



# 10<sup>th</sup> Fiscal Period Semi-Annual Report

September 1, 2020 to February 28, 2021

## Features of LaSalle LOGIPORT REIT

### 1 Focused investments in prime logistics located in the Tokyo and Osaka areas

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

### 2 Leveraging the LaSalle Group’s real estate investment management capabilities

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

### 3 Building robust financial balance sheets

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

## Financial Highlights for 10th Fiscal Period

(September 1, 2020 - February 28, 2021)

|  |   |   |
|--|---|---|
| Portfolio Size <sup>(Note)</sup><br><b>19 properties</b> | Total Assets Under Management<br>(“AUM”) <sup>(Note)</sup><br><b>357.8 bn yen</b> | Occupancy Rate<br><b>99.0%</b>                                |
| Tokyo and Osaka Area<br>Concentration<br><b>100.0%</b>   | Total Debt <sup>(Note)</sup><br><b>160.6 bn yen</b>                               | Loan to Value (“LTV”) Ratio <sup>(Note)</sup><br><b>41.8%</b> |
| Operating Revenues<br><b>9,504 mn yen</b>                | Operating Income<br><b>5,316 mn yen</b>   | Net Income<br><b>4,667 mn yen</b>                             |
| Distribution Per Unit (“DPU”)<br><b>3,077 yen</b>        | Earnings Per Unit (“EPU”)<br><b>2,849 yen</b>                                     | DPU in Excess of Earnings<br><b>228 yen</b>                   |

Note: Portfolio and financial figures are as of post equity offering in April 2021.

## Message to Unitholders



### Toshimitsu Fujiwara

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

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

Thanks to the continued support of our unitholders, LLR has successfully completed its 10th fiscal period (ended February 2021).

During the fiscal period under review, LLR acquired four properties totaling 76.4 billion yen, including additional interests in an existing property, by using funds from its third public offering, while disposing a property (leasehold land). With the transactions, LLR’s asset size expanded to 317.8 billion yen in 18 properties. On the other hand, despite the novel coronavirus (“COVID-19”) crisis, LLR maintained an extremely high period-average occupancy

rate for the entire portfolio of 99.0% against the backdrop of robust tenant demand for highly functional logistics spaces. These endeavors allowed LLR to post operating revenues of 9,504 million yen, operating income of 5,316 million yen, ordinary income of 4,668 million yen, and net income of 4,667 million yen, with a distribution per unit (“DPU”) of 3,077 yen.

In April 2021, after entering the 11th fiscal period ending August 2021, LLR acquired a large logistics facility located in the Osaka Bay area for 40 billion yen by using funds from its fourth public offering, and realized further external growth.

Going forward, while fulfilling its social responsibility of leading logistics infrastructure, LLR is resolved to endeavor to continuously enhance unitholder value. To do so, LLR will keep leveraging the LaSalle Group’s global real estate investment knowledge as well as the asset management capabilities built on its abundant development and investment experiences in Japan’s logistics facilities.

Your continued support of LLR is deeply appreciated.

### Table of Contents

|   |    |  |    |
|---|----|--|----|
| Executive Director’s Message  | 2  | Operation and Governance Emphasizing Unitholders’ Interests and Transparency | 42 |
| Financial Strategy  | 10 | Decision Making Flowchart for Related Party Transactions                     | 43 |
| Property and Corporate Level Income Statement, DPU Summary, and Yield Summary | 11 | Risk Factors   | 44 |
| Prime Logistics Report  | 12 | <b>Financial Section</b>   |    |
| LaSalle Group’s Professional Support Contributes to Greater Unitholder Value  | 14 | Balance Sheets   | 48 |
| The LaSalle Group’s Initiatives on Sustainability                             | 16 | Statements of Income   | 49 |
| Portfolio Summary   | 19 | Statements of Changes in Net Assets  | 50 |
| Portfolio Maps  | 20 | Statements of Cash Flows   | 51 |
| Details of Portfolio  | 22 | Notes to Financial Statements  | 52 |
| About LaSalle Inc.  | 40 | Independent Auditor’s Report   | 68 |
|   |    | Investor Information   | 70 |

## Executive Director's Message

# LLR's performance remains strong and achieved further growth amid the COVID-19 pandemic



### Toshimitsu Fujiwara

Executive Director  
LaSalle LOGIPORT REIT

President and CEO  
LaSalle REIT Advisors K.K.

Toshimitsu Fujiwara is the Executive Director of LLR, and President and CEO of LaSalle REIT Advisors K.K. ("LRA"), LLR's asset management company. He has 21 years of real estate experience in Japan and the U.S. Toshimitsu joined LaSalle in Japan in 2009 and has overseen fund and asset management activities for the Japan Logistics Fund series. Previously, he worked at MGPA Japan LLC, the predecessor of Black Rock Japan Co., Ltd., and the U.S. real estate investment arm of Nippon Life Insurance Company. Toshimitsu has a Bachelor of Economics from the University of Tokyo.

## Financial Highlights

|                           |              | 9th Fiscal Period | 10th Fiscal Period | 11th Fiscal Period (Forecast) |
|---------------------------|--------------|-------------------|--------------------|-------------------------------|
| Operating Revenues        | (mn yen)     | 7,430             | 9,504              | 10,718                        |
| Operating Income          | (mn yen)     | 4,066             | 5,316              | 5,893                         |
| Ordinary Income           | (mn yen)     | 3,664             | 4,668              | 5,195                         |
| Net Income                | (mn yen)     | 3,663             | 4,667              | 5,194                         |
| DPU                       | (yen)        | 2,892             | 3,077              | 3,142                         |
| EPU                       | (yen)        | 2,688             | 2,849              | 2,910                         |
| DPU in Excess of Earnings | (yen)        | 204               | 228                | 232                           |
| AUM                       | (bn yen)     | 2,456             | 3,178              | 3,578                         |
| Portfolio Size            | (properties) | 16                | 18                 | 19                            |
| Occupancy Rate            | (%)          | 99.1              | 99.0               | —                             |

### Q1 What were this fiscal period's financial highlights and DPU actuals?

More than a year has passed since the outbreak of the novel coronavirus all over the world. Throughout this period, the logistics market has continued to prove its resiliency and has grown with strength partly due to the acceleration of the e-commerce market. This 10th fiscal period continued to prove that despite COVID-19's impact on various aspects of our day-to-day lives, the cash flow resiliency demonstrated by logistics properties has made logistics the clear standout property type when compared to hotels, retail, office, and even residential to an extent. Vacancy rates continued to decrease in major logistics markets nationwide against a backdrop of further expansion in the e-commerce market. As the "scarcity of logistics space" sentiment continues to resonate throughout the markets, LLR strives to continue to increase unitholder value by staying focused on its active management strategy.

For example, LLR recognized that the capital environment remained favorable and elected to conduct a fourth public offering, a second global offering less than a year

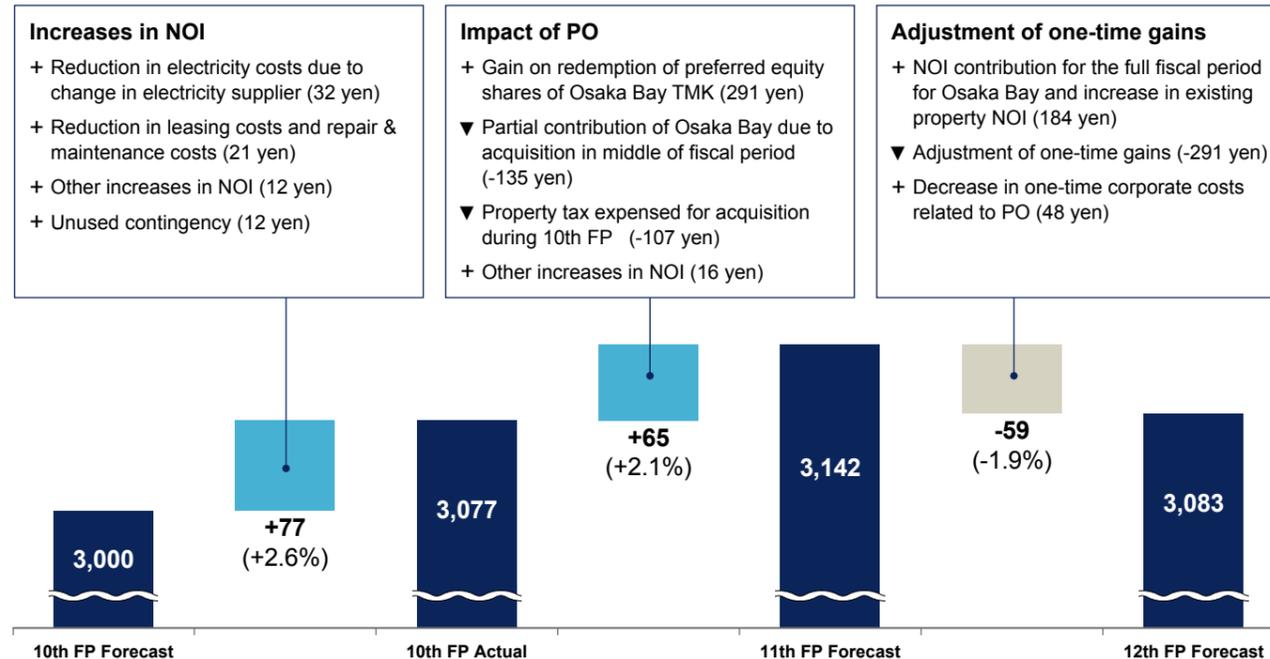
from the last one in August 2020. It was a successful issuance, raising approximately 23.8 billion yen that LLR used to acquire one large property in an amount of 40.0 billion yen, taking its AUM above 357 billion yen and maintaining LLR's competitiveness as a mid-sized J-REIT.

Furthermore, LLR was able to acquire this property at a net operating income ("NOI") yield of 4.4%, a relative discount when compared to recent transactions of comparable nature within the vicinity. It was LLR's excess returns strategy that enabled this acquisition, and this differentiation is something that LLR will continue to leverage upon to stay ahead in an ever increasing competitive landscape.

Amid the pandemic, LLR exceeded expectations in its DPU, delivering a DPU of 3,077 yen this fiscal period, 2.6% or 77 yen higher than the initial forecast of 3,000 yen. This was mainly due to lower property operating expenses, such as repairs and maintenance, leasing commissions, and utilities, than expected.

## Increased Profits Expected in 10th Fiscal Period Due to Positive Uplift from PO

### DPU Transition



# LLR's performance remains strong and achieved further growth amid the COVID-19 pandemic

The DPU guidance for the 11th fiscal period is forecast to be 3,142 yen, an increase of 65 yen from the 10th fiscal period due to the property acquisition which will begin to contribute to earnings. In the 12th fiscal period, LLR's guidance is 3,083 yen per unit, a decrease of 59 yen mainly owing to the dissipation of one-time gain adjustments.

In fact, since announcing its active management strategy in the 6th fiscal period, LLR has been able to create unitholder value through both DPU growth and excess returns in fiscal periods with realized gains. In addition, NAV per unit has increased by 5.9% to 142,144 yen after the 4th PO compared to the NAV per unit after the 3rd PO at 134,228 yen. Since the 6th fiscal period, NAV per unit

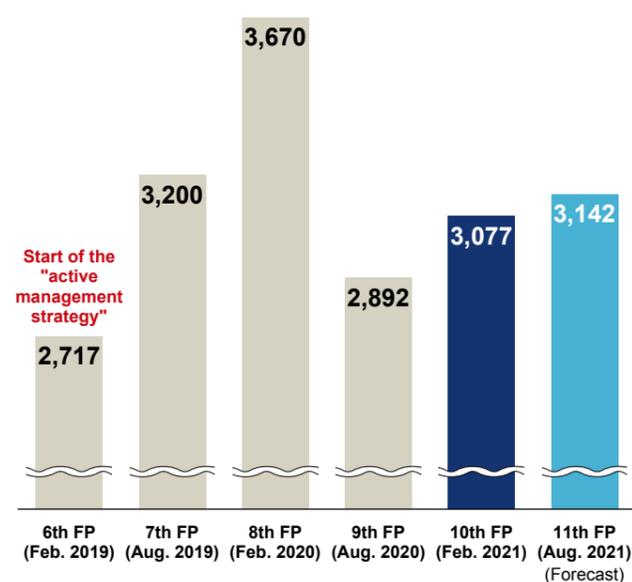
increased from 109,773 yen to 142,144 yen which is a solid 29% increase.

In addition to increasing profits and dividends backed by solid performance this period, LLR accessed a wealth of external growth opportunities from its excess return investment deal. LLR accelerated internal growth by capturing robust tenant demand, leading to high occupancy and continued momentum in rent increases. Furthermore, strategic capital expenditure increased property profitability while deals within LLR's excess returns strategy steadily added value.

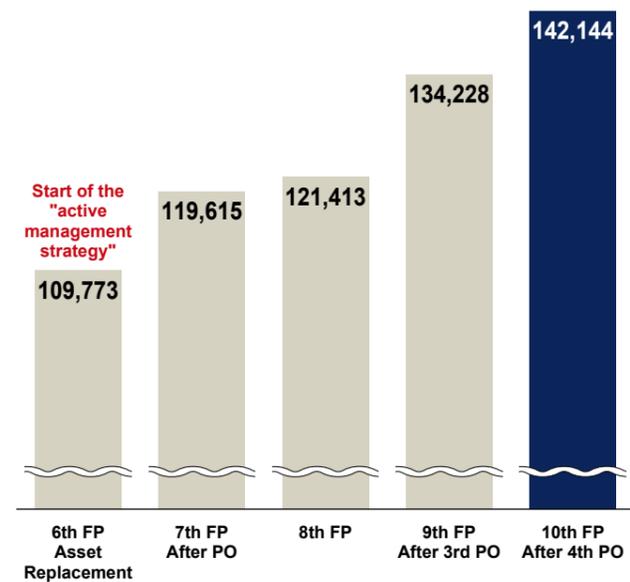
These remain unprecedented times but LLR is confident in the strength of its fundamentals, the skill of its team, and the versatility of its unique platform.

## Steadily Increasing Unitholder Value

Distributions Per Unit (yen)



NAV Per Unit (yen)

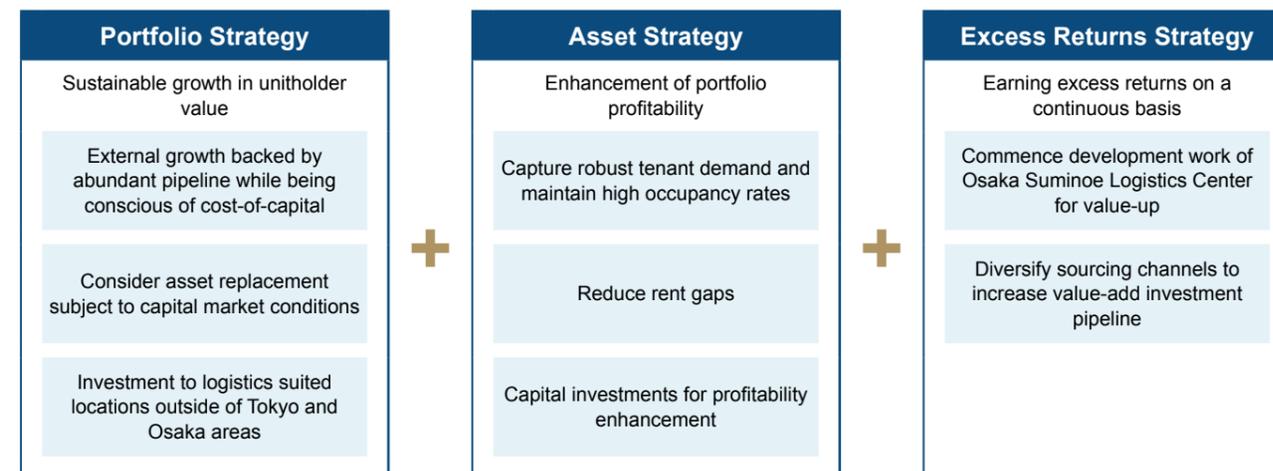


### Q2 What has been achieved thus far through LLR's active management strategy?

Firstly, as a reminder, LLR launched the active management strategy in April 2019 which was predicated on the idea that a 4% DPU growth rate could be achieved through the execution of the three pillars of portfolio strategy, asset strategy, and excess returns strategy, irrespective of whether or not these corporate actions were

accompanied by a public offering. Each pillar contributes to the 4% DPU growth rate in the following manner: 1% each in the case of portfolio and asset, and 2% in the case of excess returns. LLR's focus is on steadily implementing these active management strategies while keeping an eye on downside risks and working to manage them.

## Active Management Strategies that Enable Continued Growth in Unitholder Value



In the portfolio strategy, LLR will seek to capitalize acquisition opportunities with the most appropriate capital structure at that point in time. Equity through public offerings, procurement of debt through various channels available to LLR, as well as cash on hand are what LLR will work with to achieve an accretive outcome. Moreover, if warranted, LLR can execute accretive deals through an asset replacement whereby a disposition would occur to fund the new acquisition. In this manner, LLR is always exploring optimal combinations to capitalize on opportunities that lie ahead.

In the asset strategy, LLR seeks to strengthen internal growth by increasing profitability of the existing assets. After navigating through uncertain times last year, it was observed that COVID-19 has had a *de minimis* impact on LLR's portfolio. In fact, e-commerce growth has been pushing demand for high quality logistics space and LLR continues to find itself well positioned to take advantage of this situation. Against a backdrop of rising rents caused by increased demand, LLR is able to continue lease renewal negotiations which can result in an uplift to its profitability. Given that the portfolio occupancy is at its highest level ever recorded at 99.0%, LLR continues to look for opportunities for internal growth ahead.

In the excess returns strategy, LLR has two main ways to achieve success in this area – a lease-up value-add strategy and a redevelopment strategy.

• **Lease up value-add strategy** – As seen in the LOGIPORT Amagasaki deal, LLR has set up a Special Purpose Company called a TMK and invested preferred shares into this TMK which purchased LOGIPORT Amagasaki. This method was used so LLR does not have a direct exposure to the risks involved in buying a low occupancy property as well as the prevention of a DPU dilution as a result of owning a non-income producing asset. With LLR having the preferential right to buy the asset upon stabilization, it was able to secure high-quality asset into its pipeline and eventually acquired it into LLR's portfolio. As mentioned later, LOGIPORT Osaka Bay has employed the same strategy and achieved the same success as LOGIPORT Amagasaki.

• **Redevelopment strategy** – This is a deal in which LLR acquires an asset to redevelop in the future. The idea is to purchase an asset and redevelop it while using the same structure applied in the LOGIPORT Amagasaki and LOGIPORT Osaka Bay TMK schemes so that LLR is able to manage risk and provide risk adjusted returns for its unitholders. The Osaka Suminoe Logistics Center Project is LLR's current redevelopment project which is explained later in further detail.

Since the traditional metrics of DPU and NAV growth cannot capture the capital returns portion of performance, LLR calculated the total returns (a blended total of NAV based income returns and capital returns) covering the most recent six fiscal periods and boasts a total return of 11.6%.

# LLR's performance remains strong and achieved further growth amid the COVID-19 pandemic

## Fourth Public Offering Summary

### Overview of the Capital Raise

|                       |  |
|-----------------------|--|
| Offering format       | : Global Public Offering (Reg S + U.S. 144A) |
| Pricing date          | : April 21, 2021                             |
| Issue price           | : 167,700 yen                                |
| # of units issued     | : 147,000 shares                             |
| Total offering amount | : Approx. 23.8 billion yen (including OA)    |

### Outline of the Property Acquired

|                              |                            |
|------------------------------|----------------------------|
| Acquisition price            | : 40.0 bn yen              |
| Appraisal NOI yield (Note 1) | : 4.4 %                    |
| Age (Note 2)                 | : 3 years                  |
| Occupancy (Note 3)           | : 94.5 %                   |
| Gross floor area             | : 139,551.94m <sup>2</sup> |

Note 1: Calculated by dividing the appraisal NOI by the acquisition price.  
 Note 2: As of February 28, 2021.  
 Note 3: Contractual basis as of February 28, 2021.



LLR has chosen the six fiscal periods ending August 2019 to February 2021 because LLR's active management strategy was announced during the fiscal period ended August 2019 and the impact of this strategy can be seen clearly throughout its most recent fiscal period end. Therefore, the above analysis does not take into account the performance achieved from fourth public offering by LLR.

In April 2021, LLR conducted its fourth public offering as a global 144A formatted offering. After considering the supply and demand dynamics of the equity market, LLR has decided to proceed with a fourth global offering which came eight months after its last global offering in August 2020.

In this fourth public offering, LLR has acquired a property called LOGIPORT Osaka Bay. LOGIPORT Osaka Bay is located within walking distance of residential neighborhoods, making it easy to secure laborers. It is also strategically located in a convenient area as a delivery hub for major consumption areas surrounding Central Osaka as well as Kobe. The total acquisition price was 40.0 billion

yen with an appraisal NOI yield of 4.4%. The property is about three years old and the occupancy rate on a contractual basis was 94.5% at the end of February 2021.

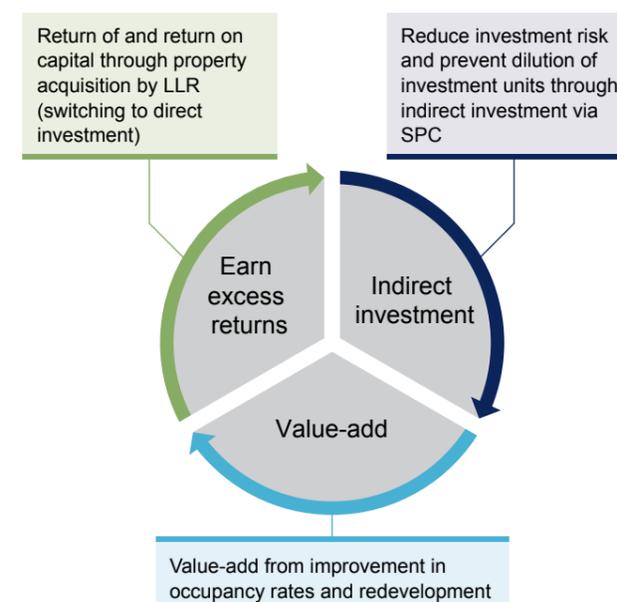
Going forward, LLR looks to time the market with its public offerings and grow steadily. The property pipeline is currently worth about 150 billion yen, affording numerous future opportunities for external growth.

### Q3

### What were the fruits of the excess returns strategy thus far and what can be expected going forward?

LLR's excess returns strategy can be characterized as a cycle of making indirect investments through a TMK scheme, creating added value, and earning the excess returns when acquiring the property directly. These deals can be in a form of lease up deals as well as redevelopment deals. While it is ideal to have multiple cycles running at the same time, fewer lease up deals are being seen given the tight vacancy rates in the current markets. LLR will continue to source redevelopment deals while looking to meet the needs of some Japanese corporates requiring liquidity.

Similar to the story of LOGIPORT Amagasaki, LLR leveraged its sponsor's leasing capabilities and local market expertise to achieve success in the LOGIPORT Osaka Bay deal. With an occupancy rate of 12% at the time of initial investment, LLR was able to make significant progress in the lease up process and outperformed the initial business plan target to stabilize the property within 15-months. LLR has earned excess returns through its TMK investment in LOGIPORT Osaka Bay which resulted in a gain on redemption of the TMK's preferred shares of 519 million yen which represents a 27.7% IRR. There is also a 6.8% unrealized gain since LLR purchased the asset below the appraisal value.



### LOGIPORT Amagasaki (1st lease up deal)

|  |
|--|
| Acquired   |
| Investment: 1.2 bn yen                                   |
| Gain on redemption: 781 mn yen                           |
| IRR: 50.6%   |
| Unrealized gain: 7.2 bn yen (14.9% of acquisition price) |

### LOGIPORT Osaka Bay (2nd lease up deal)

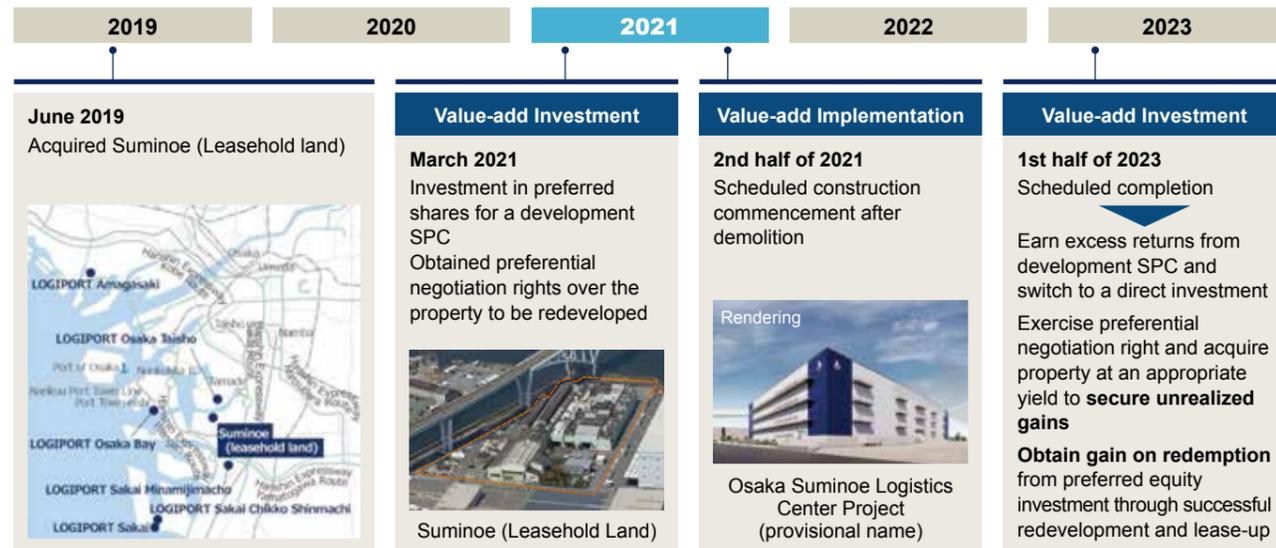
|   |
|---|
| Acquired  |
| Investment: 1.1 bn yen                                  |
| Gain on redemption (expected): 519 mn yen               |
| IRR (expected): 27.7%                                   |
| Unrealized gain: 2.7 bn yen (6.8% of acquisition price) |

The Osaka Suminoe Logistics Center Project is LLR's inaugural redevelopment project within the excess returns strategy. After acquiring the land interest in May 2019, LLR has subsequently transferred the land interest to a development special purpose company ("Development SPC") in preparation for its redevelopment phase. Having

co-invested in Suminoe's Development SPC, it has preferential negotiating rights to acquire the property once it is redeveloped. Now that the site is undergoing a demolition, the next phase is construction commencement in August 2021 with completion scheduled for the first half of 2023.

# LLR's performance remains strong and achieved further growth amid the COVID-19 pandemic

## Osaka Suminoe Logistics Center Project Timeline



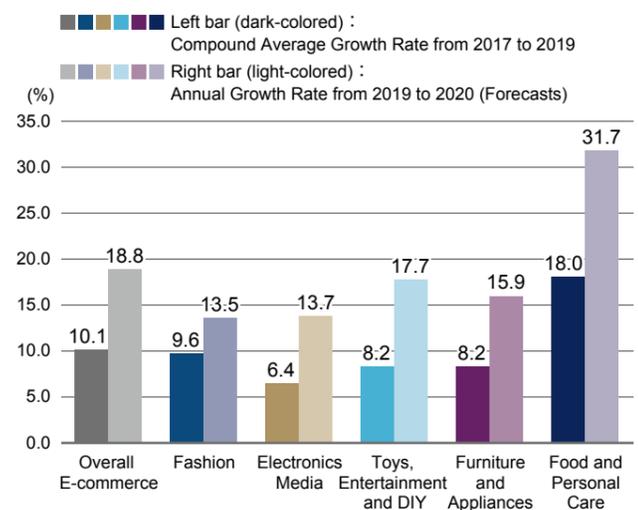
### Q4 How is LLR positioned to continue its growth in an uncertain environment amid the COVID-19 pandemic?

As mentioned briefly earlier, LLR's portfolio maintained an all-time high in terms of its average occupancy rate of 99.0% throughout the 10th fiscal period. This enables LLR to aim for higher average rents across the portfolio while targeting tenants who are the best fit for the portfolio in terms of diversification.

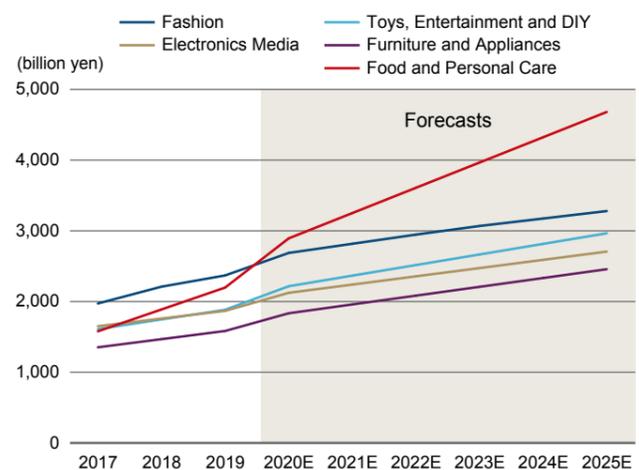
Although COVID-19 has negatively affected many industries such as hospitality and retail, the resiliency of logistics has been demonstrated over the past year partly due

to the rising penetration rate in the e-commerce space. A particular area of interest is the growth of the "food and personal care" category. According to data published by Statista as of November 2020, while growth in e-commerce in terms of transaction amount was relatively even among various types of consumer goods between 2017 and 2019, e-commerce for food and personal care is estimated to significantly outpace growth in e-commerce for other product categories through 2025.

### Growth Rate of E-commerce Market Size by Product in Japan (as of November 2020)



### Long-term Outlook for E-commerce Sales in Japan (by Category) (as of November 2020)



As shown in the chart on the right, 95.3% of goods which come through LLR's assets are related to daily consumables. Paired with the fact that LLR's prime logistics facilities are strategically located, LLR believes that it is well positioned to benefit from e-commerce growth, as its assets are equipped to accommodate the frequent, quick, and small shipments with individualized delivery times required by e-commerce.

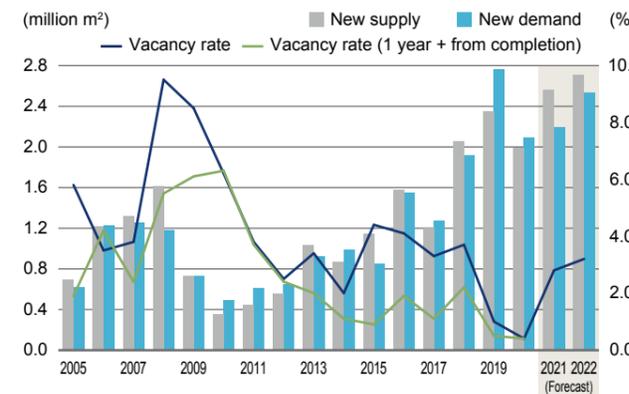
### Diversification of End Users by Business Type

Ratio of consumer-oriented logistics **95.3%**

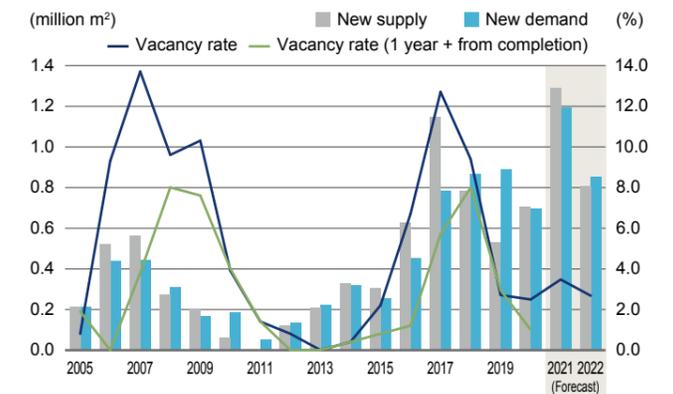


Currently, the Tokyo and Osaka area markets are in a period of tight vacancy rates. Although supply is likely to outpace demand in the near future, vacancy rates are not forecasted to hike up to a level that would cause any concern for LLR. Therefore, LLR finds itself in a comfortable environment to strategize and execute its growth plans for the future amid the COVID-19 pandemic.

### Tokyo Area Supply and Demand



### Osaka Area Supply and Demand



### Q5 Do you have any closing remarks for LLR's investors?

At the beginning of the COVID-19 pandemic, uncertainty affected the sentiment in almost all industries. As the world navigated through these unsettling times, many lessons were learned as we all were forced to think in ways we wouldn't have if not for the pandemic. Fortunately, the logistics industry has not been affected like the office, retail, and hospitality industries. Having said that, LLR was still on high alert and continued to stay vigilant toward the changes in demand in the overall market as well as the changes occurring within its tenants and the goods that they handle.

After over a year's worth of experience living in a COVID-19 world, LLR is getting more comfortable in switching gears from a defensive stance. As proven in LLR's recent acquisition of LOGIPORT Osaka Bay, lending attitudes from banking institutions have not changed and financial markets continue to function with less volatility than in 2020. As the world slowly recovers from the effects of the pandemic, LLR continues to endeavor in its excess returns strategy to find more development opportunities

as repositioning needs are uncovered in a fast-changing market environment.

With the backing of a strong parent company, the LaSalle Group, LLR will continue to source opportunities to unlock value that can only be seen through the lens of an experienced developer and investment manager. LLR continues to benefit from best practices on the ESG front through the LaSalle Group as well as the JLL Group and it intends to grow this synergy as ESG initiatives gain momentum.

All in all, at the end of this 10th fiscal period, LLR finds itself with strong liquidity, both in terms of acquisition capacity and debt capacity, to continue to execute the three pillars in its active management strategy. Although new competitors have been entering this market, LLR is confident in its competitive advantage of being an expert in its field and will continue to deliver unitholder value in this competitive environment.

Thank you for your commitment to LLR thus far and for your continued support for LLR's endeavors.

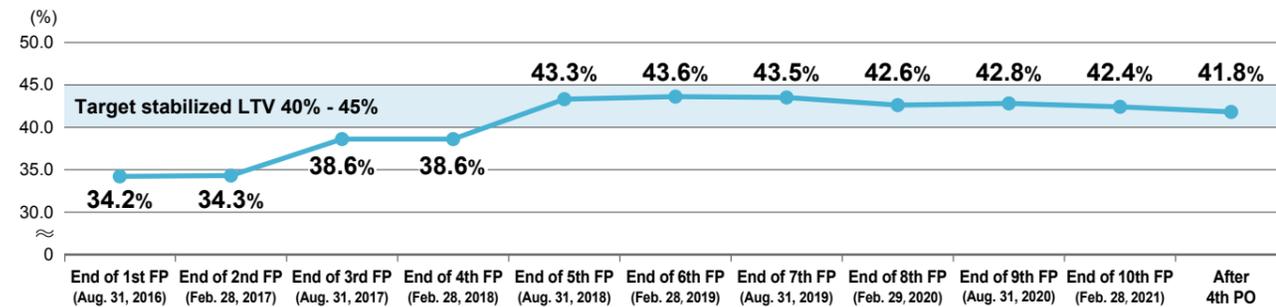
# Financial Strategy (after 4th PO)

## Debt Summary

|   |                  |   |                       |
|---|------------------|---|-----------------------|
| <b>Ratio of interest-bearing debt to total assets (LTV)</b> <small>(Note 1)</small> | <b>41.8%</b>     | <b>Long-term issuer rating</b><br><small>(Japan Credit Rating Agency, Ltd.)</small> | <b>AA- (Positive)</b> |
| <b>Average remaining years of debt</b>  | <b>5.4 years</b> | <b>Fixed rate ratio</b>   | <b>93.2%</b>          |

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

## LTV Management

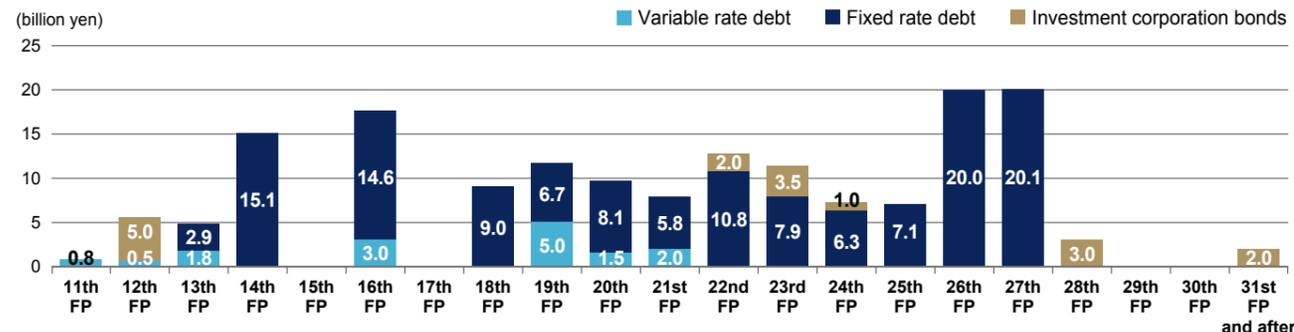


## Breakdown of Interest-Bearing Debt (by financial institution)

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

|                 |                 |               |                     |
|-----------------|-----------------|---------------|---------------------|
| <b>Lenders:</b> | <b>13 banks</b> | <b>Total:</b> | <b>160.6 bn yen</b> |
|-----------------|-----------------|---------------|---------------------|

## Diversification of Repayment Dates



# Property and Corporate Level Income Statement, DPU Summary, and Yield Summary

|  | <i>(in millions of yen unless otherwise specified)</i> |  | 9th FP actuals | 10th FP actuals |
|--|--|--|----------------|-----------------|
| <b>Property Level</b>  |  |  |                |                 |
| Number of Properties   |  |  | 16             | 18              |
| Real estate leasing revenues                                     |  |  |                |                 |
| RENT + CAM + Parking + Leased Roof + Other Income                |  |  | 7,083          | 9,096           |
| Utilities charge reimbursement                                   |  |  | 347            | 366             |
| <b>Total real estate leasing revenues</b>                        |  |  | <b>7,430</b>   | <b>9,462</b>    |
| Real estate leasing expenses (excluding depreciation)            |  |  |                |                 |
| Outsourced contract costs  |  |  | -336           | -434            |
| Utilities expenses   |  |  | -328           | -335            |
| Repair and maintenance   |  |  | -81            | -151            |
| Taxes and public dues  |  |  | -670           | -665            |
| Other leasing expenses   |  |  | -58            | -67             |
| <b>Total real estate leasing expenses</b>                        |  |  | <b>-1,474</b>  | <b>-1,656</b>   |
| <b>NOI (excluding dividend income and gain or loss on sales)</b> |  |  | <b>5,956</b>   | <b>7,805</b>    |
| Depreciation expense   |  |  | -930           | -1,245          |
| <b>NOI after depreciation</b>                                    |  |  | <b>5,026</b>   | <b>6,560</b>    |
| Gain on sales of real estate properties                          |  |  | -              | 41              |
| <b>Corporate Level</b>   |  |  |                |                 |
| Corporate level expenses   |  |  |                |                 |
| Asset management fee   |  |  | -877           | -1,147          |
| Asset custody and administrative fee                             |  |  | -32            | -37             |
| Directors' compensations   |  |  | -3             | -3              |
| Audit fee  |  |  | -12            | -12             |
| Other operating expenses   |  |  | -33            | -85             |
| <b>Total corporate level expenses</b>                            |  |  | <b>-959</b>    | <b>-1,286</b>   |
| <b>Operating Profit</b>  |  |  | <b>4,066</b>   | <b>5,316</b>    |
| Non-operating income   |  |  |                |                 |
| Interest income and interest on refund                           |  |  | 4              | 2               |
| Non-operating expenses   |  |  |                |                 |
| Interest expenses  |  |  | -277           | -347            |
| Interest expenses on investment corporation bonds                |  |  | -35            | -35             |
| Amortization of deferred organization expenses                   |  |  | -3             | 0               |
| Amortization of investment unit issuance expenses                |  |  | -7             | -19             |
| Amortization of investment corporation bond                      |  |  | -6             | -6              |
| Investment unit public offering expenses                         |  |  | -              | -81             |
| Borrowing related expenses                                       |  |  | -75            | -159            |
| <b>Total non-operating expenses</b>                              |  |  | <b>-406</b>    | <b>-650</b>     |
| <b>Ordinary Income</b>   |  |  | <b>3,664</b>   | <b>4,668</b>    |
| Income taxes   |  |  | -0             | -1              |
| <b>Net Income</b>  |  |  | <b>3,663</b>   | <b>4,667</b>    |
| Retained earnings brought forward                                |  |  | 0              | 0               |
| <b>Unappropriated retained earnings</b>                          |  |  | <b>3,663</b>   | <b>4,667</b>    |
| <b>DPU Summary</b>   |  |  |                |                 |
| Unappropriated retained earnings                                 |  |  | 3,663          | 4,667           |
| Total number of investment units issued and outstanding (unit)   |  |  | 1,363,000      | 1,638,000       |
| <b>EPU (yen per unit)</b>  |  |  | <b>2,688</b>   | <b>2,849</b>    |
| Acc. depr. for the current FP - Acc. Depr. of the previous FP    |  |  | 930            | 1,245           |
| About 30% of the above   |  |  | 278            | 373             |
| Total number of investment units issued and outstanding (unit)   |  |  | 1,363,000      | 1,638,000       |
| <b>Distributions in excess of EPU (yen per unit)</b>             |  |  | <b>204</b>     | <b>228</b>      |
| EPU (yen per unit)   |  |  | 2,688          | 2,849           |
| Distributions in excess of EPU (yen per unit)                    |  |  | 204            | 228             |
| <b>DPU (yen per unit)</b>  |  |  | <b>2,892</b>   | <b>3,077</b>    |
| <b>Yield Summary</b>   |  |  |                |                 |
| NOI (Annualized = NOI x 2) <sup>(Note 2)</sup>                   |  |  | 11,913         | 15,611          |
| NOI After depreciation (NOI After depr. x 2) <sup>(Note 2)</sup> |  |  | 10,052         | 13,121          |
| Acquisition price  |  |  | 245,686        | 317,829         |
| <b>NOI yield</b>   |  |  | <b>4.8%</b>    | <b>4.9%</b>     |
| <b>After depreciation NOI yield</b>                              |  |  | <b>4.1%</b>    | <b>4.1%</b>     |
| Tangible fixed asset book value                                  |  |  | 244,714        | 316,463         |
| <b>NOI yield</b>   |  |  | <b>4.9%</b>    | <b>4.9%</b>     |
| <b>After depreciation NOI yield</b>                              |  |  | <b>4.1%</b>    | <b>4.1%</b>     |
| Appraisal value  |  |  | 271,640        | 358,420         |
| <b>Unrealized capital gain</b>                                   |  |  | <b>25,925</b>  | <b>41,956</b>   |
| <b>Unrealized capital gain ratio</b>                             |  |  | <b>11.0%</b>   | <b>13.3%</b>    |

Note 1: These figures use numerical values based on management accounting and may differ from values based on financial accounting.  
 Note 2: NOI and NOI after depreciation do not take into account the impact of the acquisitions and disposition of properties made during the year.

# Prime Logistics Report

## Tokyo and Osaka are Target Markets

### Prospective Portfolio Composition



Note: "Tokyo Area" is defined as the area that's within a 60km radius from JR Tokyo station and "Osaka Area" is defined as the area that's within a 45km radius from JR Osaka station.

## Characteristics of "Prime Logistics"

### Suitable Sites

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

### Large Scale

1. In general, GFA is greater than 16,500m<sup>2</sup>

### High Specifications

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

## Example of a Suitable Site in the Case of LOGIPORT Hashimoto



## Advantage of High Functionality

### Functional Features of Prime Logistics

**Large-Scale Ramp Ways**  
Enables truck access to the upper floors, or there are vertical conveyors with sufficient loading capacity.

**High-End Specifications**  
Effective ceiling heights, floor loading, and column spacing to enhance storage efficiency and work productivity.

**Flexible Partitioning of Bays**  
Designed with truck berths, vertical conveyor layouts, fire prevention compartmentalization.

**Office Space**  
Ample office space.

**Seismic Isolation/ Earthquake Resistance**  
Providing seismic isolation and earthquake resistance performance.

### Environmental, Energy Efficiency

|  |  |   |  |
|--|--|---|--|
| <br>Solar panels for renewable energy utilization | <br>Exterior walls, sandwich panel system for thermal insulation and watertightness | <br>Automatic lighting sensors for corridors and bathrooms | <br>Obtained S and A rankings, based on CASBEE evaluation |
|--|--|---|--|

### Security Measures

  
24-7, 365 days, fire prevention center

### Ample Amenities

|  |   |   |
|--|---|---|
| <br>Cafeteria space for employees during breaks | <br>Convenience stores for employee satisfaction | <br>Operation of a commuter bus from the nearest station |
|--|---|---|

# LaSalle Group's Professional Support Contributes to Greater Unitholder Value

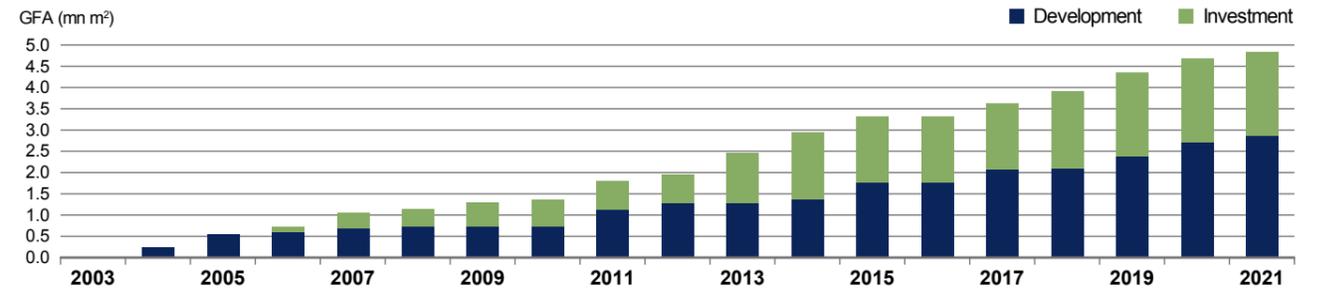
## Development, Investment, and Leasing Track Record of Logistics Properties in Japan

### Robust Experience in Development, Investment, and Leasing

|   |                                      |  |                                      |
|---|--------------------------------------|--|--------------------------------------|
| <b>Cumulative development</b><br><small>(Note 1) (Note 2)</small> | <b>Approx. 2.84 mn m<sup>2</sup></b> | <b>Leasing experience</b><br><small>(Note 3)</small>                         | <b>Approx. 4.01 mn m<sup>2</sup></b> |
| <b>Cumulative acquisitions</b><br><small>(Note 1)</small>         | <b>Approx. 1.98 mn m<sup>2</sup></b> | <b>Large scale development share within Tokyo</b><br><small>(Note 4)</small> | <b>Approx. 15%</b>                   |

Note 1: As of March 31, 2021.  
 Note 2: Includes properties scheduled to be developed.  
 Note 3: As of February 28, 2021.

### Development/Investment Area (cumulative base)<sup>(Note 2)</sup>



Note 4: Source: Rental Logistics Facilities with Gross Floor Area of at Least 100,000m<sup>2</sup> Developed by Private-Sector Companies and Located in the Tokyo Metropolitan Area (as of December 31, 2020) by CBRE.

## Achievements as Front Runner of Developing and Investing in Advanced Logistics Facilities in Japan

### Front runner of developing and investing in advanced logistics facilities

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

### Formed a logistics development fund at the dawn of the industry

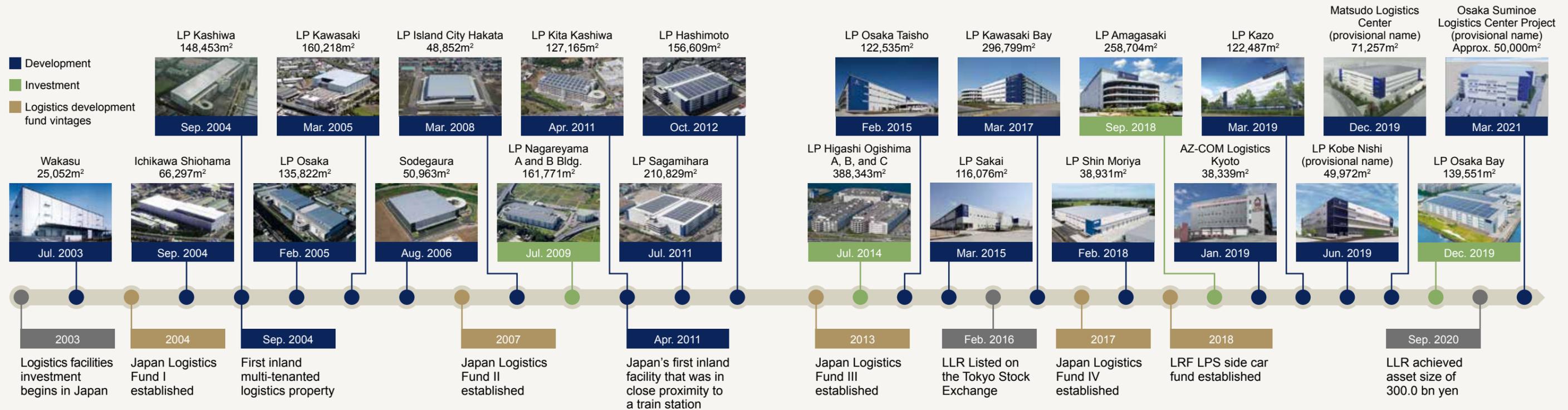
Formed a development fund specialized in logistics properties in 2004, when the industry was being created

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

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

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

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



Note 1: Each point of time in the above chart indicates the time when transaction agreements for acquiring the relevant land and buildings were concluded.  
 Note 2: The figures above the photos in the above chart indicates the gross floor area of respective properties.  
 Note 3: As of the date of this document, LLR has not decided acquisition of any of the properties in the above chart, and there is no guarantee that LLR can acquire it in the future.

Note 4: The floor areas of buildings are based on the building certificates and drawings, etc. and may not be identical with the floor areas in the registry.  
 Note 5: The building names are what the LaSalle Group uses to identify each property, and may not be identical with the current names.

# The LaSalle Group's Initiatives on Sustainability

## Basic Policy on ESG

### ESG Goals

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

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

### LaSalle's System for Promoting ESG

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



GRESB Member



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



Founding Member of the ULI Greenprint Center



The LaSalle Group agrees to the recommendations made by the Task Force on Climate-Related Financial Disclosures ("TCDF")



## Environment Initiatives

### Certifications Acquired by LLR

GRESB Real Estate Assessment



CASBEE Real Estate Certification



Building-Housing Energy-efficiency Labeling System ("BELS")



J-REITs' ESG Evaluation Conducted by MUFG and Supported by JCR



SMBC Environmental Consideration Rating



### Examples of Initiatives



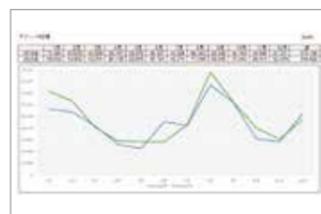
Introducing LED lighting



Introducing solar energy panels



Introducing motion sensor lights



Green Lease  
Cooperating with tenants to save energy usage by sharing electricity usage information with tenants

## Social Initiatives

### Contribution to Safety and Security of Tenants and Community

#### Examples of Initiatives



Emergency storage for natural disasters



COVID-19 infection prevention



Registration as disaster management office



Donation of reserves in preparation for disasters

### Diversity of Human Resources

#### Status of Employees (fiscal 2020) (Note 1)

|                                | Number of officers and employees (Note 2) | Number of directors (Note 2) (Note 3) | Number of managers (Note 4) | Number of temporary staff |
|--------------------------------|---|---------------------------------------|-----------------------------|---------------------------|
| Total number                   | 17  | 6                                     | 4                           | 1                         |
| Number of female employees     | 6   | 2                                     | 1                           | 1                         |
| Percentage of female employees | 35.3%                                     | 33.3%                                 | 25.0%                       | 100.0%                    |

Note 1: As of December 31, 2020.

Note 2: Including part-time employees.

Note 3: Directors and auditors.

Note 4: Responsible staff of the department concerned (including compliance officer).

## Governance Initiatives

### Management Fee Structure Linked to Unitholder Value

#### Management Fees during the Period

- (1) Asset Management Fee I  
NOI (including gain or loss on sale) × 10% (maximum rate)
- (2) Asset Management Fee II  
Net income before tax × Adjusted EPU × 0.002% (maximum rate)
- (3) Asset Management Fee III  
Adjusted NAV × NAV per unit in the immediately preceding fiscal period × 0.6% (maximum rate)

#### Acquisition Fee

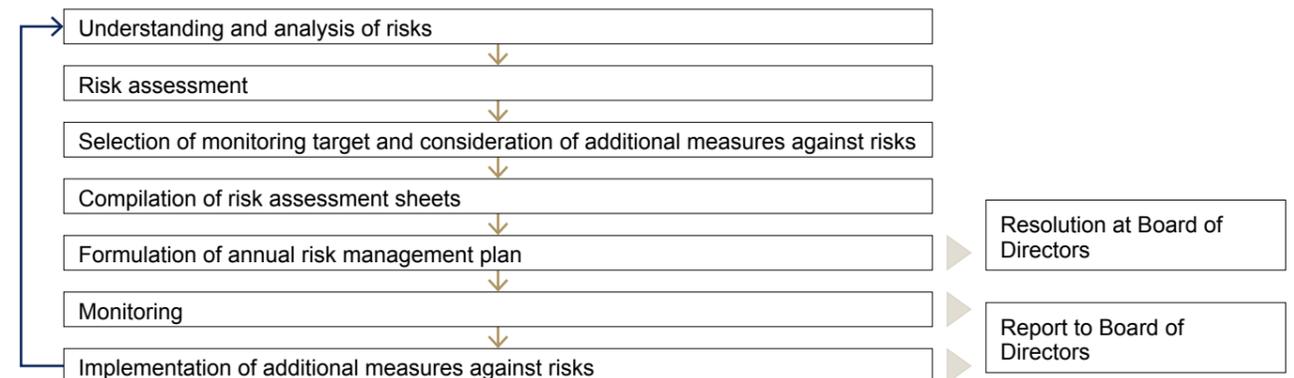
- (4) Sales price in the case of acquisition of real estate-related assets × 1.0% (maximum rate)

#### Merger Fee

- (5) Appraisal value of real estate-related assets owned by the counterparty in consolidation-type merger or absorption-type merger × 1.0% (maximum rate)

### Development and Supervision of Risk Management System

#### Process of Risk Management



# The LaSalle Group's Initiatives on Sustainability

## Green Bonds

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

### Status of Green Bond Issuance

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

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

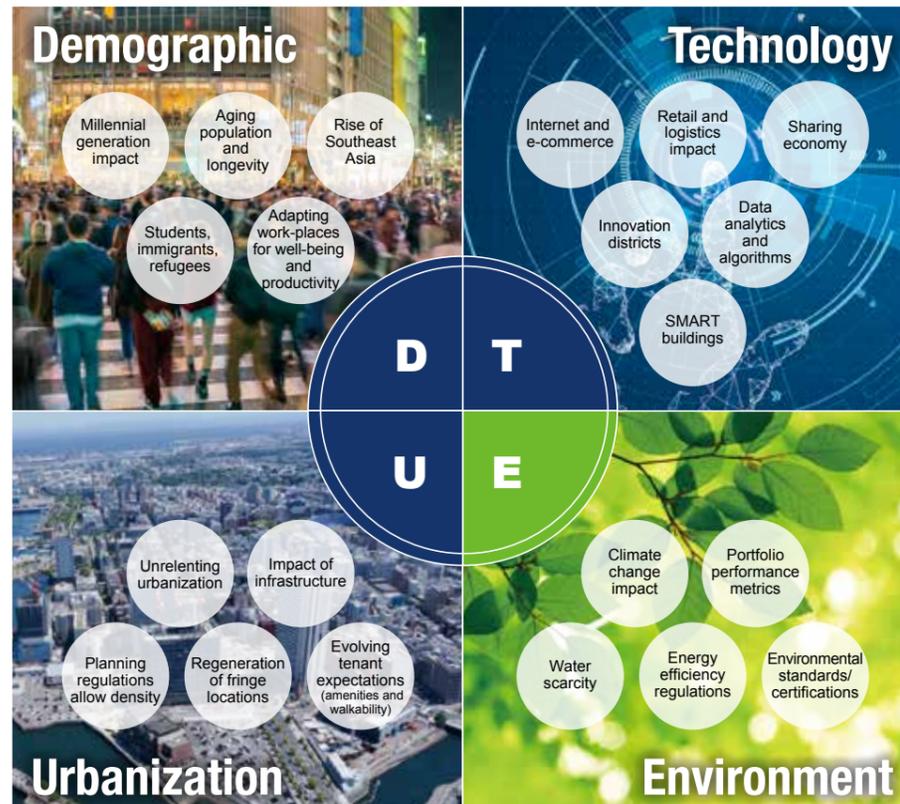
### Green Eligible Assets

The green eligible asset ratio of 99.6% (after the public offering conducted this time) is the highest among J-REITs

## DTU (Demographics, Technology and Urbanization) + E (Environmental Change)

- As part of its initiatives on sustainability, the LaSalle Group started the DTU research program, which is designed to analyze the long-term real estate trends from the three factors of Demographics, Technology and Urbanization.
- By adding another factor of E (Environmental Change) to the DTU research program, the LaSalle Group makes an even wider analysis as to what advantages investors can obtain from sustainability initiatives.
  - The E-Factors include climate change impact, energy conservation, recycling of resources, reduction of carbon footprint and environmental standards and certifications of buildings.
  - Because of reinforced regulations and business requirements, the E-Factors such as sustainability and resilience to environmental change of a building are now an important consideration in conducting real estate investment.
  - National and local governments also attach importance to the energy consumption performance of buildings. Constructing and operating buildings that demonstrate awareness of the E-Factors are considered to take a major role in enhancing energy use efficiency.

## Secular Demand Drivers for Real Estate DTU + E



# Portfolio Summary

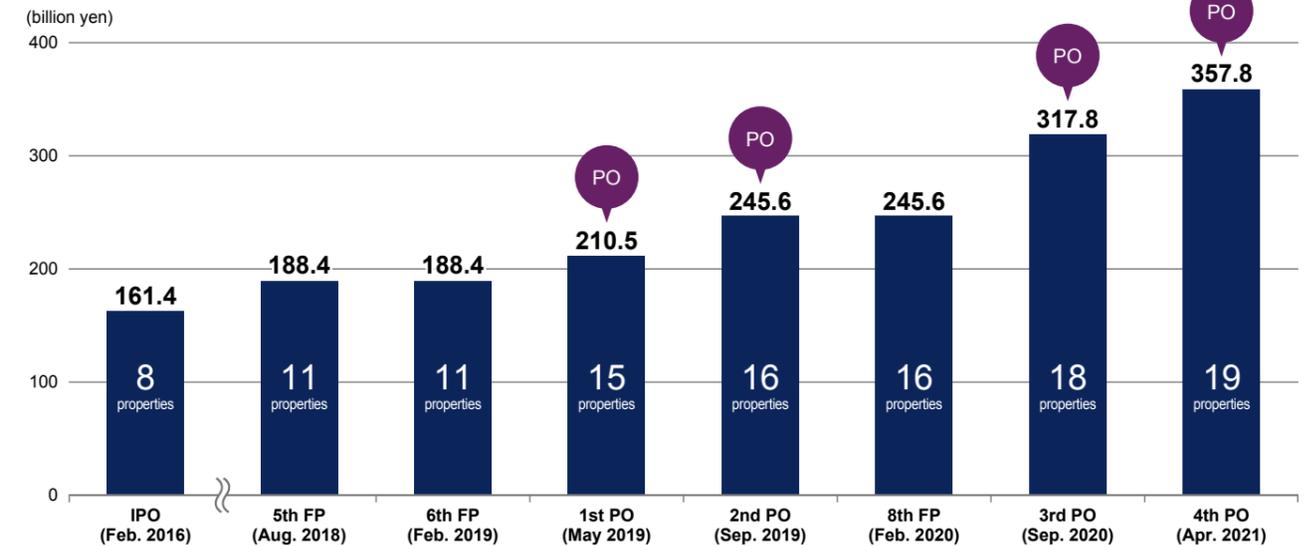
The Portfolio Comprises Large Logistics Facilities Located in the Tokyo and Osaka Areas

### Overview of the Portfolio (Note)

|                     |                        |                        |               |
|---------------------|------------------------|------------------------|---------------|
| Asset size          | 357.8 bn yen           | Tokyo area/ Osaka area | 100%          |
| Total GFA           | 2.04 mn m <sup>2</sup> | No. of properties      | 19 properties |
| Appraisal NOI yield | 4.8%                   | Occupancy rate         | 97.4%         |

Note: Figures as of February 28, 2021 for 19 assets (the assets owned by LLR as of April 30, 2021).

## Change in AUM overtime (after the Offering)



## Characteristics of the Portfolio (Note 1)

### Ratio by Area/Location

Osaka area 36.4%  
Tokyo area 63.6%



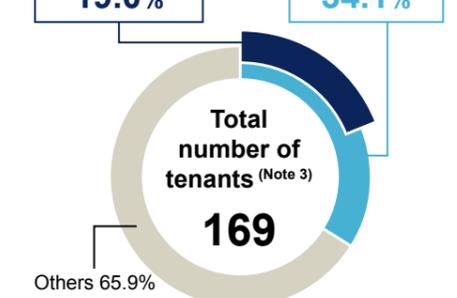
### Ratio by GFA

Less than 100,000m<sup>2</sup> 13.6%  
Greater than 100,000m<sup>2</sup> 86.4%



### Tenant Diversification (Note 2)

Top 5 tenants 19.0%  
Top 10 tenants 34.1%



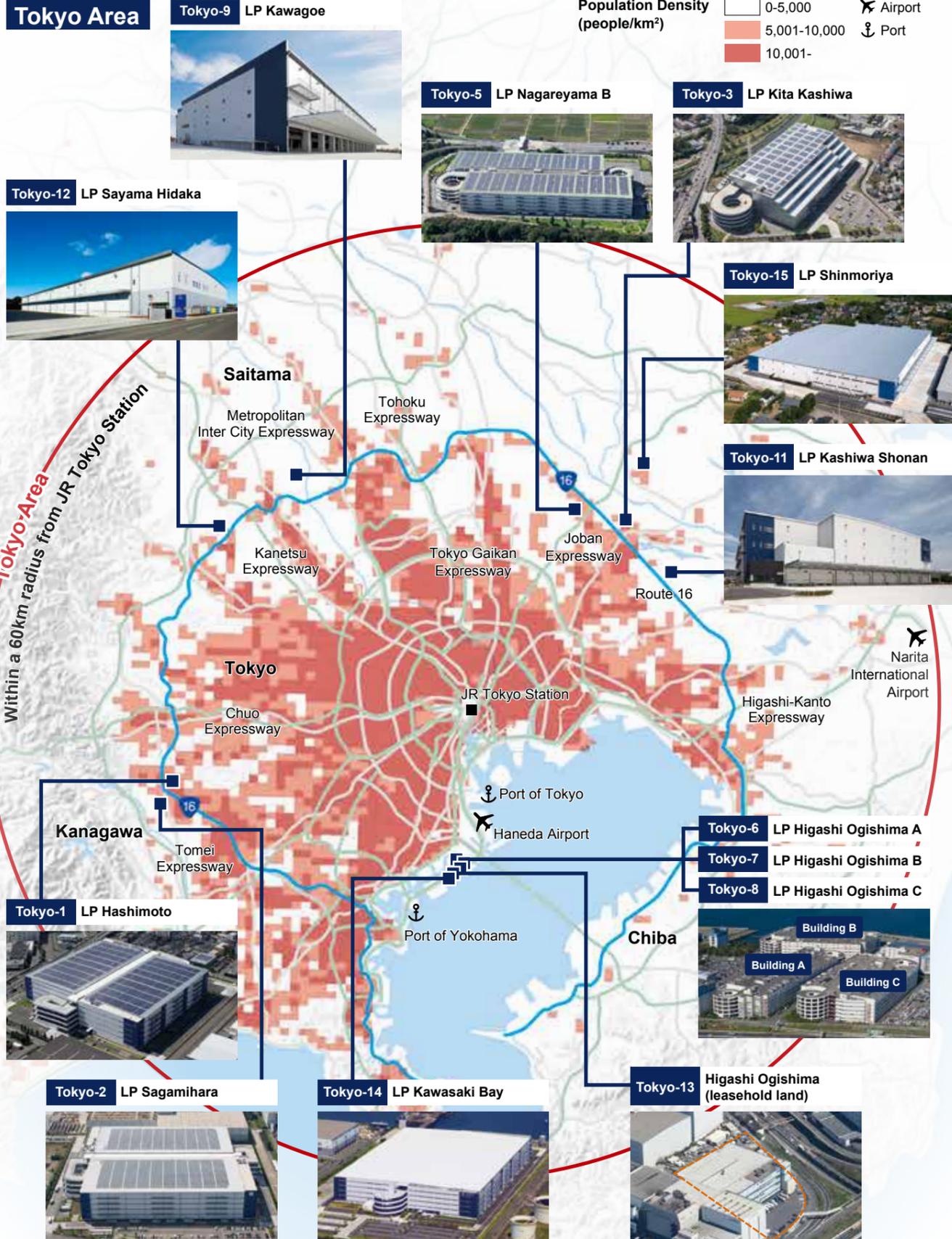
Note 1: Calculated based on the figures as of February 28, 2021 for 19 assets (the assets owned by LLR as of April 30, 2021).

Note 2: Based on leased area.

Note 3: The figure includes tenant overlaps.

# Portfolio Maps

## Tokyo Area



## Osaka Area



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

## Portfolio List

| Property No.                         | Property Name  | Location              | GFA (m <sup>2</sup> ) | Acquisition Price (billion yen) | Appraisal Value (Note 2) (billion yen) | Property Age (Note 3) (years) | PML (Note 4) (%) |
|--------------------------------------|--|-----------------------|-----------------------|---------------------------------|--|-------------------------------|------------------|
| Tokyo-1                              | LOGIPORT Hashimoto (Note 5)  | Sagamihara, Kanagawa  | 145,801               | 21.2                            | 23.8                                   | 6                             | 1.3              |
| Tokyo-2                              | LOGIPORT Sagamihara (Note 5)   | Sagamihara, Kanagawa  | 200,045               | 23.0                            | 25.9                                   | 8                             | 0.5              |
| Tokyo-3                              | LOGIPORT Kita Kashiwa  | Kashiwa, Chiba        | 104,302               | 25.3                            | 30.2                                   | 8                             | 0.9              |
| Tokyo-5                              | LOGIPORT Nagareyama B  | Nagareyama, Chiba     | 133,414               | 26.6                            | 31.1                                   | 13                            | 2.3              |
| Tokyo-6                              | LOGIPORT Higashi Ogishima A  | Kawasaki, Kanagawa    | 100,235               | 19.0                            | 20.2                                   | 34                            | 6.5              |
| Tokyo-7                              | LOGIPORT Higashi Ogishima B  | Kawasaki, Kanagawa    | 117,546               | 19.1                            | 21.7                                   | 30                            | 6.2              |
| Tokyo-8                              | LOGIPORT Higashi Ogishima C  | Kawasaki, Kanagawa    | 116,997               | 23.7                            | 26.4                                   | 19                            | 6.3              |
| Tokyo-9                              | LOGIPORT Kawagoe   | Kawagoe, Saitama      | 50,742                | 11.9                            | 12.5                                   | 10                            | 4.4              |
| Tokyo-11                             | LOGIPORT Kashiwa Shonan  | Kashiwa, Chiba        | 40,878                | 9.3                             | 10.5                                   | 3                             | 1.6              |
| Tokyo-12                             | LOGIPORT Sayama Hidaka   | Hidaka, Saitama       | 23,570                | 6.4                             | 6.6                                    | 5                             | 3.5              |
| Tokyo-13                             | Higashi Ogishima (leasehold land)  | Kawasaki, Kanagawa    | -                     | 1.1                             | 1.6                                    | -                             | -                |
| Tokyo-14                             | LOGIPORT Kawasaki Bay (Note 5)   | Kawasaki, Kanagawa    | 289,164               | 32.2                            | 34.9                                   | 2                             | 3.3              |
| Tokyo-15                             | LOGIPORT Shinmoriya  | Tsukubamirai, Ibaraki | 37,089                | 8.5                             | 9.3                                    | 2                             | 0.9              |
| Osaka-1                              | LOGIPORT Sakai Minamijimacho   | Sakai, Osaka          | 30,696                | 8.1                             | 8.7                                    | 4                             | 6.5              |
| Osaka-2                              | LOGIPORT Sakai Chikko Shinmachi  | Sakai, Osaka          | 20,428                | 4.1                             | 5.0                                    | 3                             | 7.6              |
| Osaka-3                              | LOGIPORT Osaka Taisho (Note 5)   | Osaka, Osaka          | 117,037               | 17.6                            | 19.3                                   | 3                             | 8.4              |
| Osaka-5                              | LOGIPORT Amagasaki   | Amagasaki, Hyogo      | 259,004               | 48.2                            | 57.8                                   | 3                             | 6.2              |
| Osaka-6                              | LOGIPORT Sakai (Note 5)  | Sakai, Osaka          | 115,552               | 12.0                            | 12.8                                   | 4                             | 8.7              |
| Osaka-7                              | LOGIPORT Osaka Bay   | Osaka, Osaka          | 139,551               | 40.0                            | 42.7                                   | 3                             | 8.3              |
| <b>Total/Average (19 properties)</b> |  |                       | <b>2,042,060</b>      | <b>357.8</b>                    | <b>401.1</b>                           | <b>9</b>                      | <b>3.1</b>       |
| LLR-3                                | Preferred Shares Osaka Suminoe Logistics Center Project (provisional name) | Osaka, Osaka          | Approx. 50,000        | 0.2                             | -                                      | -                             | -                |

Note 1: 19 properties and preferred shares (excluding preferred shares scheduled to be redeemed) owned by LLR as of April 30, 2021. The figures are as of February 28, 2021 for the properties.

Note 2: Investment ratio is the ratio of the acquisition price of each property to the total acquisition price, rounded off to one decimal place.

Note 3: Property age is calculated by summing up the period from the date of new construction indicated on the registry of the major building (LOGIPORT Amagasaki's is from October 13, 2017, the date on which construction work for conversion from a factory to a logistics facility was completed) through the end of February 28, 2021, rounded off to the nearest integer. The average figure for the entire portfolio is weighted by the acquisition price, rounded off to the nearest integer.

Note 4: PML levels are as of March 2021, and based off of Tokyo Marine Nichido's "18 property earthquake risk survey portfolio analysis report."

Note 5: Acquisition price and appraisal value show the amounts equivalent to LLR's joint co-ownership interest in the trust beneficiary interests, while GFA shows the figure for the entire property.

# Details of Portfolio



## Tokyo-1 LOGIPORT Hashimoto | 55% trust co-ownership interest

- Adjacent to National Route 16 for convenient access to high consumption areas such as Tokyo and Yokohama
- Convenient access to Metropolitan Inter-City Expressway allows for wider distribution to other areas
- Convenient walking distance from stations on JR lines (e.g. Hashimoto Station) and location adjacent to retail and residential areas
- Equipped with high specifications such as spiral ramps or slopes and large-scale per-floor area of 23,000m<sup>2</sup>



|                    |                                |
|--------------------|--------------------------------|
| Location           | <b>Sagamihara, Kanagawa</b>    |
| GFA                | <b>145,801.69m<sup>2</sup></b> |
| Acquisition price  | <b>21,200 million yen</b>      |
| Appraisal value    | <b>23,800 million yen</b>      |
| Share of portfolio | <b>5.9%</b>                    |
| Built              | <b>January 2015</b>            |
| Occupancy          | <b>99.9%</b>                   |



## Tokyo-2 LOGIPORT Sagamihara | 51% trust co-ownership interest

- Adjacent to National Route 16 for convenient access to high consumption areas such as Tokyo and Yokohama
- Convenient access to Metropolitan Inter-City Expressway via Sagamihara and Sagamihara-Aikawa interchanges allowing wider distribution to other areas
- Location near large residential areas which offers attractive environment for employment
- One of the largest scale logistics facilities in Tokyo Metropolitan area with GFA 200,000m<sup>2</sup>
- Equipped with high quality building specifications for logistics such as spiral ramps or slopes and earthquake-absorbing structure



|                    |                                |
|--------------------|--------------------------------|
| Location           | <b>Sagamihara, Kanagawa</b>    |
| GFA                | <b>200,045.57m<sup>2</sup></b> |
| Acquisition price  | <b>23,020 million yen</b>      |
| Appraisal value    | <b>25,900 million yen</b>      |
| Share of portfolio | <b>6.4%</b>                    |
| Built              | <b>August 2013</b>             |
| Occupancy          | <b>99.7%</b>                   |



## Details of Portfolio



### Tokyo-3 LOGIPOINT Kita Kashiwa

- Located in Kashiwa-city, a dense distribution area for deliveries to Tokyo Metropolitan area
- Located near National Route 6 and National Route 16 and approximately 6km from Kashiwa interchange on the Joban Expressway, which provides convenience for distribution center
- A 6-minute walk from Kita Kashiwa station of JR Joban line, accessible by bus and located near residential areas which offers attractive environment for employment
- Equipped with high quality building specifications such as spiral ramps or slopes and large-scale per-floor area of maximum 18,000m<sup>2</sup>

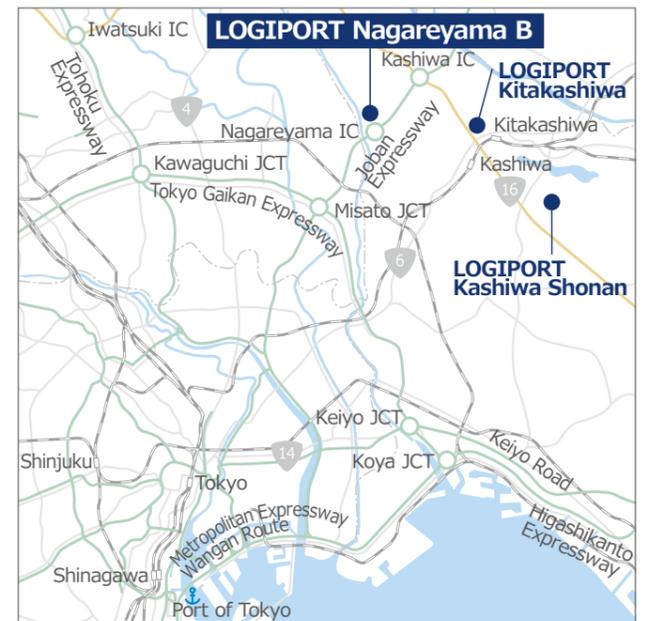
|                    |                                |
|--------------------|--------------------------------|
| Location           | <b>Kashiwa, Chiba</b>          |
| GFA                | <b>104,302.62m<sup>2</sup></b> |
| Acquisition price  | <b>25,300 million yen</b>      |
| Appraisal value    | <b>30,200 million yen</b>      |
| Share of portfolio | <b>7.1%</b>                    |
| Built              | <b>October 2012</b>            |
| Occupancy          | <b>100.0%</b>                  |



### Tokyo-5 LOGIPOINT Nagareyama B

- Located near the Nagareyama interchange on the Joban Expressway which connects to Metropolitan Expressway via Misato junction, which allows broad access to all of Tokyo's Metropolitan areas
- Delivery to various areas possible by using National Route 16
- LOGIPOINT Nagareyama B is equipped with high quality building specifications such as spiral ramps or slopes and large-scale GFA of more than 130,000m<sup>2</sup>

|                    |                                |
|--------------------|--------------------------------|
| Location           | <b>Nagareyama, Chiba</b>       |
| GFA                | <b>133,414.76m<sup>2</sup></b> |
| Acquisition price  | <b>26,600 million yen</b>      |
| Appraisal value    | <b>31,100 million yen</b>      |
| Share of portfolio | <b>7.4%</b>                    |
| Built              | <b>July 2008</b>               |
| Occupancy          | <b>99.9%</b>                   |



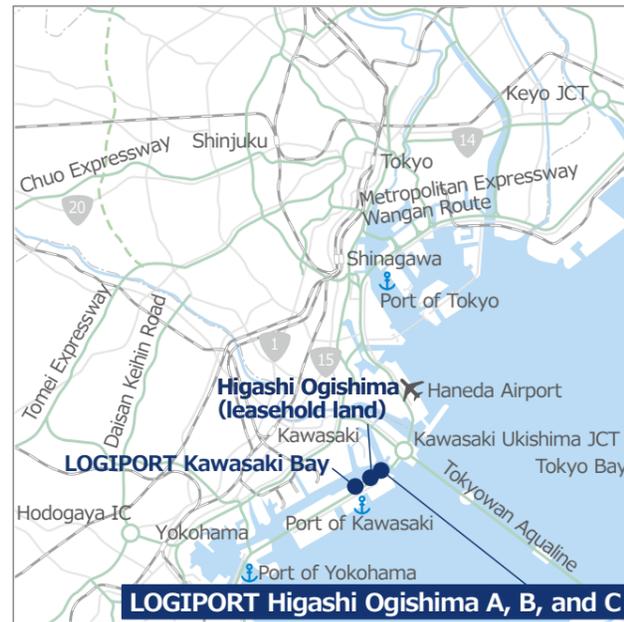
## Details of Portfolio



## Tokyo-6, Tokyo-7 and Tokyo-8

### LOGIPOINT Higashi Ogishima A, B, and C

- Accessible to major transportation infrastructures such as the Higashi Ogishima interchange on the Metropolitan Expressway Bay Shore Route, the Yokohama port, the Tokyo port and Haneda Airport
- Located near areas of high consumption such as central Tokyo, Kawasaki and Yokohama
- Dense areas of factories and logistics facilities
- Kawasaki port harbor road Higashi Ogishima Mizuecho line expected to complete in 2023
- Large-scale facility equipped with high quality building specifications such as spiral ramps or slopes

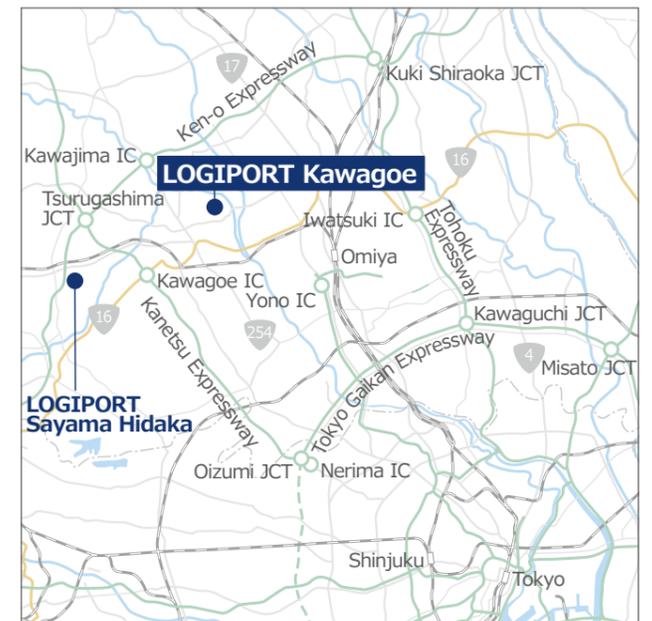


|                    | LOGIPOINT Higashi Ogishima A | LOGIPOINT Higashi Ogishima B | LOGIPOINT Higashi Ogishima C |
|--------------------|------------------------------|------------------------------|------------------------------|
| Location           | Kawasaki, Kanagawa           | Kawasaki, Kanagawa           | Kawasaki, Kanagawa           |
| GFA                | 100,235.67m <sup>2</sup>     | 117,546.26m <sup>2</sup>     | 116,997.14m <sup>2</sup>     |
| Acquisition price  | 19,000 million yen           | 19,120 million yen           | 23,700 million yen           |
| Appraisal value    | 20,200 million yen           | 21,700 million yen           | 26,400 million yen           |
| Share of portfolio | 5.3%                         | 5.3%                         | 6.6%                         |
| Built              | April 1987                   | April 1991                   | September 2001               |
| Occupancy          | 97.0%                        | 95.3%                        | 98.6%                        |

## Tokyo-9 LOGIPOINT Kawagoe

- Good access to Saitama and Tokyo, which are large consumption areas and by using the Ken-o or Kanetsu Expressways, this location offers great distribution coverage across the Tokyo Metropolitan area
- Close to National Route 16 and Route 254, which are main roads within the Tokyo metropolitan area and good access to the Kanetsu Expressway, Ken-o Expressway, and Shuto Expressways
- The surrounding area is an aggregation of logistics facilities and other industrial use
- Bus access from Kawagoe and Ageo stations are in walking distance, frequent bus service (over 100 round trips each weekday)

|                    |                         |
|--------------------|-------------------------|
| Location           | Kawagoe, Saitama        |
| GFA                | 50,742.47m <sup>2</sup> |
| Acquisition price  | 11,950 million yen      |
| Appraisal value    | 12,500 million yen      |
| Share of portfolio | 3.3%                    |
| Built              | January 2011            |
| Occupancy          | 100.0%                  |



# Details of Portfolio



## Tokyo-11 LOGIPORT Kashiwa Shonan

- Located in close proximity to National Route 16, and is conveniently located as a logistics hub for access to each location in the Greater Tokyo Area, including Tokyo, Chiba and Saitama
- Located in Shonan Industrial Complex, where many large-scale logistics facilities are located, allowing for operation 24 hours a day, 365 days a year
- Environmentally friendly and energy-efficient logistics facility with LED lighting installed throughout the entire building and tree-planted parking lots

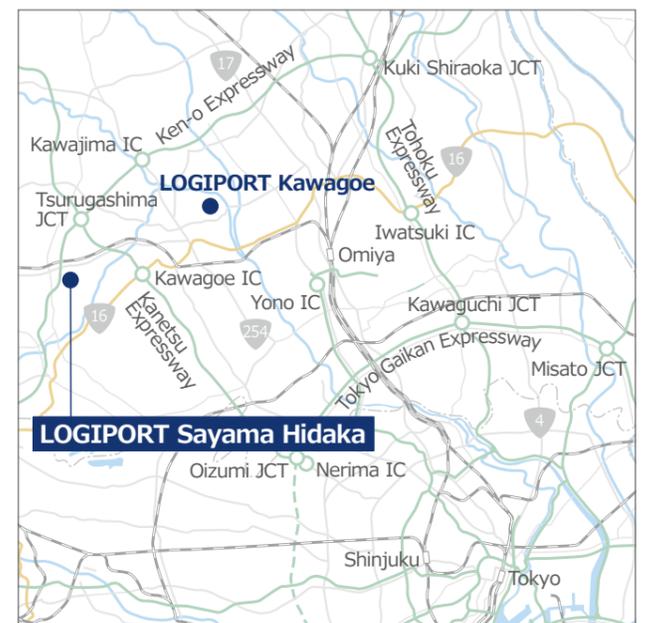


|                    |                               |
|--------------------|-------------------------------|
| Location           | <b>Kashiwa, Chiba</b>         |
| GFA                | <b>40,878.58m<sup>2</sup></b> |
| Acquisition price  | <b>9,300 million yen</b>      |
| Appraisal value    | <b>10,500 million yen</b>     |
| Share of portfolio | <b>2.6%</b>                   |
| Built              | <b>July 2018</b>              |
| Occupancy          | <b>100.0%</b>                 |



## Tokyo-12 LOGIPORT Sayama Hidaka

- Located in close proximity to National Route 16, and approx. 2.5km from Sayama Hidaka IC, the building serves as a logistics hub with good access to a wide range of area including Tokyo consumption area, Tama region and Central Saitama region
- The general specification of the building is very versatile to accommodate a wide range of tenants. With 3 freight elevators, 2 vertical conveyors and plenty of truck berths, the building offers high convenience for users



|                    |                               |
|--------------------|-------------------------------|
| Location           | <b>Hidaka, Saitama</b>        |
| GFA                | <b>23,570.37m<sup>2</sup></b> |
| Acquisition price  | <b>6,430 million yen</b>      |
| Appraisal value    | <b>6,630 million yen</b>      |
| Share of portfolio | <b>1.8%</b>                   |
| Built              | <b>January 2016</b>           |
| Occupancy          | <b>100.0%</b>                 |



## Details of Portfolio



### Tokyo-13 Higashi Ogishima (leasehold land)

- Located in Kawasaki-city, Kanagawa, with convenient access to Port of Kawasaki, Haneda Airport, Port of Tokyo and more
- Located approx. 1.4km from Higashi Ogishima IC on the Bayshore Route, the building offers easy access to consumption area such as Tokyo, Kawasaki-city and Yokohama-city
- The tenant, F-LINE K.K., a logistics company composed of several domestic food manufacture companies, uses the property as refrigerating storage
- LLR secures stable land rent income during the period of the fixed-term land lease contract for business purposes, and aims for the possibility of redevelopment

|                    |                           |
|--------------------|---------------------------|
| Location           | <b>Kawasaki, Kanagawa</b> |
| GFA                | –                         |
| Acquisition price  | <b>1,189 million yen</b>  |
| Appraisal value    | <b>1,620 million yen</b>  |
| Share of portfolio | <b>0.3%</b>               |
| Built              | –                         |
| Occupancy          | <b>100.0%</b>             |



### Tokyo-14 LOGIPOINT Kawasaki Bay | 40% trust co-ownership interest

- Convenient access to key logistics infrastructures, such as Kawasaki Port, Haneda Airport, Tokyo Port, and Yokohama Port. Location has strong potential as a distribution center targeting high consumption areas, such as the Central Tokyo, Kawasaki city, and Yokohama city
- One of the largest scale multi-tenanted logistics properties in Japan, with leasable space per floor of around 15,000 tsubo (approx. 49,500m<sup>2</sup>) with central truck driving roadway coupled with high-end specification to meet recent tenants' requirements, including, ramp-way enabling access to each floor, ample ceiling height, and floor loading capacity

|                    |                                |
|--------------------|--------------------------------|
| Location           | <b>Kawasaki, Kanagawa</b>      |
| GFA                | <b>289,164.66m<sup>2</sup></b> |
| Acquisition price  | <b>32,200 million yen</b>      |
| Appraisal value    | <b>34,920 million yen</b>      |
| Share of portfolio | <b>9.0%</b>                    |
| Built              | <b>May 2019</b>                |
| Occupancy          | <b>99.7%</b>                   |



# Details of Portfolio



## Tokyo-15 LOGIPORT Shinmoriya

- Good access to the Tokyo CBD as well as greater Tokyo area. Convenient for regional distribution to northwest Chiba and central as well as eastern Saitama
- Scarce location because of ease in securing workforce due to convenience from Shinmoriya Station and near a dense residential district
- Highly versatile building, and being capable of accommodating multiple tenants

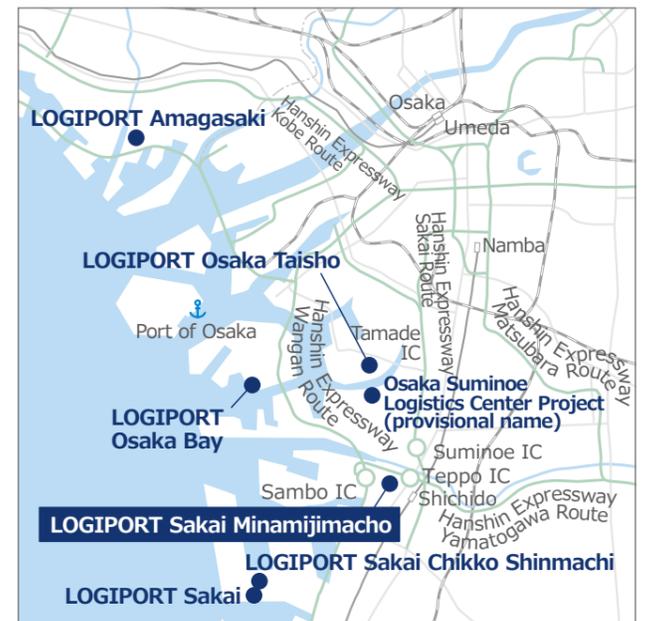


|                    |                               |
|--------------------|-------------------------------|
| Location           | <b>Tsukubamirai, Ibaraki</b>  |
| GFA                | <b>37,089.81m<sup>2</sup></b> |
| Acquisition price  | <b>8,580 million yen</b>      |
| Appraisal value    | <b>9,310 million yen</b>      |
| Share of portfolio | <b>2.4%</b>                   |
| Built              | <b>July 2019</b>              |
| Occupancy          | <b>100.0%</b>                 |



## Osaka-1 LOGIPORT Sakai Minamijimacho

- Good access to Osaka, which have large consumption areas
- By opening the Yamatogawa Line, this location offers great distribution coverage across the Kansai area
- Good access to the expressway at approximately 1.6km to the Sambo interchange and approximately 0.5km to the Teppo gateway
- The surrounding area is an aggregation of logistics facilities and other industrial use
- Approximately 10 minutes on foot from the Shichido Station and excellent location to secure employees



|                    |                               |
|--------------------|-------------------------------|
| Location           | <b>Sakai, Osaka</b>           |
| GFA                | <b>30,696.61m<sup>2</sup></b> |
| Acquisition price  | <b>8,150 million yen</b>      |
| Appraisal value    | <b>8,720 million yen</b>      |
| Share of portfolio | <b>2.3%</b>                   |
| Built              | <b>October, 2016</b>          |
| Occupancy          | <b>100.0%</b>                 |



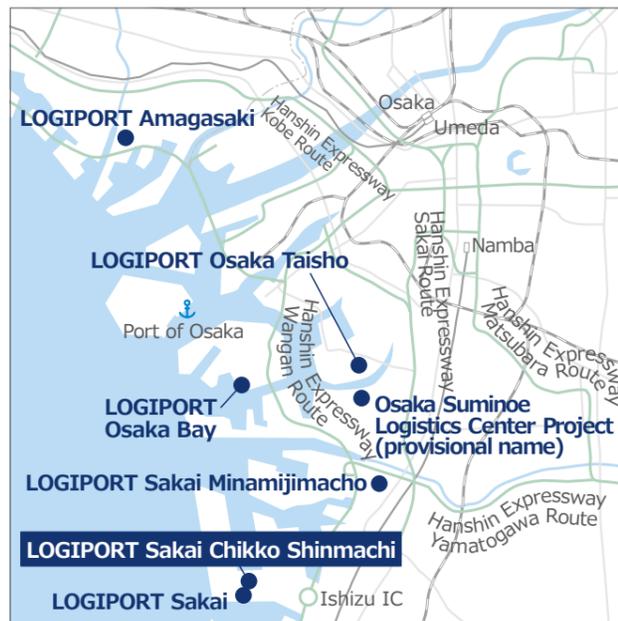
# Details of Portfolio



## Osaka-2 LOGIPORT Sakai Chikko Shinmachi

- Good access to a wide catchment throughout the Kansai area, via the Hanshin Expressway
- Good access to the expressway at approximately 3.0km to the Ishizu interchange along the Hanshin Expressway
- Freight elevators with a loading capacity of 3.5 tons and vertical conveyors throughout

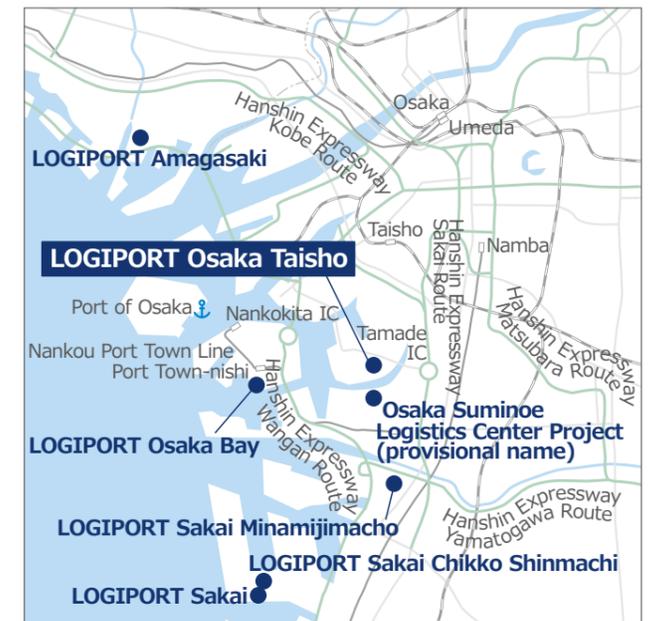
|                    |                               |
|--------------------|-------------------------------|
| Location           | <b>Sakai, Osaka</b>           |
| GFA                | <b>20,428.39m<sup>2</sup></b> |
| Acquisition price  | <b>4,160 million yen</b>      |
| Appraisal value    | <b>5,020 million yen</b>      |
| Share of portfolio | <b>1.2%</b>                   |
| Built              | <b>August 2018</b>            |
| Occupancy          | <b>100.0%</b>                 |



## Osaka-3 LOGIPORT Osaka Taisho | 62.5% trust co-ownership interest

- Located in Taisho-ku, Osaka-city, Osaka, within a 5km radius from Namba/ Shinsaibashi area and 10km radius from Umeda area. It is located in a favorable location which contributes to efficient and optimized logistics, by efficiently covering the large consumption area in Greater Kansai Area along with speedy distribution to Central Osaka Area
- Able to secure workforce as it is located near a residential area and is accessible from several bus routes from the nearest station, Taisho Station on the JR Osaka Loop Line and Osaka Metro Nagahori Tsurumiryokuchi Line
- Advantageous logistics facility of over 110,000m<sup>2</sup> GFA and with two-way ramp-ways. Equipped with basic specification such as pillar width of approx. 11m×10m, ceiling height of 5.5m and floor weight capacity of 1.5t/m<sup>2</sup>

|                    |                                |
|--------------------|--------------------------------|
| Location           | <b>Osaka, Osaka</b>            |
| GFA                | <b>117,037.14m<sup>2</sup></b> |
| Acquisition price  | <b>17,655 million yen</b>      |
| Appraisal value    | <b>19,300 million yen</b>      |
| Share of portfolio | <b>4.9%</b>                    |
| Built              | <b>February 2018</b>           |
| Occupancy          | <b>96.0%</b>                   |

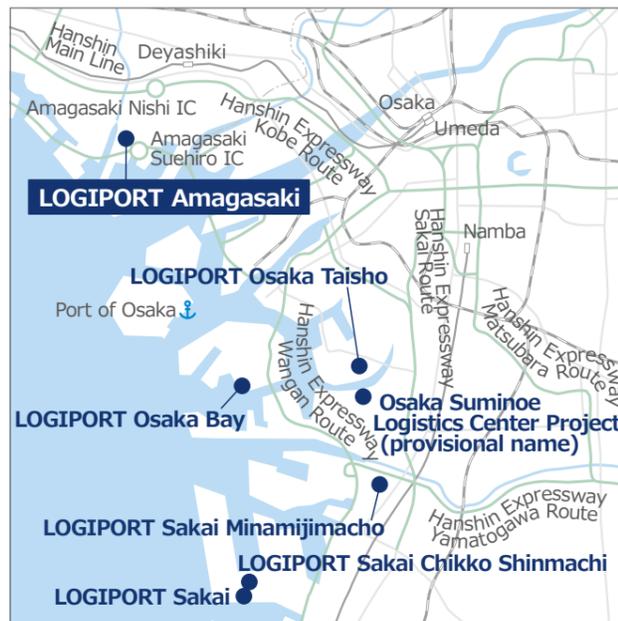


# Details of Portfolio



## Osaka-5 LOGIPORT Amagasaki

- Located in close proximity to Amagasaki Suehiro IC on the Hanshin Expressway Bayshore Route 5, and approx. 2.5 km direct distance to Amagasaki Nishi IC on Hanshin Expressway Kobe Route 3, with convenient access to several expressways
- Convenient access to Port of Osaka and Port of Kobe in an area enabling broad distribution. The property is in close proximity to central Osaka, a large consumption area, with good access to frequently used main routes
- Located in Amagasaki waterfront where many factories and warehouses are concentrated, allowing for efficient operations 24 hours a day, and frequent delivery
- Large logistics facility with over 250,000m<sup>2</sup> GFA. Specification includes a ramp-way accessible from all floors, common amenity functions and annex warehouse for hazardous items etc., suitable for various cargo

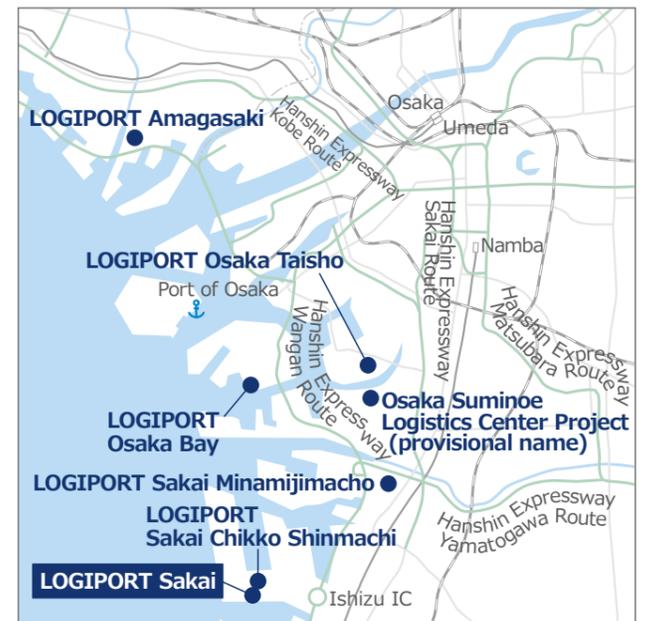


|                    |                                |
|--------------------|--------------------------------|
| Location           | <b>Amagasaki, Hyogo</b>        |
| GFA                | <b>259,004.56m<sup>2</sup></b> |
| Acquisition price  | <b>48,200 million yen</b>      |
| Appraisal value    | <b>57,800 million yen</b>      |
| Share of portfolio | <b>13.5%</b>                   |
| Built              | <b>October 2017</b>            |
| Occupancy          | <b>99.7%</b>                   |



## Osaka-6 LOGIPORT Sakai | 50% trust co-ownership interest

- Located in an industrial zone of large logistics facilities, functioning as a hub for wide-ranging distribution, with easy access to expressways and major arterial roads. Situated in a convenient location near the Osaka CBD, a major area of high consumption
- Highly versatile building with specifications such as high ceiling and high floor loading capacity, allowing for highly efficient storage on the first floor, with high ceiling as well as no intermediary pillar warehouse space allowing for a flexible layout on the second floor
- Core tenants are major e-commerce operators and consumer goods manufacturers using the property as a base for distribution of products to consumers



|                    |                                |
|--------------------|--------------------------------|
| Location           | <b>Sakai, Osaka</b>            |
| GFA                | <b>115,552.35m<sup>2</sup></b> |
| Acquisition price  | <b>12,075 million yen</b>      |
| Appraisal value    | <b>12,800 million yen</b>      |
| Share of portfolio | <b>3.4%</b>                    |
| Built              | <b>March 2017</b>              |
| Occupancy          | <b>98.5%</b>                   |



# Details of Portfolio



## Osaka-7 LOGIPORT Osaka Bay

- Located in the Osaka Bay area with favorable access to Osaka, a large consumption area
- Favorable access to the expressway at approximately 1.3km to the Nanko-Kita Interchange on the Hanshin Expressway No. 4 Wangan Route
- Located a 10-minute walk from Port Town-nishi Station on the Nanko Port Town Line whereby securement of workers can be expected.
- Large-scale logistics facility with approximately 140,000m<sup>2</sup> GFA and double rampways. Equipped with high-quality building specifications and ample amenity facilities

|                                   |                                |
|-----------------------------------|--------------------------------|
| Location                          | <b>Osaka, Osaka</b>            |
| GFA                               | <b>139,551.94m<sup>2</sup></b> |
| Acquisition price                 | <b>40,000 million yen</b>      |
| Appraisal value                   | <b>42,700 million yen</b>      |
| Share of portfolio                | <b>11.2%</b>                   |
| Built                             | <b>February 2018</b>           |
| Occupancy (long term lease basis) | <b>94.5%</b>                   |



# About LaSalle Inc.

LaSalle Inc. is one of the world's leading real estate investment managers that builds trust through a distinctive combination of knowledge, people and client focus. LaSalle Inc. is an operationally independent subsidiary of Jones Lang LaSalle Inc. ("JLL"), a global professional real estate services and advisory firm.

As of December 31, 2020



Approx.  
**91,000**  
Employees

in  
**80**  
Countries

Market cap  
Approx. **\$7.6 bn**  
(listed on the NYSE)

As of December 31, 2020



**Commingled Funds**  
Open and closed-end funds offering investors a strategic focus on attractive regions, styles and sectors.

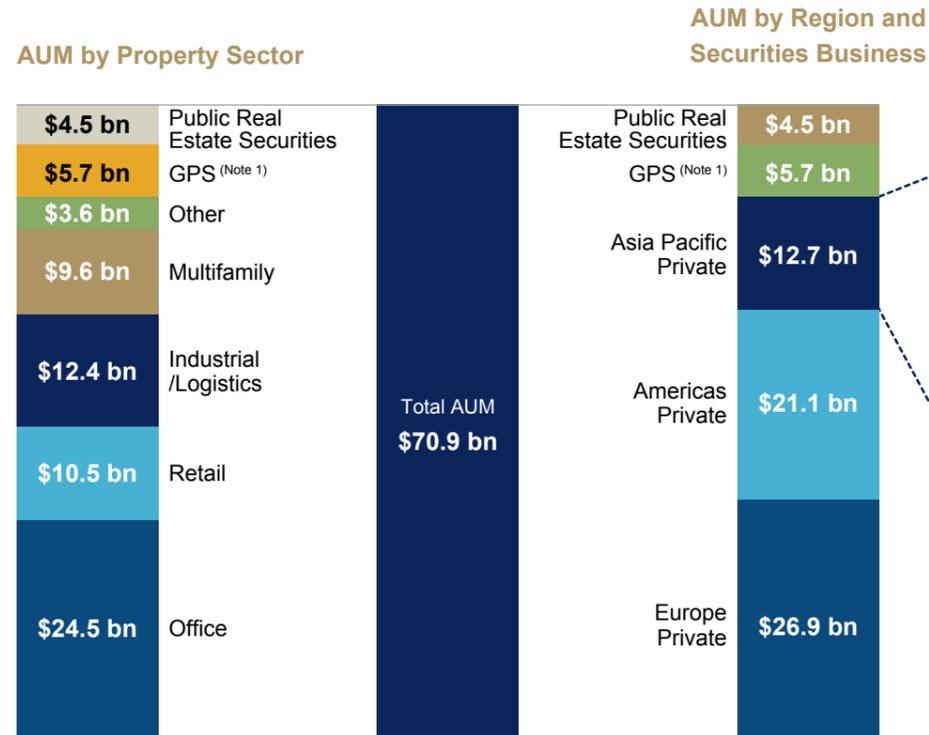
**Separate Accounts**  
Customized mandates meeting the individual investment objectives of clients around the world.

**Global Public Securities**  
Actively managed global real estate securities programs offering diverse investment options.



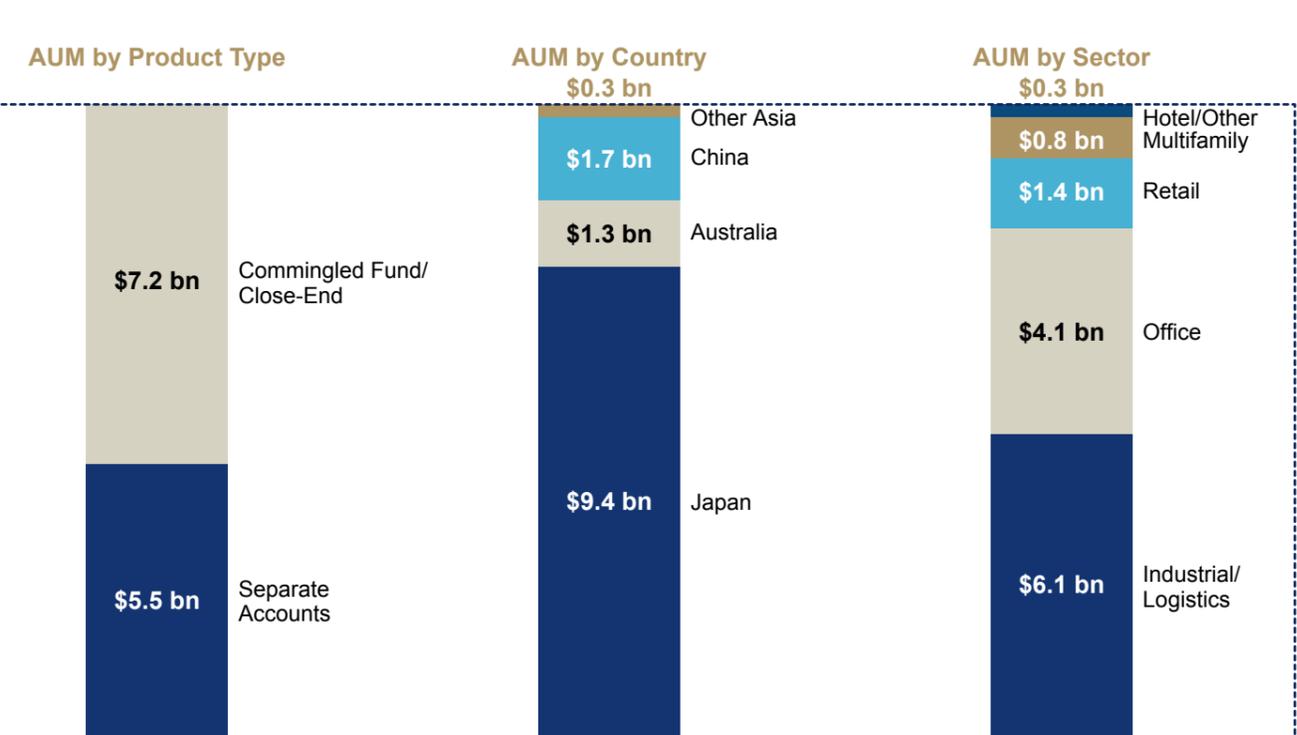
## LaSalle Inc. Global AUM

As of December 31, 2020



## LaSalle Inc. Asia AUM

As of December 31, 2020



Source: LaSalle Investment Management.  
Note 1: Global Partners Solutions: Fund of funds.

# Operation and Governance Emphasizing Unitholders' Interests and Transparency

LLR and the Asset Manager implement appropriate measures to protect the interests of unitholders and minimize conflicts of interest while taking advantage of the support of the LaSalle Group. In addition, the Asset Manager is compensated through an asset management fee linked in part to LLR's earnings per unit ("EPU"), contributing to the alignment of its interests with those of unitholders.

## EPU Linked Asset Management Fee Structure

The Asset Manager receives the type **1 - 5** management fees as described below:

### Management Fee Components of Asset Manager

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

## Alignment of Interest between Unitholders and LaSalle Group

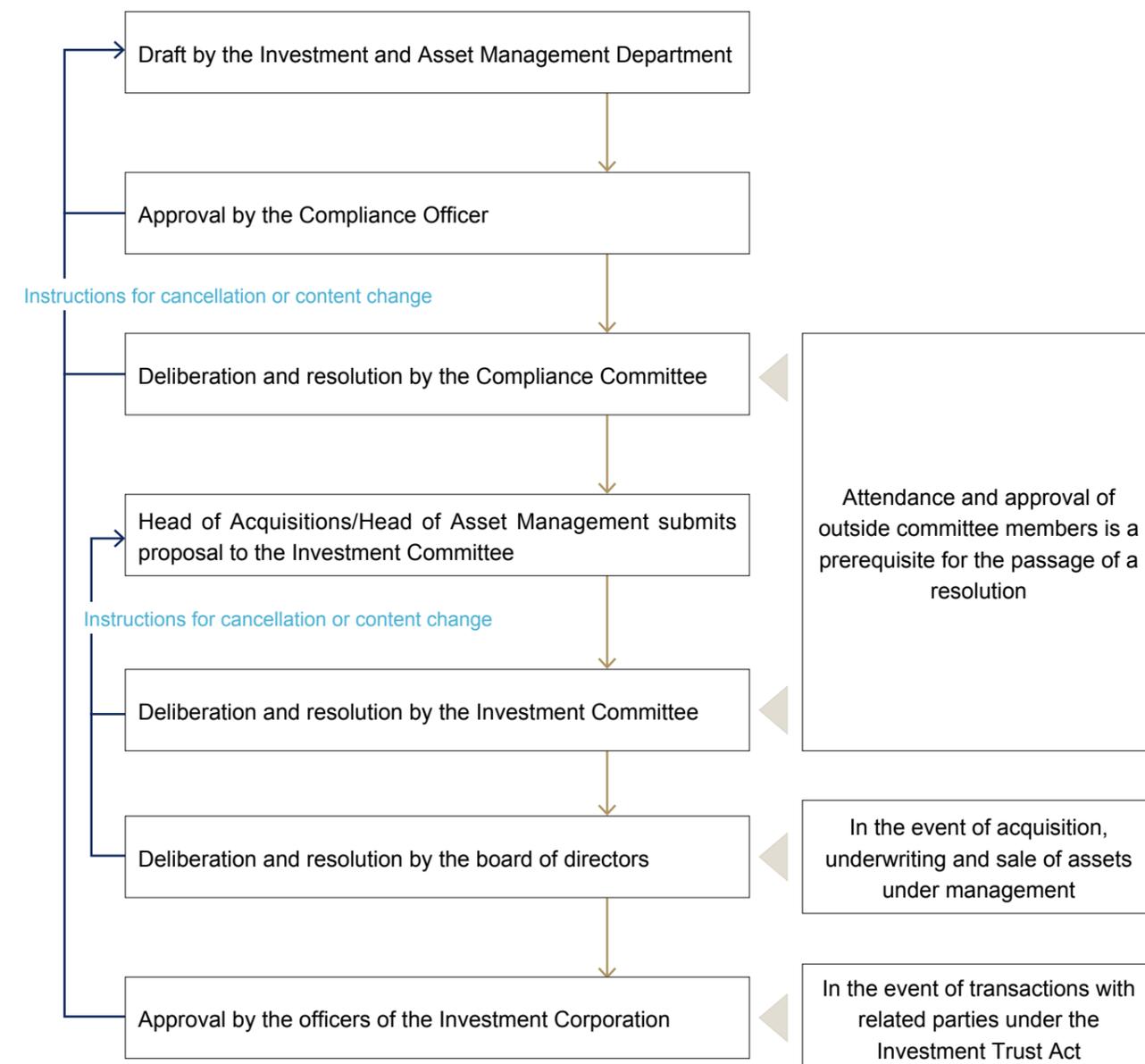
The LaSalle Group and JLL hold 47,700 units, demonstrating alignment of interest.

Moreover, LLR's asset management fees are structured to be aligned with unitholders' interests and outside experts on the investment committee have veto rights for new acquisitions among other governance regulations. LLR continuously pursues a conservative strategy to deliver consistent competitive performance.

# Decision Making Flowchart for Related Party Transactions

A transparent and robust governance structure speaks to the clear decision making flowchart of the Asset Manager as it relates to related party transactions. All related party transactions are subject to approvals by the Compliance Committee and the Investment Committee.

## Measures to Prevent Conflict of Interests in Related Party Transactions



Decisions on related party transactions are subject to the approval of the Asset Manager's Compliance Committee and external board members of the Investment Committee. Furthermore, in certain cases, the Investment Corporation's Board of Directors approves the matters in accordance with the provisions of the Investment Trust Act.

# Risk Factors

An investment in LLR's units includes significant risks. The principal risks include the following.

## Property and Business Risks

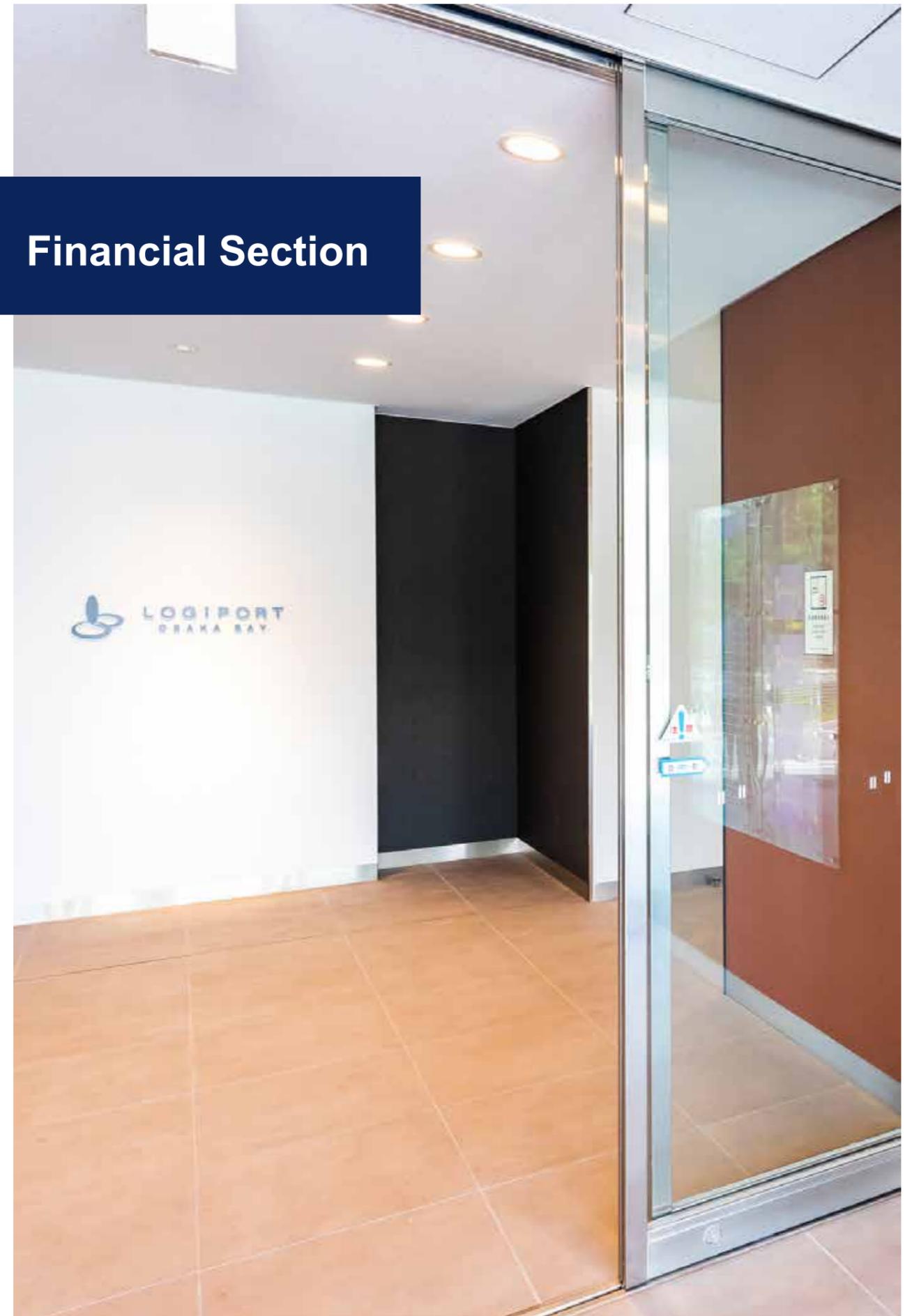
- LLR's financial forecasts and other targets are necessarily speculative and subject to uncertainties.
- Any adverse conditions in the Japanese economy could adversely affect LLR.
- LLR's strategy of investing in logistics facilities may entail risks uncommon to other J-REITs that invest in a broader range of real estate or real estate-related assets.
- LLR may not be able to acquire properties to execute its growth and investment strategy in a manner that is accretive to earnings, and the scope of the pipeline support provided by the Sponsor is limited to the provision of information at the Sponsor's discretion.
- Illiquidity in the real estate market may limit LLR's ability to grow or adjust its portfolio.
- The past experience of the LaSalle Group in the Japanese real estate market is not an indicator or guarantee of LLR's future results.
- LLR's reliance on the Sponsor and other LaSalle Group companies could have a material adverse effect on its business.
- There are potential conflicts of interest between LLR and certain LaSalle Group companies, including the Asset Manager, Sponsor Funds and other JLL group companies.
- LLR faces significant competition in seeking tenants and it may be difficult to find replacement tenants.
- LLR's properties may cater to a single tenant, making it difficult to find replacement tenants.
- Increases in prevailing market interest rates, including as a result of the Bank of Japan's additional monetary easing, could increase LLR's interest expenses and may result in a decline in the market price of its units.
- LLR's portfolio includes properties that account for over 10.0% by acquisition price, which could have an adverse effect on the business, financial condition and results of operation.
- LLR may suffer large losses if any of its properties incurs damage from a natural or man-made disaster or in the event of an accident or disaster stemming from faulty installation or age-related deterioration.
  - Damage to any one or more of the properties in LLR's portfolio, due to natural disaster, such as a flood, earthquake, or tsunami, or due to a man-made disaster, such as a fire or accident, could adversely affect LLR's business, and financial conditions, and result in a decline in operating results. For example, Japan is earthquake-prone and has historically experienced numerous large earthquakes that have resulted in extensive property damage, such as the Great East Japan Earthquake in 2011, which resulted in a tsunami and leakage of radioactive material at the Fukushima nuclear power plants. Furthermore, tenants or the infrastructure and access to LLR properties may be adversely affected by any natural disaster, causing tenants to leave properties or seek lower rents.
  - In addition, LLR may be required to compensate its tenants or third parties in the event of an accident or disaster at any of its properties stemming from any faulty installation or age-related deterioration, such as an elevator accident or water leakage, that results in injury, death or other damage to tenants or third parties.
  - To the extent reasonably available, LLR intends to carry casualty insurance covering all of its properties for many types of casualty losses with policy specification and insured limits that LLR believes are adequate and appropriate under the current circumstances. In particular, LLR will consider obtaining earthquake insurance coverage for those properties with a PML due to an earthquake, exceeding 15%, which currently does not apply to any of the properties within the existing portfolio of assets under management ("AUM").
- Any property defect may adversely affect LLR's financial condition and results of operation.
- LLR's portfolio contains certain properties located on reclaimed land, which is subject to unique risks, including land liquefaction.
- The properties in LLR's portfolio are concentrated in the Tokyo area, and it may have additional property concentration in the Osaka area in the future.
- LLR may decide to acquire its own units on the market but there can be no assurance that LLR will successfully acquire such units to the extent planned, or at all or be able to cancel or dispose of any such units in a manner beneficial to LLR.
- Any inability to obtain financing for future acquisitions could adversely affect the growth of LLR's portfolio.
- Liquidity and other limitations on LLR's activities under debt financing arrangements may adversely affect the business, financial condition and results of operation.
- LLR's policy to make distributions to unitholders in excess of retained earnings is subject to a number of uncertainties.
- LLR may invest in properties that are under development or those with low occupancy, and such investments may subject LLR to various risks.
- Acquisition of land in which third parties hold leasehold interests and own the buildings on the land may subject LLR to various risks.
- A high LTV ratio may increase exposure to changes in interest rates and have a material adverse effect on results of operations.
- LLR may suffer impairment losses relating to its properties.

- Decreases in tenant leaseholder deposits and/or security deposits may increase LLR's funding costs.
- LLR's lack of control over operating costs may adversely affect its business.
- LLR may lose rental revenues in the event of lease terminations, decreased lease renewals, or the default of a tenant as a result of financial difficulty or insolvency, and is exposed to the risk of careless or imprudent management of properties by tenants.
- Master lease agreements expose LLR to certain risks.
- The cost of complying with regulations applicable to LLR's properties could adversely affect the results of its operations.
- LLR relies on expert appraisals and engineering, environmental and seismic reports, which are subject to significant uncertainties.
- LLR relies on industry and market data that are subject to significant uncertainties.
- LLR's buildings may violate earthquake resistance or other building codes, and any such buildings may collapse in even minor earthquakes or may be required to be strengthened or demolished by LLR at significant expense.
- The environmental assessments of properties made prior to ownership may not uncover all environmental liabilities, and Japanese laws subject property owners to strict environmental liabilities.
- LLR may incur additional costs due to preferential purchase rights, rights of first refusal or other similar rights held by lessees or tenants.
- Entering into forward commitment contracts or contracts to purchase properties under development may expose LLR to contractual penalties and market risks.
- LLR may be exposed to regulatory and financial risks related to climate change.
- LLR's success depends on the performance of service providers to which LLR is required to assign various key functions.
- LLR's performance depends on the efforts of key personnel of the Asset Manager.
- Unitholders have limited control over changes in LLR's investment policies.
- J-REITs and their asset managers are subject to tight supervision by the regulatory authorities.
- LLR's failure to satisfy a complex series of requirements pursuant to Japanese tax regulations would disqualify itself from certain taxation benefits and significantly reduce cash distributions to its unitholders.
- If the Japanese tax authorities disagree with the interpretations of the Japanese tax laws and regulations LLR used for prior periods, LLR may be forced to pay additional taxes for those periods.
- LLR may not be able to benefit from reductions in certain real estate taxes enjoyed by qualified J-REITs.
- Changes in Japanese tax laws may significantly increase the LLR's tax burden.
- LLR expects to be treated as a "passive foreign investment company" for U.S. federal income tax purposes.
- Unitholders may be subject to U.S. Foreign Account Tax Compliance Act ("FATCA") withholding tax after 2018.

## Legal and Regulatory Risks

- LLR's ownership rights in some properties may be declared invalid or limited.
- LLR may lose its rights in a property LLR intended to acquire if the purchase of the property is characterized as a secured financing.
- LLR's leasehold or subleasehold rights may be terminated or may not be asserted against a third party in some cases.
- Some of LLR's properties may be held in the form of a property or trust co-ownership interest, and LLR's rights relating to such properties may be affected by the intentions of other co-owners.
- LLR may hold interests in some properties through preferred shares of Japanese special purpose companies (*tokutei mokuteki kaisha*) in the future, and illiquidity in the market for such shares may limit LLR's ability to sell its interest, and the rights relating to the properties held by such special purposes companies may be limited.
- LLR may hold interests in some properties through Japanese anonymous association (*tokumei kumiai*) agreements. LLR may have difficulty selling such interests due to limited market liquidity for such interests, and LLR's rights relating to such properties may be limited.
- LLR owns all of its properties through trust beneficiary interests and may suffer losses as a trust beneficiary.
- There are important differences regarding the rights of unitholders in a J-REIT compared to those of shareholders in a corporation.
- The Alternative Investment Fund Managers Directive ("AIFMD") and the Alternative Investment Fund Managers Regulations 2013 may negatively affect LLR's ability to market its units within the European Economic Area ("EEA") and the United Kingdom and increase compliance costs associated with the marketing of LLR's units in the EEA.
- LLR's units may be deemed to constitute "plan assets" for Employee Retirement Income Security Act ("ERISA") purposes, which may lead to the rescission of certain transactions, tax or fiduciary liability and it being held in violation of ERISA requirements.

## Financial Section



## Balance Sheets

|   | Thousands of yen    |                     |
|---|---------------------|---------------------|
|   | As of               |                     |
|   | February 28, 2021   | August 31, 2020     |
| <b>ASSETS</b>   |                     |                     |
| Current assets  |                     |                     |
| Cash and deposits (Notes 3 and 4)   | ¥ 17,259,071        | ¥ 10,141,366        |
| Cash and deposits in trust (Notes 3 and 4)  | 6,458,138           | 5,337,272           |
| Operating accounts receivable   | 394,875             | 364,676             |
| Prepaid expenses  | 231,513             | 155,422             |
| Consumption taxes receivable  | 2,572,251           | –                   |
| Other   | 575                 | 1,818               |
| Total current assets  | 26,916,425          | 16,000,555          |
| Non-current assets  |                     |                     |
| Property and equipment (Note 6)   |                     |                     |
| Buildings in trust  | 112,970,789         | 84,185,095          |
| Structures in trust   | 119,419             | 118,636             |
| Machinery and equipment in trust  | 214,383             | 214,383             |
| Tools, furniture and fixtures in trust  | 12,164              | 10,219              |
| Land in trust   | 210,619,389         | 166,427,880         |
| Construction in progress in trust   | 13,714              | –                   |
| Less: accumulated depreciation  | (7,486,570)         | (6,241,516)         |
| Total property and equipment  | 316,463,289         | 244,714,698         |
| Investments and other assets  |                     |                     |
| Investment securities (Note 4)  | 1,149,747           | 1,149,747           |
| Long-term prepaid expenses  | 832,661             | 468,576             |
| Deferred tax assets (Note 13)   | 23                  | 12                  |
| Lease and guarantee deposits  | 10,000              | 10,000              |
| Lease and guarantee deposits in trust   | 10,137              | 5,170               |
| Total investments and other assets  | 2,002,569           | 1,633,505           |
| Total non-current assets  | 318,465,858         | 246,348,204         |
| Deferred assets   |                     |                     |
| Deferred organization expenses  | –                   | 609                 |
| Investment unit issuance expenses   | 80,110              | 27,068              |
| Investment corporation bond issuance costs  | 67,109              | 58,712              |
| Total deferred assets   | 147,220             | 86,389              |
| <b>Total Assets</b>   | <b>¥345,529,503</b> | <b>¥262,435,148</b> |
| <b>LIABILITIES</b>  |                     |                     |
| Current liabilities   |                     |                     |
| Operating accounts payable  | ¥ 303,928           | ¥ 230,297           |
| Short-term loans payable (Notes 4 and 11)   | 800,000             | –                   |
| Current portion of investment corporation bonds payable (Notes 4 and 12)          | 5,000,000           | –                   |
| Current portion of long-term loans payable (Notes 4 and 11)                       | 550,000             | 13,390,000          |
| Accounts payable  | 1,514,226           | 1,219,330           |
| Accrued expenses  | 9,507               | 6,108               |
| Income taxes payable  | 1,069               | 848                 |
| Accrued consumption taxes   | –                   | 478,631             |
| Advances received   | 1,683,103           | 1,327,702           |
| Other   | 560,112             | 414,931             |
| Total current liabilities   | 10,421,947          | 17,067,850          |
| Non-current liabilities   |                     |                     |
| Investment corporation bonds payable (Notes 4 and 12)                             | 11,500,000          | 14,500,000          |
| Long-term loans payable (Notes 4, 5 and 11)                                       | 128,494,000         | 84,354,000          |
| Tenant leasehold and security deposits in trust (Note 4)                          | 4,239,193           | 3,310,849           |
| Total non-current liabilities   | 144,233,193         | 102,164,849         |
| <b>Total Liabilities</b>  | <b>154,655,140</b>  | <b>119,232,699</b>  |
| <b>NET ASSETS</b> (Note 10)   |                     |                     |
| Unitholders' equity   |                     |                     |
| Unitholders' capital  | 186,207,049         | 139,538,476         |
| Units authorized:   |                     |                     |
| 10,000,000 units as of February 28, 2021 and August 31, 2020                      |                     |                     |
| Units issued and outstanding:   |                     |                     |
| 1,638,000 units as of February 28, 2021 and 1,363,000 units as of August 31, 2020 |                     |                     |
| Surplus   |                     |                     |
| Retained earnings   | 4,667,314           | 3,663,973           |
| Total unitholders' equity   | 190,874,363         | 143,202,449         |
| <b>Total Net Assets</b>   | <b>190,874,363</b>  | <b>143,202,449</b>  |
| <b>Total Liabilities and Net Assets</b>   | <b>¥345,529,503</b> | <b>¥262,435,148</b> |

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

## Statements of Income

|  | Thousands of yen      |                 |
|--|-----------------------|-----------------|
|  | For the periods ended |                 |
|  | February 28, 2021     | August 31, 2020 |
| <b>Operating revenues</b> (Note 8)                         |                       |                 |
| Rental revenues  | ¥8,836,520            | ¥6,865,424      |
| Other rental revenues                                      | 625,892               | 565,543         |
| Gain on sales of real estate properties                    | 41,599                | –               |
| Total operating revenue                                    | 9,504,012             | 7,430,967       |
| <b>Operating expenses</b> (Note 8)                         |                       |                 |
| Property-related expenses                                  | 2,901,472             | 2,404,952       |
| Asset management fee                                       | 1,147,746             | 877,040         |
| Asset custody and administrative fee                       | 37,439                | 32,996          |
| Directors' compensations                                   | 3,600                 | 3,600           |
| Audit fee  | 12,000                | 12,000          |
| Other operating expenses                                   | 85,428                | 33,682          |
| Total operating expenses                                   | 4,187,687             | 3,364,271       |
| Operating income   | 5,316,324             | 4,066,696       |
| <b>Non-operating revenues</b>                              |                       |                 |
| Interest income  | 115                   | 72              |
| Reversal of distributions payable                          | 549                   | 3,608           |
| Surrender value of insurance policies                      | 2,094                 | –               |
| Interest on tax refund                                     | –                     | 375             |
| Total non-operating income                                 | 2,760                 | 4,055           |
| <b>Non-operating expenses</b>                              |                       |                 |
| Interest expenses  | 347,220               | 277,674         |
| Interest expenses on investment corporation bonds          | 35,167                | 35,589          |
| Amortization of deferred organization expenses             | 609                   | 3,656           |
| Amortization of investment unit issuance expense           | 19,344                | 7,280           |
| Amortization of investment corporation bond issuance costs | 6,695                 | 6,612           |
| Investment unit public offering expenses                   | 81,965                | –               |
| Borrowing related expenses                                 | 159,919               | 75,384          |
| Total non-operating expenses                               | 650,923               | 406,197         |
| Ordinary income  | 4,668,161             | 3,664,554       |
| Income before income taxes                                 | 4,668,161             | 3,664,554       |
| Income taxes – current                                     | 1,087                 | 859             |
| Income taxes – deferred                                    | (10)                  | 0               |
| Total income taxes   | 1,076                 | 859             |
| Net income   | 4,667,085             | 3,663,695       |
| Retained earnings brought forward                          | 229                   | 277             |
| Retained earnings at end of period                         | ¥4,667,314            | ¥3,663,973      |

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

## Statements of Changes in Net Assets

|  | Number of units | Thousands of yen     |                   |                  |
|--|-----------------|----------------------|-------------------|------------------|
|  |                 | Unitholders' capital | Retained earnings | Total net assets |
| Balance as of February 29, 2020 (Note 10)    | 1,363,000       | ¥139,781,090         | ¥4,759,873        | ¥144,540,963     |
| Distributions in excess of retained earnings |                 | (242,614)            |                   | (242,614)        |
| Distributions of retained earnings           |                 |                      | (4,759,596)       | (4,759,596)      |
| Net income                                   |                 |                      | 3,663,695         | 3,663,695        |
| Balance as of August 31, 2020 (Note 10)      | 1,363,000       | ¥139,538,476         | ¥3,663,973        | ¥143,202,449     |
| Issuance of new investment units             | 275,000         | 46,946,625           |                   | 46,946,625       |
| Distributions in excess of retained earnings |                 | (278,052)            |                   | (278,052)        |
| Distributions of retained earnings           |                 |                      | (3,663,744)       | (3,663,744)      |
| Net income                                   |                 |                      | 4,667,085         | 4,667,085        |
| Balance as of February 28, 2021 (Note 10)    | 1,638,000       | ¥186,207,049         | ¥4,667,314        | ¥190,874,363     |

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

## Statements of Cash Flows

|  | Thousands of yen      |                 |
|--|-----------------------|-----------------|
|  | For the periods ended |                 |
|  | February 28, 2021     | August 31, 2020 |
| <b>Cash flows from operating activities:</b>                   |                       |                 |
| Income before income taxes                                     | ¥ 4,668,161           | ¥ 3,664,554     |
| Depreciation   | 1,245,054             | 930,765         |
| Amortization of deferred organization expenses                 | 609                   | 3,656           |
| Amortization of investment unit issuance expenses              | 19,344                | 7,280           |
| Amortization of investment corporation bond issuance costs     | 6,695                 | 6,612           |
| Interest income  | (115)                 | (72)            |
| Interest expenses  | 382,388               | 313,264         |
| Decrease (increase) in operating accounts receivable           | (30,199)              | (76,495)        |
| Decrease (increase) in income taxes receivable                 | –                     | 162,897         |
| Decrease (increase) in consumption taxes refund receivable     | (2,572,251)           | 674,662         |
| Decrease (increase) in prepaid expenses                        | (76,091)              | 13,745          |
| Decrease (increase) in long-term prepaid expenses              | (364,084)             | 65,267          |
| Increase (decrease) in operating accounts payable              | 73,630                | (48,225)        |
| Increase (decrease) in accounts payable                        | 315,241               | (95,524)        |
| Increase (decrease) in accrued consumption taxes               | (478,631)             | 478,631         |
| Increase (decrease) in advances received                       | 355,400               | 99,671          |
| Decrease in property, plant and equipment in trust due to sale | 4,574,798             | –               |
| Other, net   | 974                   | (2,693)         |
| Subtotal   | 8,120,926             | 6,197,997       |
| Interest income received                                       | 115                   | 72              |
| Interest expenses paid   | (378,989)             | (314,338)       |
| Income taxes paid  | (865)                 | (691)           |
| Net cash provided by (used in) operating activities            | 7,741,186             | 5,883,039       |
| <b>Cash flows from investing activities:</b>                   |                       |                 |
| Purchase of property and equipment in trust                    | (77,588,565)          | (347,101)       |
| Proceeds from tenant leasehold and security deposits in trust  | 673,253               | 28,549          |
| Repayments of tenant leasehold and security deposits in trust  | (28,310)              | (25,348)        |
| Payments of leasehold and guarantee deposits in trust          | (4,967)               | –               |
| Net cash provided by (used in) investing activities            | (76,948,590)          | (343,900)       |
| <b>Cash flows from financing activities:</b>                   |                       |                 |
| Proceeds from short-term loans payable                         | 2,800,000             | –               |
| Repayments of short-term loans payable                         | (2,000,000)           | –               |
| Proceeds from long-term loans payable                          | 44,690,000            | –               |
| Repayments of long-term loans payable                          | (13,390,000)          | –               |
| Proceeds from issuance of investment corporation bonds         | 1,984,906             | –               |
| Proceeds from issuance of investment units                     | 46,874,237            | –               |
| Payment of distributions of retained earnings                  | (3,665,147)           | (4,761,076)     |
| Payment of distributions in excess of retained earnings        | (277,983)             | (242,713)       |
| Net cash provided by (used in) financing activities            | 77,016,013            | (5,003,790)     |
| Net increase (decrease) in cash and cash equivalents           | 7,808,609             | 535,349         |
| Cash and cash equivalents at beginning of period               | 13,991,771            | 13,456,422      |
| Cash and cash equivalents at end of period (Note 3)            | ¥21,800,381           | ¥13,991,771     |

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

# Notes to Financial Statements

## 1. Organization and Basis of Presentation

### a) Organization

With LaSalle REIT Advisors as the organizer, LaSalle LOGIPORT REIT (hereinafter referred to as “LLR”) was established with capital of 150 million yen (1,500 units) on October 9, 2015 pursuant to the Act on Investment Trusts and Investment Corporations (hereinafter referred to as “the Investment Trusts Act,” Act No. 198 of 1951, including subsequent amendments), and was listed on the J-REIT section of the Tokyo Stock Exchange (Securities Code: 3466) on February 17, 2016.

The financial statements for the fiscal period ended February 28, 2021 (10th fiscal period) were recently completed, and the total number of issued and outstanding investment units as of the end of this fiscal period is 1,638,000 units.

On February 17, 2016, LLR acquired and began managing eight properties (combined acquisition price of 161,440 million yen). Since its listing, LLR has acquired thirteen properties (combined acquisition price of 171,199 million yen) and disposed of three properties (combined acquisition price of 14,730 million yen) during the subsequent fiscal periods. As a result, LLR owned 18 properties (combined acquisition price of 317,829 million yen) as of February 28, 2021.

These 18 properties (with total leasable floor area of 1,342,134 square-meters) comprise LLR’s asset holdings as of February 28, 2021, and the occupancy rate for the entire portfolio as of February 28, 2021 was 99.0%.

### b) Basis of Presentation

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

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

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

## 2. Summary of Significant Accounting Policies

### a) Cash and Cash Equivalents

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

### b) Investment Securities

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

### c) Property and Equipment

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

|                               |             |
|-------------------------------|-------------|
| Buildings                     | 2-79 years  |
| Structures                    | 10-45 years |
| Machinery and equipment       | 8-24 years  |
| Tools, furniture and fixtures | 5-15 years  |

### d) Tax on Property and Equipment

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

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

### e) Organization Expenses

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

### f) Investment Unit Issuance Expenses

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

### g) Investment Corporation Bond Issuance Costs

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

### h) Hedge Accounting

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

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

### i) Beneficiary Rights in Trust

As to beneficiary rights in trust, all assets and liabilities for assets in trust, as well as the related income generated and expenses incurred, are recorded in the relevant balance sheets and statements of income accounts.

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

- (i) Cash and deposits in trust
- (ii) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust, construction in progress in trust
- (iii) Lease and guarantee deposits in trust
- (iv) Tenant leasehold and security deposits in trust

### j) Consumption Taxes

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

# Notes to Financial Statements

## 3. Cash and Cash Equivalents

The relationship between cash and cash equivalents in the statements of cash flows and the balance sheets is as follows:

|                                     | Thousands of yen  |                 |
|-------------------------------------|-------------------|-----------------|
|                                     | As of             |                 |
|                                     | February 28, 2021 | August 31, 2020 |
| Cash and deposits                   | ¥17,259,071       | ¥10,141,366     |
| Cash and deposits in trust          | 6,458,138         | 5,337,272       |
| Restricted deposits in trust (Note) | (1,916,828)       | (1,486,866)     |
| Cash and cash equivalents           | ¥21,800,381       | ¥13,991,771     |

(Note) Restricted deposits in trust are reserved for the refund of leases and guarantee deposits received from tenants.

## 4. Financial Instruments

### a) Detailed Information on Financial Instruments

#### (i) Policy for Financial Instruments

At the time of acquisition of new portfolio assets, LLR procures funds through the issuance of investment units, borrowings from financial institutions or issuing investment corporation bonds.

LLR manages surplus funds as deposits, taking security and liquidity into account with due consideration of market conditions and its own cash flow situation.

In addition, LLR uses derivatives transactions to hedge against interest rate fluctuation risks and other risks associated with loans and other funding sources, and does not engage in speculative transactions.

#### (ii) Financial Instruments, their Risks and Risk Management System

LLR manages surplus funds as deposits, and although they are exposed to credit risks such as the solvency of the financial institutions where they are deposited, LLR makes deposits carefully for short-term deposit maturities only, taking security and liquidity into account with due consideration of market conditions and its own cash flow situation.

LLR uses borrowings and investment corporation bonds for purposes such as procuring funds for the acquisition of real estate properties, repayment of borrowings and redemption of investment corporation bonds. Although they are exposed to liquidity risks at the time of repayment, LLR mitigates liquidity risk by staggering repayment dates, diversifying its financing sources and securing liquidity, and manages liquidity risk by methods such as preparing cash flow plans. In addition, among borrowings, as some of the loans are in the form of floating rate exposures, exposed to the risk of rising interest rates, LLR endeavors to keep the impact of higher interest payments on operations to a minimum by maintaining a conservative ratio of interest-bearing debt and by increasing the ratio of long-term loans payable in its borrowings.

#### (iii) Supplemental Explanation Regarding Fair Values of Financial Instruments

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

### b) Estimated Fair Value of Financial Instruments

The book value, fair value and differences between the two values as of February 28, 2021 and August 31, 2020 are as follows. Financial instruments for which the fair value is difficult to estimate are excluded from the following table (see Note 2 below).

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

|  | Thousands of yen      |              |            |
|--|-----------------------|--------------|------------|
|  | As of August 31, 2020 |              |            |
|  | Book value            | Fair value   | Difference |
| (1) Cash and deposits                          | ¥ 10,141,366          | ¥ 10,141,366 | ¥ –        |
| (2) Cash and deposits in trust                 | 5,337,272             | 5,337,272    | –          |
| Total assets                                   | ¥ 15,478,638          | ¥ 15,478,638 | ¥ –        |
| (5) Current portion of long-term loans payable | 13,390,000            | 13,391,094   | 1,094      |
| (6) Investment corporation bonds payable       | 14,500,000            | 14,317,800   | (182,200)  |
| (7) Long-term loans payable                    | 84,354,000            | 84,781,459   | 427,459    |
| Total liabilities                              | ¥112,244,000          | ¥112,490,354 | ¥ 246,354  |
| (8) Derivative transactions                    | ¥ –                   | ¥ –          | ¥ –        |

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

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

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

##### (3) Short-term loans payable

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

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

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

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

The fair value of long-term loans payable is determined based on the present value of contractual cash flows which would be applicable to new loans payable under the same conditions and terms.

##### (8) Derivative transactions

Please refer to Note 5, "Derivative Transactions."

# Notes to Financial Statements

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

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

|   | Thousands of yen  |                 |
|---|-------------------|-----------------|
|   | As of             |                 |
|   | February 28, 2021 | August 31, 2020 |
| Investment securities                           | ¥1,149,747        | ¥1,149,747      |
| Tenant leasehold and security deposits in trust | 4,239,193         | 3,310,849       |

(Note 3) Redemption schedule for monetary claims after February 28, 2021

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

Redemption schedule for monetary claims after August 31, 2020

|                            | Thousands of yen      |                            |                              |                               |                              |                      |
|----------------------------|-----------------------|----------------------------|------------------------------|-------------------------------|------------------------------|----------------------|
|                            | As of August 31, 2020 |                            |                              |                               |                              |                      |
|                            | Due within one year   | Due after one to two years | Due after two to three years | Due after three to four years | Due after four to five years | Due after five years |
| Cash and deposits          | ¥10,141,366           | ¥ -                        | ¥ -                          | ¥ -                           | ¥ -                          | ¥ -                  |
| Cash and deposits in trust | 5,337,272             | -                          | -                            | -                             | -                            | -                    |
| Total                      | ¥15,478,638           | ¥ -                        | ¥ -                          | ¥ -                           | ¥ -                          | ¥ -                  |

(Note 4) Repayment schedule for short-term loans payable, investment corporation bonds and long-term loans payable after February 28, 2021

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

Repayment schedule for investment corporation bonds and long-term loans payable after August 31, 2020

|                                      | Thousands of yen      |                            |                              |                               |                              |                      |
|--------------------------------------|-----------------------|----------------------------|------------------------------|-------------------------------|------------------------------|----------------------|
|                                      | As of August 31, 2020 |                            |                              |                               |                              |                      |
|                                      | Due within one year   | Due after one to two years | Due after two to three years | Due after three to four years | Due after four to five years | Due after five years |
| Investment corporation bonds payable | ¥ -                   | ¥5,000,000                 | ¥ -                          | ¥ -                           | ¥ -                          | ¥ 9,500,000          |
| Long-term loans payable              | 13,390,000            | 2,990,000                  | 15,110,000                   | 17,694,000                    | 15,820,000                   | 32,740,000           |
| Total                                | ¥13,390,000           | ¥7,990,000                 | ¥15,110,000                  | ¥17,694,000                   | ¥15,820,000                  | ¥42,240,000          |

## 5. Derivative Transactions

For the periods ended February 28, 2021 and August 31, 2020, LLR only utilized interest rate swaps, which qualified for hedge accounting and met the special matching criteria, as described below.

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

(Note) Interest rate swaps, designated as hedged items, under the special accounting treatment are accounted for as the integral part of long-term loans payable. Therefore, the fair value is included in long-term loans payable disclosed in the aforementioned Note 4, "Financial Instruments, b) Estimated Fair Value of Financial Instruments, (7) Long-term loans payable."

| Hedge accounting method                   | Type of derivative transaction                   | Primary hedged item     | Thousands of yen      |             |            |                        |
|---|--|-------------------------|-----------------------|-------------|------------|------------------------|
|   |  |                         | As of August 31, 2020 |             |            |                        |
|   |  |                         | Contract amount       |             | Fair value | Fair value measurement |
| Total                                     | Due after one year                               |                         |                       |             |            |                        |
| Special treatment for interest rate swaps | Interest rate swaps Receive floating / Pay fixed | Long-term loans payable | ¥64,420,000           | ¥58,300,000 | (Note)     | (Note)                 |

(Note) Interest rate swaps, designated as hedged items, under the special accounting treatment are accounted for as the integral part of long-term loans payable. Therefore, the fair value is included in long-term loans payable disclosed in the aforementioned Note 4, "Financial Instruments, b) Estimated Fair Value of Financial Instruments, (7) Long-term loans payable."

## 6. Property and Equipment

The following table summarizes the property and equipment as of February 28, 2021 and August 31, 2020.

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

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

# Notes to Financial Statements

|  | Thousands of yen      |          |     |                |                          |              |
|--|-----------------------|----------|-----|----------------|--------------------------|--------------|
|  | As of August 31, 2020 |          |     |                |                          |              |
|  | At cost               |          |     | Ending balance | Accumulated depreciation | Book value   |
| Beginning balance                      | Increase              | Decrease |     |                |                          |              |
| Buildings in trust                     | ¥ 84,033,408          | ¥151,686 | ¥ – | ¥ 84,185,095   | ¥6,231,236               | ¥ 77,953,858 |
| Structures in trust                    | 81,767                | 36,869   | –   | 118,636        | 8,493                    | 110,143      |
| Machinery and equipment in trust       | 183                   | 214,200  | –   | 214,383        | 760                      | 213,622      |
| Tools, furniture and fixtures in trust | 10,081                | 137      | –   | 10,219         | 1,025                    | 9,193        |
| Land in trust                          | 166,427,880           | –        | –   | 166,427,880    | –                        | 166,427,880  |
| Total                                  | ¥250,553,320          | ¥402,893 | ¥ – | ¥250,956,214   | ¥6,241,516               | ¥244,714,698 |

(Note) The increase for period ended August 31, 2020, was a result of the installation of photovoltaic power generation equipment during the period with a total value of 214,200 thousand yen.

## 7. Investment and Rental Properties

LLR owns leased logistics properties mainly in the Tokyo and Osaka areas for the purpose of earning rent income. The opening book value, changes during the fiscal period and the fiscal period end fair value of the properties are as follows:

|  | Thousands of yen      |                 |
|--|-----------------------|-----------------|
|  | For the periods ended |                 |
|  | February 28, 2021     | August 31, 2020 |
| Book value (Note 1)                          |                       |                 |
| Balance at the beginning of the period       | ¥244,714,698          | ¥245,242,569    |
| Changes during the period (Note 2)           | 71,748,591            | (527,871)       |
| Balance at the end of the period             | ¥316,463,289          | ¥244,714,698    |
| Fair value at the end of the period (Note 3) | ¥358,420,000          | ¥271,640,000    |

(Note 1) Book value is 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, 2020, was a result of the installation of photovoltaic power generation equipment during the period with a total value of 214,200 thousand yen. The decrease for period ended August 31, 2020, was a result of the recognition of depreciation expenses of 930,765 thousand yen, respectively.

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

## 8. Property-related Revenues and Expenses

The following table summarizes the revenues and expenses generated from property leasing activities for the periods ended February 28, 2021 and August 31, 2020.

|  | Thousands of yen      |                 |
|--|-----------------------|-----------------|
|  | For the periods ended |                 |
|  | February 28, 2021     | August 31, 2020 |
| (1) Real estate leasing revenues           |                       |                 |
| Rental revenues                            |                       |                 |
| Rental income                              | ¥8,089,566            | ¥6,277,619      |
| Common service fee                         | 746,954               | 587,804         |
| Total                                      | ¥8,836,520            | ¥6,865,424      |
| Other rental revenues                      |                       |                 |
| Utilities charge reimbursement             | ¥ 366,092             | ¥ 347,292       |
| Parking revenue                            | 173,931               | 158,529         |
| Other lease revenues                       | 85,868                | 59,721          |
| Total                                      | ¥ 625,892             | ¥ 565,543       |
| Total real estate leasing revenues         | ¥9,462,412            | ¥7,430,967      |
| (2) Real estate leasing expenses           |                       |                 |
| Property-related expenses                  |                       |                 |
| Outsourcing costs                          | ¥ 398,089             | ¥ 326,320       |
| Utilities expenses                         | 335,750               | 328,034         |
| Taxes and public dues                      | 665,352               | 670,146         |
| Insurance premiums                         | 15,848                | 12,432          |
| Repair and maintenance                     | 151,638               | 81,020          |
| Depreciation                               | 1,245,054             | 930,765         |
| Other leasing expenses                     | 89,737                | 56,231          |
| Total real estate leasing expenses         | ¥2,901,472            | ¥2,404,952      |
| (3) Real estate leasing profit ((1) - (2)) | ¥6,560,940            | ¥5,026,014      |

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

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

## 9. Leases

The future minimum rent revenue from tenants, subsequent to fiscal period end, under non-cancelable operating leases of properties are as follows:

|                     | Thousands of yen  |                 |
|---------------------|-------------------|-----------------|
|                     | As of             |                 |
|                     | February 28, 2021 | August 31, 2020 |
| Due within one year | ¥14,517,714       | ¥ 9,999,382     |
| Due after one year  | 39,406,544        | 25,701,214      |
| Total               | ¥53,924,259       | ¥35,700,596     |

# Notes to Financial Statements

## 10. Net Assets

### a) Stated Capital

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

### b) Unitholders' Capital

Unitholders' capital as of February 28, 2021 and August 31, 2020 consists of the following items:

|   | Thousands of yen  |                 |
|---|-------------------|-----------------|
|   | As of             |                 |
|   | February 28, 2021 | August 31, 2020 |
| Unitholders' capital, gross                             | ¥188,074,335      | ¥141,127,710    |
| Deduction from unitholders' capital;                    |                   |                 |
| Accumulated distribution in excess of retained earnings | (1,867,286)       | (1,589,234)     |
| Unitholders' capital                                    | ¥186,207,049      | ¥139,538,476    |

### c) Distributions

With regards to the distributions for this fiscal period, in an effort to include LLR's profit distributions as tax deductible expenses in accordance with Section 1 of Article 67-15 of the Special Taxation Measures Act, the distribution amount represents the entire unappropriated retained earnings for the fiscal period, excluding fractional amounts less than one yen.

|   | Yen                   |          |                 |          |
|---|-----------------------|----------|-----------------|----------|
|   | For the periods ended |          |                 |          |
|   | February 28, 2021     |          | August 31, 2020 |          |
|   | Total                 | Per unit | Total           | Per unit |
| I Unappropriated retained earnings              | ¥4,667,314,074        |          | ¥3,663,973,016  |          |
| II Distributions in excess of retained earnings |                       |          |                 |          |
| Deduction from unitholders' capital             | 373,464,000           |          | 278,052,000     |          |
| III Distributions                               |                       |          |                 |          |
| Distributions of retained earnings              | 4,666,662,000         | 2,849    | 3,663,744,000   | 2,688    |
| Distributions in excess of retained earnings    | 373,464,000           | 228      | 278,052,000     | 204      |
| Total distributions                             | 5,040,126,000         | 3,077    | 3,941,796,000   | 2,892    |
| IV Retained earnings carried forward            | ¥ 652,074             |          | ¥ 229,016       |          |

Pursuant to the "Distribution Policy" as defined in Article 36, Paragraph 1 of Article 2 of incorporation of LLR, the amount of distributions shall be the amount which does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act.

Based on the policy, LLR declared the distribution amount of 4,666,662,000 yen and 3,663,744,000 yen for the periods ended February 28, 2021 and August 31, 2020, respectively. These amounts were equivalent to the maximum integral multiples of number of investment units issued and outstanding as of the fiscal period.

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

Accordingly, LLR declared distributions in excess of retained earnings of 373,464,000 yen and 278,052,000 yen, as a return of unitholders' capital, which was the amount equivalent to approximately 30% of the amount remaining after deducting the total amount of accumulated depreciation as of the previous period from the total amount of accumulated depreciation as of the current fiscal period of 1,245,054,374 yen and 930,765,421 yen for the periods ended February 28, 2021 and August 31, 2020, respectively.

## 11. Short-term and Long-term Loans Payable

Short-term and long-term loans payable consisted of bank borrowings under loan agreements. The following table summarizes the long-term loans payable as of February 28, 2021 and August 31, 2020.

|   | Thousands of yen  |                 |
|---|-------------------|-----------------|
|   | As of             |                 |
|   | February 28, 2021 | August 31, 2020 |
| 0.44450% unsecured short-term loans due 2021    | ¥ 800,000         | ¥ –             |
| Total short-term loans payable                  | ¥ 800,000         | ¥ –             |
| 0.42000% unsecured long-term loans due 2021     | ¥ –               | ¥ 4,620,000     |
| 0.41323% unsecured long-term loans due 2021 (*) | –                 | 6,120,000       |
| 0.68000% unsecured long-term loans due 2023     | 5,890,000         | 5,890,000       |
| 0.67680% unsecured long-term loans due 2023 (*) | 9,220,000         | 9,220,000       |
| 0.79000% unsecured long-term loans due 2024     | 2,870,000         | 2,870,000       |
| 0.76155% unsecured long-term loans due 2024 (*) | 6,190,000         | 6,190,000       |
| 0.89000% unsecured long-term loans due 2025     | 4,160,000         | 4,160,000       |
| 0.88680% unsecured long-term loans due 2025 (*) | 4,910,000         | 4,910,000       |
| 0.98000% unsecured long-term loans due 2026     | 1,510,000         | 1,510,000       |
| 0.93127% unsecured long-term loans due 2026 (*) | 2,250,000         | 2,250,000       |
| 0.42945% unsecured long-term loans due 2022     | 2,990,000         | 2,990,000       |
| 0.40159% unsecured long-term loans due 2023     | 1,900,000         | 1,900,000       |
| 0.47128% unsecured long-term loans due 2023     | 5,600,000         | 5,600,000       |
| 0.26909% unsecured long-term loans due 2021     | –                 | 2,650,000       |
| 0.51435% unsecured long-term loans due 2025 (*) | 6,750,000         | 6,750,000       |
| 0.59950% unsecured long-term loans due 2026 (*) | 5,880,000         | 5,880,000       |
| 0.34020% unsecured long-term loans due 2026 (*) | 3,100,000         | 3,100,000       |
| 0.42105% unsecured long-term loans due 2027 (*) | 5,100,000         | 5,100,000       |
| 0.30050% unsecured long-term loans due 2026 (*) | 1,300,000         | 1,300,000       |
| 0.36250% unsecured long-term loans due 2027 (*) | 5,700,000         | 5,700,000       |
| 0.40350% unsecured long-term loans due 2027 (*) | 7,900,000         | 7,900,000       |
| 0.43909% unsecured long-term loans due 2023     | 1,134,000         | 1,134,000       |
| 0.44453% unsecured long-term loans due 2025     | 5,000,000         | –               |
| 0.44400% unsecured long-term loans due 2027 (*) | 6,300,000         | –               |
| 0.50950% unsecured long-term loans due 2028 (*) | 20,000,000        | –               |
| 0.25031% unsecured long-term loans due 2022     | 550,000           | –               |
| 0.38781% unsecured long-term loans due 2026     | 1,540,000         | –               |
| 0.41000% unsecured long-term loans due 2028 (*) | 4,300,000         | –               |
| 0.51700% unsecured long-term loans due 2029 (*) | 7,000,000         | –               |
| Total long-term loans payable                   | ¥129,044,000      | ¥97,744,000     |

The stated interest rate is the weighted average interest rate during the period ended February 28, 2021. For certain loans (\*) for which LLR uses interest rate swaps to hedge their interest rate risk exposure, the effective interest rate which includes the effect of the interest rate swap is stated.

The redemption schedule for long-term loans subsequent to February 28, 2021 is disclosed in Note 4, "Financial Instruments."

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

# Notes to Financial Statements

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

|  | Thousands of yen  |                 |
|--|-------------------|-----------------|
|  | As of             |                 |
|  | February 28, 2021 | August 31, 2020 |
| Total amount of committed line of credit   | ¥4,000,000        | ¥4,000,000      |
| Borrowings drawn down                      | –                 | –               |
| Balance of unused committed line of credit | ¥4,000,000        | ¥4,000,000      |

## 12. Investment Corporation Bonds Payable

The investment corporation bonds payable will be redeemed on a lump-sum basis at their contractual maturity dates. The following table summarizes the investment corporation bonds payable as of February 28, 2021 and August 31, 2020.

|                    | Issued date       | Maturity date     | Interest rate | Thousands of yen  |                 |
|--------------------|-------------------|-------------------|---------------|-------------------|-----------------|
|                    |                   |                   |               | As of             |                 |
|                    |                   |                   |               | February 28, 2021 | August 31, 2020 |
| 1st unsecured bond | February 15, 2017 | February 15, 2022 | 0.260%        | ¥ 4,000,000       | ¥ 4,000,000     |
| 2nd unsecured bond | February 15, 2017 | February 15, 2027 | 0.580%        | 2,000,000         | 2,000,000       |
| 3rd unsecured bond | July 13, 2017     | July 13, 2027     | 0.650%        | 3,500,000         | 3,500,000       |
| 4th unsecured bond | December 21, 2017 | December 21, 2021 | 0.170%        | 1,000,000         | 1,000,000       |
| 5th unsecured bond | December 21, 2017 | December 21, 2027 | 0.630%        | 1,000,000         | 1,000,000       |
| 6th unsecured bond | February 20, 2020 | February 20, 2030 | 0.590%        | 3,000,000         | 3,000,000       |
| 7th unsecured bond | February 16, 2021 | February 15, 2036 | 0.760%        | 2,000,000         | –               |
| Total              |                   |                   |               | ¥16,500,000       | ¥14,500,000     |

## 13. Income Taxes

LLR is subject to Japanese corporate income taxes on its taxable income. The tax effect of temporary differences that give rise to a significant portion of the deferred tax assets and liabilities as of February 28, 2021 and August 31, 2020 are as follows:

|                           | Thousands of yen  |                 |
|---------------------------|-------------------|-----------------|
|                           | As of             |                 |
|                           | February 28, 2021 | August 31, 2020 |
| Enterprise tax payable    | ¥23               | ¥12             |
| Total deferred tax assets | 23                | 12              |
| Net deferred tax assets   | ¥23               | ¥12             |

Reconciliation of major items that caused differences between the statutory tax rate and effective tax rate with respect to pre-tax income reflected in the accompanying statements of income for the periods ended February 28, 2021 and August 31, 2020 are as follows:

|                                  | For the periods ended |                 |
|----------------------------------|-----------------------|-----------------|
|                                  | February 28, 2021     | August 31, 2020 |
| Statutory tax rate               | 31.46%                | 31.46%          |
| Adjustments:                     |                       |                 |
| Deductible distributions         | (31.45%)              | (31.45%)        |
| Other                            | 0.01%                 | 0.01%           |
| Actual effective income tax rate | 0.02%                 | 0.02%           |

## 14. Per Unit Information

The following table summarizes per unit information for the fiscal period ended February 28, 2021 and August 31, 2020.

|  | Yen                   |                 |
|--|-----------------------|-----------------|
|  | For the periods ended |                 |
|  | February 28, 2021     | August 31, 2020 |
| Net income per unit                          |                       |                 |
| Basic net income per unit                    | ¥ 2,852               | ¥ 2,687         |
| Weighted average number of units outstanding | 1,635,974             | 1,363,000       |

|                     | Yen               |                 |
|---------------------|-------------------|-----------------|
|                     | As of             |                 |
|                     | February 28, 2021 | August 31, 2020 |
| Net assets per unit | ¥ 116,528         | ¥ 105,064       |

(Note) Net income per unit is calculated by dividing net income by the average number of investment units for the period. Net income for the basis for calculating net income per unit are 4,667,085 thousand yen and 3,663,695 thousand yen for the period ended February 28, 2021 and August 31, 2020, respectively. The diluted net income per unit is not stated here as there are no diluted investment units.

## 15. Transactions with Related Parties

### a) Transactions and Account Balances with the Parent Company and Major Unitholders

(For the period ended February 28, 2021)

None

(For the period ended August 31, 2020)

None

### b) Transactions and Account Balances with Affiliates

(For the period ended February 28, 2021)

None

(For the period ended August 31, 2020)

None

### c) Transactions and Account Balances with Companies under Common Control

(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 and investment security acquisitions, was 764,730 thousand yen.

# Notes to Financial Statements

(For the period ended August 31, 2020)

| 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 | ¥877,040                                       | Accounts payable | ¥964,744                                   |

(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.

## 16. Segment Information

### Segment Information

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

### Related Information

(For the period ended February 28, 2021)

#### a) Information by Products and Services

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

#### b) Information by Geographic Region

##### (i) Operating Revenues

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

#### c) Information by Major Customers

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

(For the period ended August 31, 2020)

#### a) Information by Products and Services

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

#### b) Information by Geographic Region

##### (i) Operating Revenues

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

#### c) Information by Major Customers

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

## 17. Subsequent Events

#### a) Acquisition (preferred securities) of assets

LLR has acquired the following preferred securities on March 18, 2021.

| Asset name                                 | Acquisition price (million yen) | Seller                | Underlying real estate                                  |
|--|---------------------------------|-----------------------|---|
| Kansai 1 Property TMK Preferred securities | 201                             | Kansai 1 Property TMK | (Tentative name) Osaka Suminoe Logistics Center Project |

#### b) Issuance of new investment units

LLR adopted a resolution on the issuance of new investment units as described below at the Board of Directors meeting held on April 14, 2021, and the payment was completed on April 27, 2021, for the issuance of new investment units through a public offering and on May 25, 2021, for the issuance of new investment units through a third-party allotment.

(Issuance of new investment units through a public offering)

|                                   |                      |
|-----------------------------------|----------------------|
| Number of investment units issued | 140,000 units        |
| Issue price                       | 167,700 yen per unit |
| Total issue price                 | 23,478,000,000 yen   |
| Issue value                       | 161,834 yen per unit |
| Total issue value                 | 22,656,760,000 yen   |
| Payment date                      | April 27, 2021       |

(Issuance of new investment units through a third-party allotment)

|                                   |                             |
|-----------------------------------|-----------------------------|
| Number of investment units issued | 7,000 units                 |
| Issue value                       | 161,834 yen per unit        |
| Total issue value                 | 1,132,838,000 yen           |
| Payment date                      | May 25, 2021                |
| Subscriber                        | Nomura Securities Co., Ltd. |

# Notes to Financial Statements

## c) Borrowing of funds

LLR decided to borrow the following funds on April 26, 2021, and borrowed the funds on April 30, 2021.

| Category   | Lender  | Borrowing Amount (million yen) | Interest Rate (Note 5) (Note 6)  | Borrowing Date | Borrowing Method   | Repayment Date (Note 9) | Repayment Method (Note 10) | Collateral                   |
|------------|---|--------------------------------|--|----------------|--|-------------------------|----------------------------|------------------------------|
| Short-term | Syndicate of lenders arranged by MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Banking Corporation (Note 1) | ¥1,800                         | Base interest rate (3-month Japanese yen TIBOR by Japanese Bankers Association) + 0.1625%          |                |  | April 28, 2022          |                            |                              |
| Long-term  | Syndicate of lenders arranged by MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Banking Corporation (Note 2) | ¥2,000                         | Base interest rate (3-month Japanese yen TIBOR by Japanese Bankers Association) + 0.3000%          |                | Borrowing based on a separate term loan agreement dated April 27, 2021, with the lenders shown on the left | April 30, 2026          |                            |                              |
| Long-term  | Syndicate of lenders arranged by MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Banking Corporation (Note 3) | ¥2,800                         | Base interest rate (3-month Japanese yen TIBOR by Japanese Bankers Association) + 0.2800% (Note 7) | April 30, 2021 |  | June 30, 2028           | Bullet repayment           | Unsecured and non-guaranteed |
| Long-term  | Syndicate of lenders arranged by MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Banking Corporation (Note 4) | ¥13,100                        | Base interest rate (3-month Japanese yen TIBOR by Japanese Bankers Association) + 0.3800% (Note 8) |                |  | June 29, 2029           |                            |                              |

(Note 1) The syndicate of lenders includes MUFG Bank, Ltd. and Mizuho Bank, Ltd.

(Note 2) The syndicate of lenders includes Sumitomo Mitsui Trust Bank, Limited.

(Note 3) The syndicate of lenders includes Shinsei Bank, Limited, Aozora Bank, Ltd. and Resona Bank, Limited.

(Note 4) The syndicate of lenders includes s MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and Development Bank of Japan Inc.

(Note 5) "Interest Rate" does not include loan fees payable to lenders.

(Note 6) The first interest payment date is the last day of May 2021, and the subsequent interest payment dates are the last day of every February, May, August and November thereafter, and the repayment date (or the immediately following business day in case such interest payment date would fall on a day that is not a business day and the immediately preceding business day in case such date would fall in the next calendar month). As to floating interest rates, the base interest rate refers to the Japanese yen TIBOR for three-month deposits announced by the JBA TIBOR Association two business days before the interest payment date for the immediately preceding interest calculation period (however, for the first calculation period, the applicable date is the drawdown date). Please refer to the JBA TIBOR Association's website (<http://www.jbatibor.or.jp/english/>) for changes in the JBA Japanese yen TIBOR.

(Note 7) The interest rate swap agreement was concluded on April 27, 2021, to fix the payment interest rate and hedge the risk of rising interest rates on these borrowings as follows.

|                       |   |
|-----------------------|---|
| Counterparty          | Nomura Securities Co., Ltd.   |
| Notional Principal    | 2,800 million yen   |
| Interest Rate         | Fixed payment interest rate 0.40440%<br>Variable receipt interest rate 3-month Japanese yen TIBOR by Japanese Bankers Association + 0.2800%   |
| Starting Date         | April 30, 2021  |
| Termination Date      | June 30, 2028   |
| Interest Payment Date | The first interest payment date is the last day of May 2021, and the subsequent interest payment dates are the last day of every February, May, August and November thereafter, and the repayment date (or the immediately following business day in case such interest payment date would fall on a day that is not a business day or the immediately preceding business day in case such date would fall in the next calendar month). |

\* The interest rate swap agreement will, in effect, fix the interest rate for Loan at 0.40440%.

(Note 8) The interest rate swap agreement was concluded on April 27, 2021, to fix the payment interest rate and hedge the risk of rising interest rates on these borrowings as follows.

|                       |   |
|-----------------------|---|
| Counterparty          | Nomura Securities Co., Ltd.   |
| Notional Principal    | 13,100 million yen  |
| Interest Rate         | Fixed payment interest rate 0.52360%<br>Variable receipt interest rate 3-month Japanese yen TIBOR by Japanese Bankers Association + 0.3800%   |
| Starting Date         | April 30, 2021  |
| Termination Date      | June 29, 2029   |
| Interest Payment Date | The first interest payment date is the last day of May 2021, and the subsequent interest payment dates are the last day of every February, May, August and November thereafter, and the repayment date (or the immediately following business day in case such interest payment date would fall on a day that is not a business day or the immediately preceding business day in case such date would fall in the next calendar month). |

\* The interest rate swap agreement will, in effect, fix the interest rate for Loan at 0.52360%.

(Note 9) The repayment date will be the immediately following business day in case such date would fall on a day that is not a business day and the immediately preceding business day in case such date would fall in the next calendar month.

(Note 10) Partial or full principal repayment prior to the maturity date is permissible under certain conditions such as LLR providing prior written notice of its intention during the period between the borrowing date and the repayment date.

## d) Acquisition (trust beneficiary interests) of assets

LLR has acquired the trust beneficiary interests for the following assets on April 30, 2021. "Acquisition price" was the price to be paid for acquisition asset pursuant to their respective relevant Trust Beneficiary Interests Purchase & Sale Agreement.

| Area       | Property number | Asset name         | Location          | Acquisition price (million yen) | Seller             |
|------------|-----------------|--------------------|-------------------|---------------------------------|--------------------|
| Osaka area | Osaka-7         | LOGIPORT Osaka Bay | Osaka-city, Osaka | ¥40,000                         | Nanko Property TMK |

# Independent Auditor's Report



## Independent Auditor's Report

To the Board of Directors of LaSalle LOGIPORT REIT

### Opinion

We have audited the financial statements of LaSalle LOGIPORT REIT (the Company), which comprise the balance sheet as at February 28 2021, and the statement of income, statement of changes in net assets and statement of cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 28 2021, and its financial performance and its cash flows for the six months period then ended in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter

Without qualifying our opinions, we draw attention to Note 17 to the financial statements, which states that the Company issued new investment units.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

PricewaterhouseCoopers Aarata LLC  
Otemachi Park Building, 1-1-1 Otemachi, Chiyoda-ku, Tokyo 100-0004, Japan  
T: +81 (3) 6212 6800, F: +81 (3) 6212 6801, www.pwc.com/jp/assurance



As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Mitsuo Tsuruta  
Designated Engagement Partner  
Certified Public Accountant

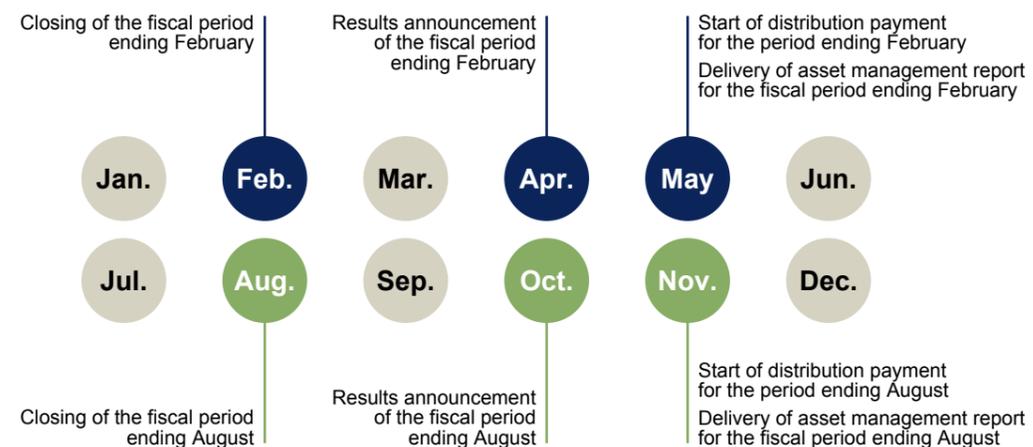
Takashi Yabutani  
Designated Engagement Partner  
Certified Public Accountant

PricewaterhouseCoopers Aarata LLC

May 28, 2021

# Investor Information

## Schedule of Annual IR-Related Events



## Unitholder Metrics

The following charts illustrate various metrics for measuring unitholders.

### Top Unitholders

As of February 28, 2021

|   | Number of Units | Ratio (%)     |
|---|-----------------|---------------|
| Japan Trustee Services Bank, Ltd., (Trust Account)                | 296,989         | 18.13%        |
| Custody Bank of Japan, Ltd. (Trust Account)                       | 279,181         | 17.04%        |
| The Nomura Trust and Banking Co., Ltd. (Investment Trust Account) | 79,167          | 4.83%         |
| Custody Bank of Japan, Ltd. (Securities Investment Trust Account) | 51,696          | 3.15%         |
| NSI CUSTOMER SECURED 30.7. OMNIBUS <sup>(Note)</sup>              | 46,200          | 2.82%         |
| BNYM AS AGT/CLTS 10 PERCENT                                       | 33,859          | 2.06%         |
| Mitsubishi UFJ Trust and Banking Corporation                      | 23,572          | 1.43%         |
| STATE STREET BANK WEST CLIENT-TREATY 505234                       | 23,286          | 1.42%         |
| SSBTC CLIENT OMNIBUS ACCOUNT                                      | 19,881          | 1.21%         |
| SMBC Nikko Securities Inc.  | 18,401          | 1.12%         |
| <b>Totals</b>   | <b>872,232</b>  | <b>53.24%</b> |

Note: NSI CUSTOMER SECURED 30.7 OMNIBUS holds in custody the investment units of LLR owned by Jones Lang LaSalle Co-Investment, Inc., which is a subsidiary of JLL. All of the investment units indicated above (46,200 units) are beneficially owned by Jones Lang LaSalle Co-Investment, Inc.

### Breakdown of Units Held by Unitholder Type



### Unitholder Breakdown by Unitholder Type

