Actual repair and maintenance expenses may be significantly different from the expected amount due to various factors around certain unexpected repairs, the tendency for significant variations in the amount depending on each fiscal period, and the fact that repair expenses do not generally arise on a periodic basis.
Non-operating expenses	<ul style="list-style-type: none"> Expenses related to the new investment unit issuance in January and February, 2017, the Tokyo Stock Exchange, Inc. ("TSE") listing, and the offerings were 332 million yen in total, and expenses related to the establishment of LLR were 36 million yen in total. LLR expects to recognize such expenses in the amounts of 338 million yen and 3 million yen for the fiscal periods ending August 31, 2016 and February 28, 2017, respectively. LLR plans to immediately expense the costs associated with the new unit issuance and the TSE listing and amortize the costs associated with the establishment of LLR to 60 months using a straight-line amortization method. Interest expenses and other debt-related costs are expected to be 339 million yen and 212 million yen for the fiscal periods ending August 31, 2016 and February 28, 2017, respectively. Debt-related amortization expense, which is included in other debt-related costs and non-cash items, is expected to be 29 million yen and 26 million yen for the fiscal periods ending August 31, 2016 and February 28, 2017, respectively.

Borrowings	<ul style="list-style-type: none"> While current outstanding borrowings total 63,428 million yen, during the fiscal period ending August 31, 2016, it is anticipated that LLR would repay 4,458 million yen of debt with the source of capital coming from a consumption tax refund received primarily in connection with the acquisition of the Acquired Assets and other expenses paid during this fiscal period. The LTV ratio as at the end of the period ending August 31, 2016 is expected to be around 34.4%. The LTV ratio is calculated by the following formula: [LTV = total interest-bearing liabilities ÷ total assets × 100]
Investment units	<ul style="list-style-type: none"> Current outstanding number of units is 1,100,000. LLR does not expect for there to be any changes to the number of outstanding units until the fiscal period ending February 28, 2017.
DPU (excluding distributions in excess of retained earnings per unit)	<ul style="list-style-type: none"> Distributions per unit (excluding distributions in excess of retained earnings per unit) are calculated in accordance with the distribution policy provided in LLR's Articles of Incorporation. Distributions per unit (excluding distributions in excess of retained earnings per unit) may change materially due to factors such as additional acquisitions or dispositions of real estate properties, changes in rental revenues attributable to tenant replacements, changes in the operating environment including unexpected repairs, changes in interest rates and any additional issuance of new investment units in the future.
Distributions in excess of retained earnings per unit	<ul style="list-style-type: none"> Distributions in excess of retained earnings per unit are calculated in accordance with the distribution policy in LLR's Articles of Incorporation and internal policies of the asset manager. Distributions in excess of retained earnings for the fiscal periods ending August 31, 2016 and February 28, 2017 are assumed to be equal to approximately 30% of depreciation expenses for such fiscal period, which are assumed to be 201 million yen and 172 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 to make distributions in excess of retained earnings on a regular basis within an appropriate level for maintaining financial soundness and stability, after careful consideration is given to alternative uses of cash, such as execution of repair plans, capital expenditures, repayment of debts along with potential property acquisitions, and will make such distributions equal to 30% of the depreciation expense for the relevant fiscal period. Unexpected factors, such as increases in repair expenses, may cause distributions in excess of retained earnings per unit to materially differ from the forecasted amount. If the appraisal LTV (set forth below) exceeds 60%, LLR may decide not to make any distributions in excess of retained earnings after considering factors such as economic or real estate conditions, credit rating or financial conditions. LLR does not plan to make distributions in excess of retained earnings to the extent doing so would cause what LLR calls its "Appraisal LTV", as calculated below, to exceed 60%: Appraisal LTV(%) = A/B × 100 A = interest-bearing debt (inclusive of long term corporate bonds and short-term corporate bonds but excluding subordinated debt) + tenant leasehold deposits (excluding the amount reserved by the trustees of LLR's properties as tenant leasehold deposits and the amount reserved as tenant leasehold deposits in LLR's relevant reserve account (this account is for the refund obligation which LLR has as the lessor to various tenants)) B = total appraised real estate value of LLR's portfolio + the amount of cash deposits in LLR's bank accounts (excluding reserve accounts for tenant leasehold deposits) + cash and deposits in trust (excluding the amount reserved by the trustees of our properties as tenant leasehold deposits) – the total amount of distributions for the immediately prior fiscal period – the total amount of distributions in excess of retained earnings for the immediately prior fiscal period. In addition, the total amount of distributions and distributions in excess of retained earnings (with respect to the return of capital invested) depends upon the figures for the most recent fiscal period.
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

	<p>Association, Japan.</p> <ul style="list-style-type: none">• As an underlying premise, LLR assumes that there are no unexpected material change to general economic trends and real estate market conditions.
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(3) Investment Risks

Disclosure is omitted because there is no material change from the “Investment Risks” described in the securities registration statement (filed on January 7, 2016), as amended.

3. Interim Financial Statements

(1) Balance Sheet

(Unit: thousand yen)

	Interim period (March 31, 2016)
Assets	
Current assets	
Cash and deposits	3,004,760
Cash and deposits in trust	2,484,951
Operating accounts receivable	74,921
Prepaid expenses	79,463
Deferred tax assets	12
Consumption taxes receivable	4,363,109
Other	141
Total current assets	10,007,359
Non-current assets	
Property, plant and equipment	
Buildings in trust	53,254,716
Accumulated depreciation	Δ193,013
Buildings in trust, net	53,061,702
Structures in trust	666
Accumulated depreciation	Δ2
Structures in trust, net	663
Land in trust	110,804,439
Total property, plant and equipment	163,866,804
Investments and other assets	
Long-term prepaid expenses	349,481
Lease and guarantee deposits	10,117
Total investments and other assets	359,599
Total non-current assets	164,226,404
Deferred assets	
Deferred organization expenses	32,907
Total deferred assets	32,907
Total assets	174,266,671

(Unit: thousand yen)

	Interim period (March 31, 2016)
Liabilities	
Current liabilities	
Operating accounts payable	119,906
Short-term loans payable	8,148,000
Accounts payable - other	893,079
Accrued expenses	28,305
Income taxes payable	763
Advances received	756,396
Other	185,544
Total current liabilities	10,131,996
Non-current liabilities	
Long-term loans payable	55,280,000
Tenant leasehold and security deposits in trust	2,263,486
Total non-current liabilities	57,543,486
Total liabilities	67,675,483
Net assets	
Unitholders' equity	
Unitholders' capital	106,363,965
Surplus	
Unappropriated retained earnings	227,222
Total surplus	227,222
Total unitholders' equity	106,591,187
Total net assets	*1 106,591,187
Total liabilities and net assets	174,266,671

(2) Income Statement

(Unit: thousand yen)

	Interim period From October 9, 2015 To March 31, 2016
Operating revenue	
Rent revenue - real estate	*1 1,043,651
Other lease business revenue	*1 90,466
Total operating revenue	1,134,117
Operating expenses	
Expenses related to rent business	*1 320,311
Asset management fee	67,244
Asset custody and administrative fee	5,241
Directors' compensations	3,000
Other operating expenses	15,002
Total operating expenses	410,798
Operating income	723,319
Non-operating income	
Interest income	166
Total non-operating income	166
Non-operating expenses	
Interest expenses	47,467
Amortization of deferred organization expenses	3,671
Investment unit issuance expenses	9,902
Other offering costs associated with issuance of investment units	322,146
Borrowing related expenses	107,324
Other non-operating expenses	5,000
Total non-operating expenses	495,511
Ordinary income	227,973
Income before income taxes	227,973
Income taxes - current	763
Income taxes - deferred	(12)
Total income taxes	750
Profit	227,222
Unappropriated retained earnings (undisposed loss)	227,222

(3) Statement of Unitholders' Equity

Interim Period (From October 9, 2015 to March 31, 2016)

(Unit: thousand yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	-	-	-	-	-
Changes of items during period					
Issuance of new investment units	106,363,965			106,363,965	106,363,965
Profit		227,222	227,222	227,222	227,222
Total changes of items during period	106,363,965	227,222	227,222	106,591,187	106,591,187
Balance at end of current period	106,363,965	227,222	227,222	106,591,187	106,591,187

(4) Statements of Cash Flows

(Unit: thousand yen)

	Interim Period (From October 9, 2015 To March 31, 2016)
Cash flows from operating activities	
Income before income taxes	227,973
Depreciation	193,016
Amortization of deferred organization expenses	3,671
Investment unit issuance expenses	9,902
Interest income	(166)
Interest expenses	47,467
Decrease (increase) in operating accounts receivable	(74,921)
Decrease (increase) in consumption taxes refund receivable	(4,363,109)
Decrease (increase) in prepaid expenses	(79,463)
Decrease (increase) in long-term prepaid expenses	(349,481)
Increase (decrease) in operating accounts payable	119,906
Increase (decrease) in accounts payable - other	893,079
Increase (decrease) in advances received	756,396
Payment of organization expenses	(36,579)
Other, net	36,910
Subtotal	(2,615,396)
Interest income received	166
Interest expenses paid	(19,161)
Income taxes paid	-
Net cash provided by (used in) operating activities	(2,634,391)
Cash flows from investing activities	
Purchase of property, plant and equipment in trust	(164,059,821)
Payments for lease and guarantee deposits	(10,117)
Proceeds from tenant leasehold and security deposits in trust	1,452,443
Repayments of tenant leasehold and security deposits in trust	(5,255)
Net cash provided by (used in) investing activities	(162,622,751)
Cash flows from financing activities	
Increase in short-term loans payable	12,758,000
Decrease in short-term loans payable	(4,610,000)
Proceeds from long-term loans payable	55,280,000
Proceeds from issuance of investment units	106,354,062
Net cash provided by (used in) financing activities	169,782,062
Net increase (decrease) in cash and cash equivalents	4,524,919
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	*1 4,524,919

(5) Notes with respect to Ongoing Company Assumptions

None

(6) Notes on Matters concerning Significant Accounting Policies

1. Method of depreciation of non-current assets	<p>(1) Property, plant and equipment (including trust assets)</p> <p>A straight-line method is used. The useful lives of principal property, plant and equipment are as follows:</p> <table> <tr> <td>Buildings</td><td>2-79 years</td></tr> <tr> <td>Structures</td><td>20 years</td></tr> </table>	Buildings	2-79 years	Structures	20 years
Buildings	2-79 years				
Structures	20 years				
2. Accounting treatment for deferred assets	<p>(1) Deferred organization expenses</p> <p>Amortized over a period of five years.</p> <p>(2) Investment unit issuance cost</p> <p>The entire amount is expensed at the time of disbursement.</p>				
3. Standards for revenue and expense recognition	<p>Treatment of fixed asset taxes</p> <p>With respect to fixed asset taxes, city planning taxes, and depreciable asset taxes associated with the real estate or beneficiary interests in trusts holding real estate as trust assets held by LLR, the amount of taxes levied corresponding to the relevant accounting period are treated as lease expenses and expensed.</p> <p>The amount equivalent to the first year's fixed asset tax that is borne by LLR in association with the acquisition of real estate or beneficiary interests in trusts holding real estate, as trust assets are not recognized as an expense; rather, they are included in the acquisition cost of the relevant real estate. During the interim period, the amount equivalent to the fixed asset tax included in the acquisition cost of real estate was 701,110 thousand yen.</p>				
4. Method of accounting with regards to hedging	<p>(1) Method of hedge accounting</p> <p>LLR uses deferral hedge accounting. However, special treatment is applied to those interest rate swaps that satisfy the requirements for special accounting treatment.</p> <p>(2) Hedging instruments and hedged items</p> <p>Hedging instruments: interest rate swap transactions</p> <p>Hedged items: interest on loans</p> <p>(3) Hedging policy</p> <p>Under its market risk management policy, LLR engages in derivative transactions for the purpose of hedging risk as provided for in its bylaws.</p> <p>(4) Method of assessing hedge effectiveness</p> <p>Assessment of hedge effectiveness is omitted since interest rate swaps satisfy the requirements for special treatment.</p>				
5. Scope of funds in the statements of cash flows	<p>The funds in the statements of cash flows (cash and cash equivalents) comprise cash on hand and cash in trusts, bank deposits and trust deposits available for withdrawal on demand, and short-term investments due within three months of the acquisition date, which are readily convertible to cash and bear only an insignificant risk of price fluctuations.</p>				

<p>6. Other significant matters which constitute the basis for preparation of interim financial statements</p>	<p>(1) Accounting treatment for beneficiary interests in trusts that have real estate as assets in trust</p> <p>With respect to trust beneficiary interests held by LLR, where the underlying assets are entrusted real estate, all asset and liability accounts within the trust assets as well as all revenue and expense accounts arising from the trust assets are recognized in the relevant accounts of the balance sheet and statements of income.</p> <p>The following material items of the assets in trust recognized in the relevant account items are listed separately on the balance sheet.</p> <p>(i) Cash in trust and deposits in trust</p> <p>(ii) Buildings in trust, structures in trust, land in trust</p> <p>(iii) Tenant leasehold and security deposits in trust</p> <p>(2) Treatment of consumption taxes</p> <p>LLR applies the tax-excluded method for the accounting treatment of consumption taxes and local consumption taxes.</p>
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(7) Notes to the Interim Financial Statements

[Notes to Balance Sheet]

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

Interim Period (March 31, 2016)
50,000 thousand yen

[Notes to Income Statement]

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

(Unit: thousand yen)

	Interim period From October 9, 2015 To March 31, 2016	
A. Real estate leasing revenues		
Rent revenue		
Rent income	937,050	
Common service fees	106,601	1,043,651
Other lease business revenues		
Utilities charge reimbursement	57,088	
Parking area rental revenue	25,666	
Other lease revenues	7,711	90,466
Total real estate leasing revenues		1,134,117
B. Real estate leasing expenses		
Leasing expenses		
Outsourcing costs	59,806	
Utilities expenses	60,005	
Insurance premiums	2,429	
Depreciation	193,016	
Other leasing expenses	5,052	
Total real estate leasing expenses		320,311
C. Real estate leasing profit (A-B)		813,806

[Notes to Statement of Changes in Unitholders' Capital]

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

	Interim Period From October 9, 2015 To March 31, 2016
Total number of investment units authorized	10,000,000 units
Total number of investment units issued and outstanding	1,100,000 units

[Notes to the Statements of Cash Flows]

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

	Interim period From: October 9, 2015 To: March 31, 2016 (thousand yen)
Cash and deposits	3,004,760
Cash and deposits in trust	2,484,951
Restricted deposits in trust (Note)	(964,791)
Cash and cash equivalents	4,524,919

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

	Interim period (March 31, 2016) (thousand yen)
Due within one year	5,778,140
Due after one year	19,042,761
Total	24,820,902

[Notes to Financial Instruments]

Matters concerning the fair value of financial instruments

Amounts recognized on the balance sheet as of the interim fiscal period ended March 31, 2016, fair values, and differences between these amounts are presented below.

	Amount recognized in Balance Sheet (thousand yen)	Fair value (thousand yen)	Difference (thousand yen)
(1) Cash and deposits	3,004,760	3,004,760	-
(2) Cash and deposits in trust	2,484,951	2,484,951	-
Total assets	5,489,711	5,489,711	-
(3) Short-term loans payable	8,148,000	8,148,000	-
(4) Long-term loans payable	55,280,000	55,825,419	545,419
Total liabilities	63,428,000	63,973,419	545,419
Derivative transactions	-	-	-

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

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

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

(3) Short-term loans payable

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

(4) Long-term loans payable

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

Derivative transactions

Please refer to "Notes to Derivative Transactions" below.

Note2. Financial instruments for which it is extremely difficult to determine fair value

(Unit: thousand yen)

Classification	Interim period (March 31, 2016)
Tenant leasehold and security deposits in trust	2,263,486

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.

[Notes to Marketable Securities]

Not applicable.

[Notes to Derivative Transactions]

1. Derivative transactions to which hedge accounting is not applied

Interim period (March 31, 2016)

Not applicable.

2. Derivative transactions to which hedge accounting is applied

Interim period (March 31, 2016)

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

(Unit: thousand yen)

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

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

[Notes to Equity Method Earnings]

Not applicable.

[Notes to Asset Retirement Obligations]

Not applicable.

[Notes to Segment Data]

(Segment information, etc.)

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

(Related Information)

Interim Period (from October 9, 2015 to March 31, 2016)

(1) Information about Products and Services

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

(2) Information about Geographical Area

(i) Operating revenues

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

(ii) Property, plant and equipment

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

(3) Information about Major Customers

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

[Notes to Rental Properties]

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

(Unit: thousand yen)

	Interim period From October 9, 2015 To March 31, 2016
Amount recognized in balance sheet	
Balance at the beginning of the period	-
Changes during the period	163,866,804
Balance at the end of the period	163,866,804
Fair value at end of period	165,300,000

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

Note 2. The main increase during the period was due to the acquisition of trust beneficiary interests in eight properties (164,059,821 thousand yen) and the main decrease was due to depreciation (193,016 thousand yen).

Note 3. The fair value at the end of the period is stated as the appraisal value of an outside real estate appraiser. However, because there has been little movement in certain valuations and indicators that are thought to appropriately reflect market values since the latest assessment, the values from the latest general fair value calculation are stated as the end of period fair values.

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

[Note to Per Unit Information]

	Interim period From October 9, 2015 To March 31, 2016
Net assets per unit	96,901 yen
Net income per unit	822 yen (212 yen)

Note 1. Net income per unit is calculated by dividing net income by the average number of investment units for the period (daily weighted average number of investment units) (276,340 units). Furthermore, net income per unit calculated using the daily weighted average number of investment units with February 17, 2016, the date on which the fund actually began investing, as the starting date (1,070,730 units) is shown in parentheses. The diluted net income per unit is not stated here as there are no diluted investment units.

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

	Interim period From October 9, 2015 To March 31, 2016
Net income (thousand yen)	227,222
Amount not attributable to ordinary unitholders (thousand yen)	-
Net income attributable to ordinary investment units (thousand yen)	227,222
Average number of investment units during the period (units)	276,340

[Notes to Significant Subsequent Events]

Not applicable.

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

Changes during the interim period are as follows.

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

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

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

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

4. Changes in Officers and Directors

(1) Changes in Officers of LLR

There were no changes in officers during the interim period.

(2) Changes in Directors of the Asset Management Company

There were no changes in Directors during the interim period.

5. Reference Information

(1) Composition of LLR's Assets

Type of assets	Use	Area (Note 1)	Interim period (As of March 31, 2016)	
			Total amount held (million yen) (Note 2)	Percentage to total assets (%) (Note 3)
Real estate in trust	Logistics facilities	Tokyo area	163,866	94.0
		Osaka area	-	-
		Other areas	-	-
	Subtotal		163,866	94.0
Deposits / other assets			10,399	6.0
Total assets			174,266	100.0

	Interim period (As of March 31, 2016)	
	Amount (million yen)	Percentage to total assets (%) (Note 3)
Total liabilities	67,675	38.8
Total net assets	106,591	61.2
Total assets	174,266	100.0

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

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

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

(2) Overview of Real Estate, etc.

(i) Portfolio Overview

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

Area	Property number (Note 1)	Property	Location	Form of ownership	Property age (years) (Note 2)	Carrying amount as of March 31, 2016 (million yen)	Acquisition price (million yen) (Note 3)	Investment ratio (%) (Note 4)	Appraisal value (million yen) (Note 5)	Gross floor area (㎡) (Note 6)
Tokyo area	Tokyo-1	LOGIPORT Hashimoto (Note 7)	Sagamihara, Kanagawa	Trust beneficiary interest	1	21,519	21,200	13.1	22,100	145,801.69
	Tokyo-2	LOGIPORT Sagamihara (Note 8)	Sagamihara, Kanagawa	Trust beneficiary interest	3	23,368	23,020	14.3	24,000	200,045.57
	Tokyo-3	LOGIPORT Kitakashiwa	Kashiwa, Chiba	Trust beneficiary interest	3	25,687	25,300	15.7	25,600	104,302.62
	Tokyo-4	LOGIPORT Nagareyama (A)	Nagareyama, Chiba	Trust beneficiary interest	8	3,579	3,500	2.2	3,700	17,673.87
	Tokyo-5	LOGIPORT Nagareyama (B)	Nagareyama, Chiba	Trust beneficiary interest	8	26,954	26,600	16.5	26,600	133,414.76
	Tokyo-6	LOGIPORT Higashi Ogishima (A)	Kawasaki, Kanagawa	Trust beneficiary interest	29	19,279	19,000	11.8	19,000	100,235.67
	Tokyo-7	LOGIPORT Higashi Ogishima (B)	Kawasaki, Kanagawa	Trust beneficiary interest	25	19,432	19,120	11.8	20,000	117,546.26
	Tokyo-8	LOGIPORT Higashi Ogishima (C)	Kawasaki, Kanagawa	Trust beneficiary interest	15	24,045	23,700	14.7	24,300	116,997.14
Portfolio total / average					11	163,866	161,440	100.0	165,300	936,017.58

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

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

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

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

Note 5. “Appraisal value” represents the appraisal value as of November 15, 2015, shown in the real estate appraisal documents prepared by either Mori Appraisal & Investment Consulting, Inc. or CBRE K.K., which have been contracted to appraise the asset holdings.

Note 6. “Gross floor area” reflects the figure shown in the property registries for all buildings associated with the real estate in trust (excluding ancillary buildings not subject to leasing purposes).

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

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

(ii) Tenant Agreements

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

Area	Property number	Property	Total # of tenants (Note 1)	Annual lease revenue (million yen) (Note 2)	Lease & guarantee deposits (million yen) (Note 3)	Leasable floor area (m ²) (Note 4)	Leased floor area (m ²) (Note 5)	Occupancy rate (%) (Note 6)
Tokyo area	Tokyo-1	LOGIPORT Hashimoto (Note 7)	13	1,012	249	130,165	117,228	90.1
	Tokyo-2	LOGIPORT Sagamihara (Note 8)	16	1,278	312	180,971	177,133	97.9
	Tokyo-3	LOGIPORT Kitakashiwa	10	1,352	365	100,349	100,349	100.0
	Tokyo-4	LOGIPORT Nagareyama (A)	1	(Note 9)	(Note 9)	18,172	18,172	100.0
	Tokyo-5	LOGIPORT Nagareyama (B)	8	1,558	355	112,684	112,388	99.7
	Tokyo-6	LOGIPORT Higashi Ogishima (A)	22	1,075	324	85,281	81,435	95.5
	Tokyo-7	LOGIPORT Higashi Ogishima (B)	19	1,074	386	103,731	97,901	94.4
	Tokyo-8	LOGIPORT Higashi Ogishima (C)	17	1,334	252	114,925	109,397	95.2
	Portfolio total / average		106	8,686	2,246	846,281 699,030	814,006 674,458	96.2 96.5

Note 1. "Total # of tenants" is stated as the total number of lease agreements associated with the buildings shown for each of the trust properties as of March 31, 2016. If a master lease agreement has been executed for a given 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 annualized monthly rent (including common service fees) shown in each lease agreement associated with each trust property for each trust property as of March 31, 2016 (for trust properties with multiple lease agreements, the aggregate thereof) (excluding consumption taxes), calculated by multiplying by 12, rounded down to the nearest million yen. Therefore, the sum of the "annual lease revenue" for the individual trust properties may not necessarily match the portfolio total.

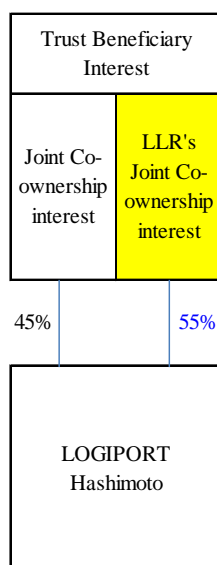
Note 3. "Lease & guarantee deposits" is stated as the aggregate amount of the lease and guarantee deposit balances shown in each lease agreement associated with each trust property for each trust property as of March 31, 2016, rounded down to the nearest million yen. Therefore, the sum of the individual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

Note 4. "Leasable floor area" is the area that can be leased at the buildings associated with each trust property as of March 31, 2016, stated as the aggregate of the area considered leasable under the lease agreements or building drawings, rounded down to the nearest whole number.

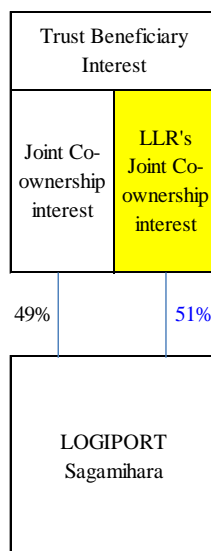
Note 5. "Leased floor area" is stated as the aggregate leased floor area associated with the buildings shown in the lease agreements for each of the trust properties as of March 31, 2016. If a master lease agreement has been executed for the trust property, it is stated as the aggregate of the area which has actually been leased through the execution of lease agreements with end tenants, rounded down to the nearest whole number.

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 March 31, 2016, rounded to the second decimal place. Additionally, in the "Portfolio total / average" row, the upper figure represents the ratio of the aggregate Leased Floor Area for a given building divided by the Leasable Floor Area for a given building, rounded to the second decimal place. The lower figure represents the ratio of the aggregate Leased Floor Area for a given building divided by the Leasable Floor Area for a given building, rounded to the second decimal place, after factoring in and converting for LLR's proportional ownership interest of the joint co-ownership interests within a trust beneficial interest, as applicable for LOGIPORT Hashimoto and LOGIPORT Sagamihara.

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



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



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

(iii) Appraisal report summary

Property number	Property	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-1	LOGIPORT Hashimoto (Note 1)	Morii Appraisal & Investment Consulting, Inc.	November 15, 2015	22,100	21,000	22,385	4.3	21,670	4.1	4.5
Tokyo-2	LOGIPORT Sagami-hara (Note 2)	Morii Appraisal & Investment Consulting, Inc.	November 15, 2015	24,000	22,000	24,327	4.4	23,715	4.2	4.6
Tokyo-3	LOGIPORT Kitakashiwa	CBRE K.K.	November 15, 2015	25,600	23,000	25,800	4.5	25,600	4.3	4.6
Tokyo-4	LOGIPORT Nagareyama (A)	CBRE K.K.	November 15, 2015	3,700	3,070	3,760	4.8	3,700	4.4	4.7
Tokyo-5	LOGIPORT Nagareyama (B)	CBRE K.K.	November 15, 2015	26,600	22,600	26,600	4.7	26,600	4.4	4.7
Tokyo-6	LOGIPORT Higashi Ogishima (A)	CBRE K.K.	November 15, 2015	19,000	9,750	19,000	4.9	19,000	4.6	4.9
Tokyo-7	LOGIPORT Higashi Ogishima (B)	CBRE K.K.	November 15, 2015	20,000	12,900	20,300	4.9	20,000	4.6	4.9
Tokyo-8	LOGIPORT Higashi Ogishima (C)	CBRE K.K.	November 15, 2015	24,300	17,100	24,500	4.8	24,300	4.5	4.8
Portfolio total				165,300	131,420	166,672		164,585		

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 Sagami-hara are stated as amounts proportional to the joint co-ownership interests in trust beneficiary interests that LLR holds (51%).

(iv) Information about major real estate properties

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

Property name	Total annual lease revenue (million yen) (Note 1)	Share of lease revenue (%) (Note 2)
LOGIPORT Hashimoto (Note 3)	1,012	11.7
LOGIPORT Sagamihara (Note 4)	1,278	14.7
LOGIPORT Kitakashiwa	1,352	15.6
LOGIPORT Nagareyama (A) LOGIPORT Nagareyama (B) (Note 5)	1,558	17.9
LOGIPORT Higashi Ogishima (A)	1,075	12.4
LOGIPORT Higashi Ogishima (B)	1,074	12.4
LOGIPORT Higashi Ogishima (C)	1,334	15.4
Total	8,686	100.0

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

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

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

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

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

(v) Information about Major Tenants

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

(vi) Portfolio Diversification

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

a. Share by area

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

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

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

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

b. Share by property age

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

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

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

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

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

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

c. Share by size (gross floor area)

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

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

Note 2. “Share” is rounded to the second decimal place.

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

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

d. Share by remaining lease term

Lease term (Remaining term) (Note 1)	Leased floor area (m ²) (Note 2) (Note 4) (Note 5)	Ratio (%) (Note 3)	Annual lease revenue (million yen) (Note 2) (Note 4) (Note 5)	Share (%) (Note 3)
7 years or more	91,629	13.6	1,253	14.4
At least 5 years but less than 7 years	35,061	5.2	426	4.9
At least 3 years but less than 5 years	142,864	21.2	1,924	22.2
At least 1 years but less than 3 years	197,126	29.2	2,580	29.7
Less than 1 year	207,776	30.8	2,501	28.8
Total	674,458	100.0	8,686	100.0

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

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

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

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

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

(3) Capital expenditures on portfolio assets

(i) Planned capital expenditures

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

Property number	Property	Location	Purpose	Expected timing	Estimated work costs (million yen) (Note)		
					Total amount	Paid during the period	Total amount already paid
Tokyo-6	LOGIPORT Higashi Ogishima (A)	Kawasaki, Kanagawa	Work to replace fire hydrant hose	From April 2016 To August 2016	16	—	—
Tokyo-7	LOGIPORT Higashi Ogishima (B)	Kawasaki, Kanagawa	Work to replace fire hydrant hose	From April 2016 To August 2016	15	—	—
Tokyo-8	LOGIPORT Higashi Ogishima (C)	Kawasaki, Kanagawa	Work to upgrade water tank	From April 2016 To August 2016	10	—	—

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

(ii) Capital expenditures during the period

A summary of the main projects, treated as capital expenditures, associated with real estate held by LLR that were undertaken during the interim period is presented below. Capital expenditures during the interim period totaled 27 million yen.

Property number	Property name	Location	Purpose	Date	Amount (million yen) (Note)
Tokyo-6	LOGIPORT Higashi Ogishima (A)	Kawasaki, Kanagawa	Building A fire inspection and corrective work	March 2016	22

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

(4) Property income/expenses

(Unit: thousand yen)

Property number	Tokyo-1	Tokyo-2	Tokyo-3	Tokyo-4	Tokyo-5
Property	LOGIPORT Hashimoto	LOGIPORT Sagami-hara	LOGIPORT Kitakashiwa	LOGIPORT Nagareyama (A)	LOGIPORT Nagareyama (B)
(i) Total real estate leasing revenues	130,313	164,694	182,322	204,006	
Rent revenue	121,731	153,339	163,440	186,076	
Other lease business revenues	8,581	11,354	18,881	17,929	
(ii) Total real estate leasing expenses	35,551	42,759	51,412	70,648	
Outsourcing costs	3,912	9,473	7,252	7,228	
Utilities expenses	6,328	8,076	13,329	13,734	
Insurance premiums	250	296	333	450	
Depreciation	24,849	22,459	30,003	48,630	
Other leasing expenses	211	2,453	493	603	
(iii) Real estate leasing profit (= (i) - (ii))	94,761	121,934	130,909	14,632	118,724
(iv) Leasing NOI (= (iii) + depreciation)	119,611	144,393	160,912	21,862	160,125

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

(Unit: thousand yen)

Property number	Tokyo-6	Tokyo-7	Tokyo-8
Property	LOGIPORT Higashi Ogishima (A)	LOGIPORT Higashi Ogishima (B)	LOGIPORT Higashi Ogishima (C)
(i) Total real estate leasing revenues	141,762	144,867	166,151
Rent revenue	131,563	131,858	155,641
Other lease business revenues	10,199	13,009	10,509
(ii) Total real estate leasing expenses	30,013	40,289	49,635
Outsourcing costs	8,879	11,159	11,899
Utilities expenses	3,678	6,443	8,415
Insurance premiums	306	384	406
Depreciation	16,521	22,020	28,531
Other leasing expenses	627	281	381
(iii) Real estate leasing profit (= (i) - (ii))	111,749	104,577	116,516
(iv) Leasing NOI (= (iii) + depreciation)	128,271	126,598	145,048