

## Supplementary materials to February 26, 2018 press releases

“Notice Concerning Acquisitions and Leasing of Domestic Real Estate Trust Beneficiary Right”

“Notice Concerning Borrowing of Funds”

“Notice Concerning Revisions to the Forecasts for Financial Results and Distributions Per Unit (“DPU”) for the Fiscal Period Ending August 31, 2018”



February 26, 2018

## LP Hiratsuka-shinmachi • LP Sakai-minamijimacho: Transaction Highlights

- Selective investments in prime logistics at reasonable pricing
- Raising LTV of LLR, by implementing available debt capacity

### External Growth

NOI Yield<sup>(1)</sup>

**4.8 %**

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2 assets, JPY 15Bn in acquisition  
asset size

### Financial Condition

Post Acquisition LTV<sup>(2)</sup>

approx. **43 %**

### Investor Value Benefits

DPU % Increase<sup>(3)</sup>

**+7.6 %**

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Revisions to the Forecast DPU  
for the Fiscal Period Ending  
August 31, 2018

(Note) Of the numerical values on and after this page, for those figures relating to future projections, these are based using calculation methods with certain underlying assumptions, and as a result, the actual numerical values may change significantly. Therefore, LLR does not guarantee these future figures. For details, please refer to each press release announced with today's date.

1. "NOI Yield" is appraisal NOI divided by the planned acquisition price (weighted average of 2 acquired assets)
2. Ratio of interest bearing debt to total assets as described in today's "Notice Concerning Acquisition of Domestic Real Estate Trust Beneficiary Right" and "Notice Concerning Borrowing of Funds"
3. % increase is based on the forecast DPU announced on February 26, 2018 in "Notice Concerning Revisions to the Forecasts for Financial Results and Distributions Per Unit for the Fiscal Period Ending August 31, 2018"

# Sustainable Growth Trajectory for LaSalle LOGIPORT REIT

## External Growth

- Increasing AUM while maintaining reasonable NOI yields

	2/28/2018	2 properties	After Acquisition
Acquisition Price			
NOI Yield	5.0 %	4.8 %	5.0 %
Occupancy <sup>(1)</sup>	98.6 %	100.0 %	98.7 %
Number of Properties	9	2	11
Tokyo & Osaka Area Ratio <sup>(2)</sup>	100 %	100 %	100 %

1. Existing portfolio's Occupancy is as of January 2018

2. "Tokyo Area" defined as an area within 60km of JR Tokyo Station. "Osaka Area" is defined as an area within 45km from JR Osaka Station

## Financial Condition

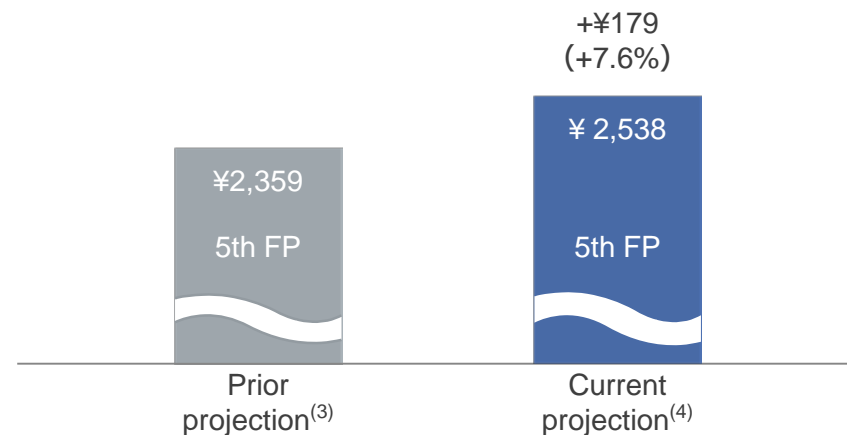
- Utilize debt capacity for external growth while maintaining strong financial status

	8/31/2017	After Acquisition
LTV	38.6 %	approx. 43 %
Avg. Remain Term	5.8 yrs	5.7 yrs
Fixed Int. Rate Ratio	92.7 %	93.2 %
Avg. Int. Rate <sup>(5)</sup>	0.61 %	0.60 %
LT Credit Rating	AA- ( Stable )	AA- ( Stable )

5. Applicable base rate may change which would impact the overall interest rate

## Unitholder Value Improvement

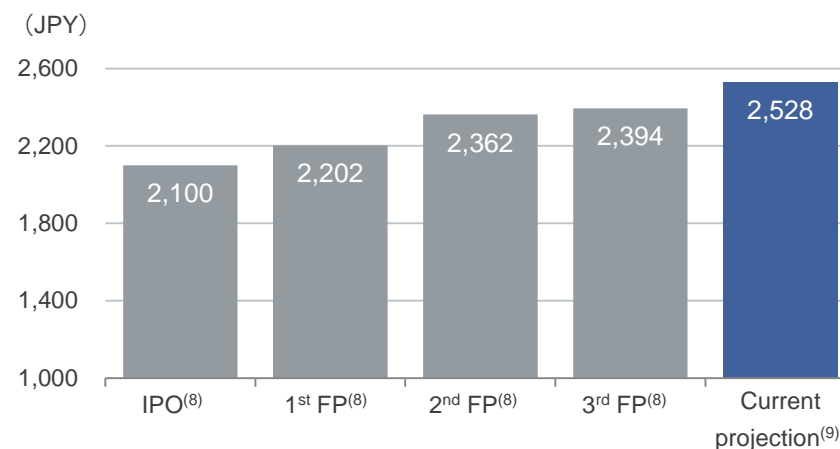
- Upward Revision of DPU Forecast 5th FP (August 2018)



3. Announced 10/13/2017

4. Announced 2/26/2018

- Stabilized DPU Growth Track Record

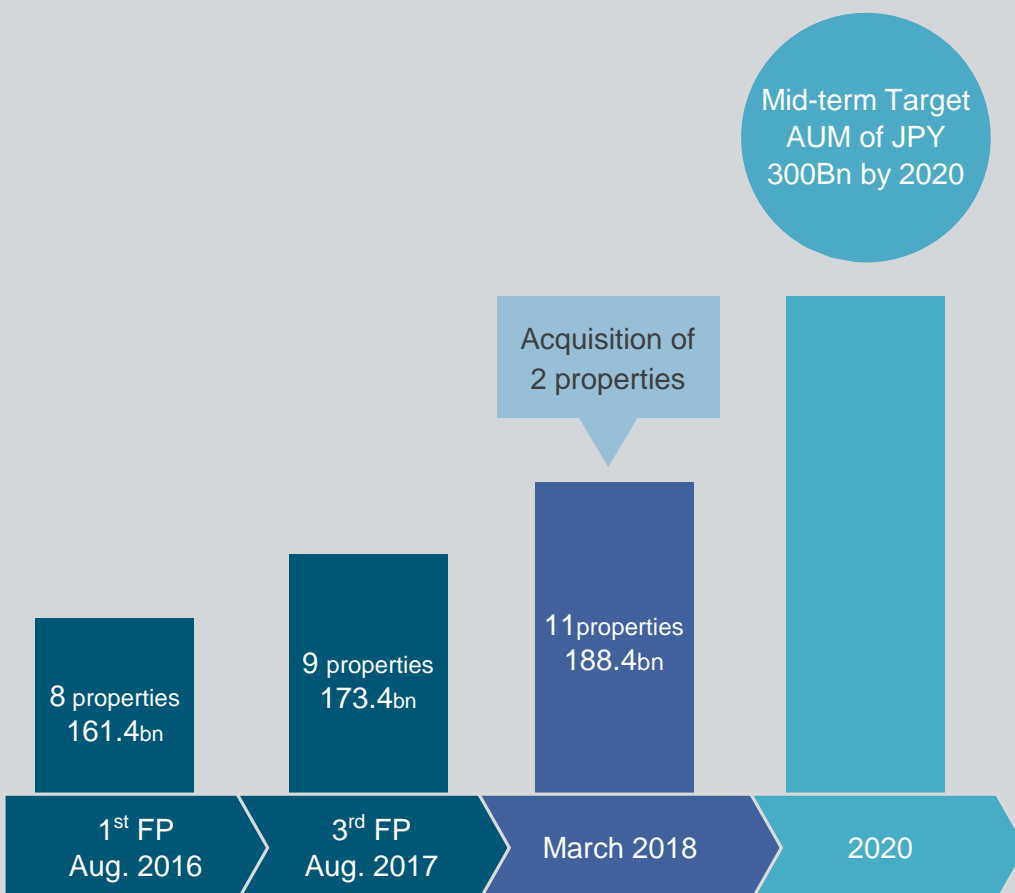


8. Figure in p. 5 of Financial Results presentation material for 3rd FP (August 2017)

9. Calculated by adjusting the 5th FP forecast DPU for one-time property tax and finance costs effect

# Pipeline Expansion Toward LLR's Targeted AUM of JPY 300Bn

## AUM Growth



## Expanded Pipeline Properties

### Newly Secured Preferential Negotiation Rights

- Newly obtained preferential negotiation rights and increased pipeline to 4 assets with JPY 35Bn in size
- All of the properties are prime logistics facilities located in the Tokyo or Osaka areas
- One is stabilized, the other 3 in development (Tenant Fixed)

### LaSalle Funds

- 3 properties (GFA 540,000m<sup>2</sup>) under development or leasing



4/2017 Building Completed



3/2018 Completion (Planned)



5/2019 Completion (Planned)

### Feeder Fund for LLR<sup>(1)</sup>

- The Sponsor commenced management of the new fund in October 2017
- Planned investment (mainly development projects) of JPY 120Bn over the course of the next 3 years
- Comprehensive preferential negotiation rights granted to LLR by the fund

1. Fund established for providing pipeline assets to LLR. Please refer to the press released announced on October 31, 2017 "Preferential Negotiation Rights Obtained from a New LaSalle Fund" for details

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