

# Financial Results (REIT) for the Fiscal Period Ended August 31, 2019

October 17, 2019

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Stock Exchange Listing: TSE  
 U R L : <http://lasalle-logiport.com/english/>

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Scheduled filing date of securities report: November 28, 2019

Scheduled date of distribution payment commencement: November 21, 2019

Supplementary information for financial results: Yes

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

(Amounts are rounded down to the nearest million yen)

## 1. Financial Results for the Fiscal Period Ended August 31, 2019 (March 1, 2019 to August 31, 2019)

### (1) Management Status

(% figures show period-over-period change)

	Operating revenues		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal period ended August 31, 2019	6,942	19.9	4,064	31.1	3,688	32.5	3,687	32.5
Fiscal period ended February 28, 2019	5,792	2.3	3,100	1.9	2,784	3.2	2,783	3.2

	Net income per unit		Ratio of net income on unitholders' equity ( ROE )		Ratio of ordinary income on total assets (ROA)		Ratio of ordinary income on operating revenues	
	Yen	%		%		%		%
Fiscal period ended August 31, 2019	3,201			3.2		1.7		53.1
Fiscal period ended February 28, 2019	2,530			2.6		1.4		48.1

### (2) Distributions

	Distributions per unit (excluding those in excess of retained earnings per unit)	Total amount of distributions (excluding those in excess of retained earnings)	Distributions in excess of retained earnings per unit	Total amount of distributions in excess of retained earnings	Distributions per unit (including those in excess of retained earnings per unit)	Total amount of distributions (including those in excess of retained earnings)	Payout ratio	Net assets distribution ratio
	Yen	Million yen	Yen	Million yen	Yen	Million yen		
Fiscal period ended August 31, 2019	3,048	3,688	152	183	3,200	3,872	100.0	3.1
Fiscal period ended February 28, 2019	2,530	2,783	187	205	2,717	2,988	100.0	2.6

Note 1. Due to the issuance of new investment, the payout ratio in the fiscal period ended August 31, 2019 was calculated according to the following formula, shown rounded to two decimal places.

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

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

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

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

Note 4. The rates of reduction in retained earnings due to distributions in excess of retained earnings (a refund of investment categorized as a reduction in distribution from unitholders' capital for tax purposes) in the fiscal periods ended February 28, 2019 and August 31, 2019 were both 0.002. Note that the calculation of the rates of reduction in retained earnings are based on Article 23, Paragraph 1, No. 4 of the Order for Enforcement of the Corporation Tax Act.

(3) Financial Position

	Total assets	Net assets	Unitholders' equity ratio	Net assets per unit
	Million yen	Million yen	%	Yen
Fiscal period ended August 31, 2019	224,693	121,775	54.2	100,640
Fiscal period ended February 28, 2019	200,670	108,190	53.9	98,355

(4) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at period end
	Million yen	Million yen	Million yen	Million yen
Fiscal period ended August 31, 2019	11,049	(30,753)	20,003	9,745
Fiscal period ended February 28, 2019	3,837	(1,307)	(1,680)	9,446

2. Forecasts for the Fiscal Periods Ending February 29, 2020 (September 1, 2019 to February 29, 2020) and August 31, 2020 (March 1, 2020 to August 31, 2020)

(% figures show period-over-period change)										
	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (excluding those in excess of retained earnings per unit)	Distributions per unit (including those in excess of retained earnings per unit)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen
Fiscal period ended February 29, 2020	8,624	24.2	5,123	26.0	4,669	26.6	4,668	26.6	3,424	178
Fiscal period ended August 31, 2020	7,317	(15.2)	3,913	(23.6)	3,520	(24.6)	3,518	(24.6)	2,581	203

Reference: Forecasted net income per unit for the period ending February 29, 2020: 3,463 yen; forecasted net income per unit for the period ending August 31, 2020: 2,581 yen

\* Other

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

(2) Total number of investment units issued and outstanding

	Fiscal period ended August 31, 2019	Fiscal period ended February 28, 2019
(i) Total number of investment units issued and outstanding (including treasury units) at the end of the fiscal period	1,210,000 units	1,100,000 units
(ii) Number of treasury units at the end of the fiscal period	-	-

Note: Please see the "Notes on Per Unit Information" on page 32 for the number of investment units used as the basis for calculating net income per unit.

\* Presentation of the status of implementation of audit procedures

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

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

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

For further details about the assumptions used in the forecasts above, please refer to the "Forecast Assumptions for the Fiscal Periods Ending February 29, 2020 and August 31, 2020" stated on page 8 below.

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## 1. Management Policy and Management Status

### (1) Management Status

#### (Overview of the Fiscal Period)

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

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

The financial statements for the fiscal period ended August 31, 2019 (7th fiscal period) were recently completed, and the total number of issued and outstanding investment units as of the end of this fiscal period is 1,210,000 units.

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

Driven by domestic demand, the Japanese economy is performing relatively well. Pressure from the labor market has led to wages increasing at a moderate pace, and consumer spending was showing solid growth. Meanwhile, the environment surrounding exports has deteriorated due to trade friction between the United States and China and an economic slowdown overseas, resulting in a slump in external demand. Capital markets are experiencing increased volatility due to the uncertainty surrounding the trade war between the United States and China. However, even during phases of stock market pull back, the listed J-REIT market has remained solid and the TSE REIT index has risen to its highest level since 2007. As central banks in the United States and Europe strengthen their stance of monetary easing and the Bank of Japan enters into discussions concerning the need for additional preventative easing, the likelihood of a continued low interest environment was increasing. As a result, there is continued robust demand among investors for income-generating real estate that produces higher yields than bonds, and real estate yields are currently at an all-time low level in the current cycle. With respect to the logistics facility market in the Tokyo metropolitan area, although a high level of new supply was expected throughout 2019, new demand remains robust and vacancy rates are decreasing. In the Osaka region, solid demand was expected both in the Osaka Bay and inland markets, and demand was expected to improve.

Under these conditions, LLR steadily managed its 17 properties (total acquisition price 211,573 million yen, leasable floor area 917,578m<sup>2</sup>) and the overall weighted average portfolio occupancy rate through the fiscal period was in a strong position at 98.8%. LLR's portfolio has 129 tenants as of the end of this fiscal period ended August 31, 2019, and aims for further tenant diversification.

##### (iii) Overview of Procurement of Funds

Through a public offering with a payment date of June 5, 2019, and a third-party allotment with a payment date of June 28, 2019, LLR raised funds amounting to 12,271 million yen and 613 million yen respectively, bringing LLR's unitholders' capital (net) to 118,086 million yen as of August 31, 2019.

In the current fiscal period, LLR took out loans totaling 15,690 million yen (7,490 million yen in short-term loans payable and 8,200 million yen in long-term loans payable) to cover part of the acquisition funds and related expenses for LOGIPORT Kashiwa Shonan, LOGIPORT Sayama Hidaka, Higashi Ogishima (leasehold land), LOGIPORT Osaka Taisho, and Suminoe (leasehold land), and repaid 5,560 million yen (short-term loans payable) as part of the transfer payment for the 80% joint co-ownership interest in a trust beneficial interest in LOGIPORT Hiratsuka Shinmachi.

As a result of the foregoing, at the end of the current fiscal period, the balance of interest-bearing debt of LLR was 97,661 million yen and LTV was 43.5%

The status of LLR's credit ratings assigned as of August 31, 2019 was as follows.

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

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

##### (iv) Overview of Business Performance and Distributions

The operating period for the current fiscal period was 184 days from March 1, 2019 to August 31, 2019. During this fiscal period, LLR generated operating revenues of 6,942 million yen, operating income of 4,064 million yen, ordinary income of 3,688 million yen, and net income of 3,687 million yen.

Furthermore, through application of Article 67, Provision 15(1) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, including subsequent amendments), LLR intends to include distributions as deductible expenses and distribute the entire amount of unappropriated retained earnings (excluding fractional distribution amounts of less than one yen per

investment unit). As a result, the distribution amount per investment unit is 3,048 yen.

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

In the current fiscal period, LLR distributed 183 million yen as an Ongoing Distribution in Excess of Retained Earnings, an amount equivalent to approximately 30% of the 614 million yen that was the amount resulting from deducting the total amount of the accumulated depreciation recorded as of the last day of the previous fiscal period from the total amount of accumulated depreciation for the current fiscal period. As a result, the distribution in excess of retained earnings per unit in the current fiscal period was 152 yen (Note 3).

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

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

Note 3. The engineering report for each property prepared by Earth-Appraisal Co., Ltd estimates that the amount of anticipated semi-annual average of emergency or short-term repair and maintenance expenses and medium- to long-term repair and maintenance expenses is 222 million yen. LLR determines to make distributions in excess of retained earnings, considering that the amount of distributions in excess of retained earnings maintain the value of its portfolio and its financial stability taking into account macroeconomic environment, trends in the real estate market and real estate leasing industry and its financial conditions. Please note that the amount of distributions in excess of retained earnings will be deducted from the balance of LLR's unit holders' equity upon payment.

## (Outlook for the Future)

### (i) Investment Environment Going Forward

The Japanese economy was forecast to retain a construct in which the slump in external demand is propped up by steady domestic demand. Although it is possible that the slowdown will temporarily worsen due to a hike in consumption tax rates in October 2019, the downward impact of the consumption tax hike was expected to be partially offset by the mobilization of economic stimulus measures. It is difficult to foresee an early solution to the uncertainty surrounding the global trade war, and the risk that the economy will be brought to its knees if trade wars intensification remains. Volatility of capital markets is also expected to continue, and there is a possibility that investment demand for non-preferred properties will decrease in the short term in situations where volatility rises. Meanwhile, the Bank of Japan is expected to continue with its low interest rate policy for the next two to three years, and robust investor demand for logistics facilities generating stable income is expected to continue in the future. In the advanced logistics facility market, new supply is forecast to continue in the future. However, new demand from mail order and retail companies that are the main users of logistics facilities is expected to remain solid due to steady domestic demand. As a result, vacancy rates are expected to remain lower than past averages in both the Tokyo metropolitan area and the Kinki region, and are forecast to underpin stable income of logistics facilities.

### (ii) Future Management Policy and Issues to Address

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

With respect to its external growth strategy, LLR will make the most of the property information provided by the LaSalle Group (Note 1) as well as LaSalle REIT Advisors' unique capabilities in obtaining property information. Under its sponsor support agreement, LLR is able to receive information about the sale of properties owned by LaSalle Fund (Note 2), and because of this enjoys diverse sourcing routes that tap into both sourcing from the LaSalle Fund and sourcing from third parties.

With respect to its internal growth strategy, LLR will aim to realize internal growth by leveraging its active asset

management (Note 3) expertise that is a hallmark of the LaSalle Group, thanks in part to the personnel that will be provided to it and the information made available under the sponsor support agreement. LLR's portfolio is characterized by a highly stable cash flow attributed to a diversified tenant base, in addition to its staggered lease renewal dates, due to the terms of its lease agreements. When renewal dates are nearing, LLR will work to revise lease rates up after carefully reviewing market lease rates and vacancy rates. LLR will also endeavor to maintain and strengthen the competitiveness of its properties by making appropriate repairs and capital expenditures.

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

Note 1. "LaSalle Group" refers to the group of companies that provides real estate investment management services in 24 office locations in 17 countries (as of June 30, 2019) in the United States, Europe and the Asia-Pacific region, centered on LaSalle Investment Management Inc., which is one of the world's leading real estate investment advisory firms.

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

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

### (iii) Significant Subsequent Events

#### a. 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 September 4, 2019, and payment was completed on September 18, 2019, for the issuance of new investment units through a public offering and on October 10, 2019, 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	145,714 units
Issue price	148,005 yen per unit
Total issue price	21,566,400,570 yen
Issue value	142,995 yen per unit
Total issue value	20,836,373,430 yen
Payment date	September 18, 2019

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

Number of investment units issued	7,286 units
Issue value	142,995 yen per unit
Total issue value	1,041,861,570 yen
Payment date	October 10, 2019
Subscriber	Nomura Securities Co., Ltd.

b. Borrowing of funds

LLR decided to borrow the following funds on September 19, 2019, and borrowed the funds on September 25, 2019.

Classification	Lender	Amount borrowed (million yen)	Interest rate (Note 4) (Note 5)	Borrowing Date	Borrowing Method	Repayment Date	Repayment Method	Collateral
Short-term	Syndicated facility consisting of MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Banking Corporation as arrangers (Note 1)	1,100	Base interest rate (1-month Japanese yen TIBOR by Japanese Bankers Association) + 0.1625%			September 25, 2020		
Long-term	Syndicated facility consisting of MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Banking Corporation as arrangers (Note 1)	800	Base interest rate (3-month Japanese yen TIBOR by Japanese Bankers Association) + 0.3000%	September 25, 2019	Borrowing based on a separate term loan agreement dated September 19, 2019, with the lenders shown on the left	September 25, 2024	Lump sum at maturity	Unsecured Unguaranteed
Long-term	Syndicated facility consisting of MUFG Bank, Ltd., Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 2)	5,700	Base interest rate (3-month Japanese yen TIBOR by Japanese Bankers Association) + 0.3200%			February 15, 2027		
Long-term	Syndicated facility consisting of MUFG Bank, Ltd., Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 3)	7,900	Base interest rate (3-month Japanese yen TIBOR by Japanese Bankers Association) + 0.3500%			July 13, 2027		

Note 1. The syndicated facility was established by the Sumitomo Mitsui Trust Bank, Limited.

Note 2. The syndicated facility consists of Resona Bank, Limited, The Bank of Fukuoka, Ltd., Shinsei Bank, Limited, The Nomura Trust and Banking Co., Ltd., The Chugoku Bank, Ltd., and The Nishi-Nippon City Bank, Ltd.

Note 3. The syndicated facility consists of the arrangers and the Development Bank of Japan Inc.

Note 4. "Interest rate" does not include loan fees payable to lenders.

Note 5. The initial interest payment date for the short-term loan is October 31, 2019, and subsequent interest payment dates are the last day of every month thereafter as well as the repayment date (or the following business day if that day falls on a day that is not a business day, or the immediately preceding business day if that day falls in the next calendar month). The initial interest payment date for the long-term loans is November 30, 2019, and subsequent interest payment dates are the last day of every February, May, August, and November thereafter as well as the repayment date (or the following business day if that day falls on a day that is not a business day, or the immediately preceding business day if that day falls in the next calendar month). As for floating interest rates for the short-term loan, the base interest rate applied to the interest calculation period for the interest payment date refers to the Japanese Yen Tokyo Interbank Offered Rate ("TIBOR") for one-month deposits published by the Japan Bankers Association (JBA) TIBOR Administration (General Incorporated Association) two business days before the interest payment date for the immediately preceding interest calculation period (however, for the initial calculation period, the applicable date is the borrowing date). For the long-term loans, the base interest rate applied to the interest calculation period for the interest payment date refers to the Japanese Yen Tokyo Interbank Offered Rate ("TIBOR") for three-month deposits published by the JBA TIBOR Administration (General Incorporated Association) two business days before the interest payment date for the immediately preceding interest calculation period (however, for the initial calculation period, the applicable date is the borrowing date). Please refer to the

JBA TIBOR Administration's website (<http://www.jbatibor.or.jp/english/>) for changes in the JBA Japanese Yen TIBOR.

Note 6. An interest rate swap agreement was concluded on September 20, 2019, 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	5,700 million yen
Interest rate	Fixed payment interest rate 0.3625% Variable receipt interest rate 3-month Japanese yen TIBOR by Japanese Bankers Association + 0.3200%
Starting date	September 25, 2019
Ending date	February 15, 2027
Interest payment date	The initial interest payment date is November 30, 2019, and subsequent interest payment dates are the last day of every February, May, August, and November thereafter, and the repayment date (or the following business day if that day falls on a day that is not a business day or the immediately preceding business day if that day falls in the next calendar month).

\* The interest rate for these borrowings was effectively fixed at 0.3625% with the signing of the interest rate swap agreement.

Note 7. An interest rate swap agreement was concluded on September 20, 2019, to fix the payment interest rate for these borrowings and hedge the risk of rising interest rates on these borrowings as follows.

Counterparty	Nomura Securities Co., Ltd.
Notional principal	7,900 million yen
Interest rate	Fixed payment interest rate 0.4035% Variable receipt interest rate 3-month Japanese yen TIBOR by Japanese Bankers Association + 0.3500%
Starting date	September 25, 2019
Ending date	July 13, 2027
Interest payment date	The initial interest payment date is November 30, 2019, and subsequent interest payment dates are the last day of every February, May, August, and November thereafter, and the repayment date (or the following business day if that day falls on a day that is not a business day or the immediately preceding business day if that day falls in the next calendar month).

\* The interest rate for these borrowings was effectively fixed at 0.4035% with the signing of the interest rate swap agreement.

#### c. Acquisition of assets

LLR decided to acquire trust beneficial interests pertaining to the following assets at the Board of Directors meeting held on September 4, 2019, and acquired the assets on September 25, 2019. "Acquisition Price" was the purchase price for each of the trust beneficiary interests as shown in the joint co-ownership interest purchase agreement for the trust beneficiary interests in the acquired assets (excluding consumption taxes, local consumption taxes, and various acquisition costs, and was rounded down to the nearest million yen).

Area	Property number	Property name	Location	Acquisition Price (million yen)	Seller
Osaka area	Osaka-3	LOGIPORT Osaka Taisho	Osaka-shi, Osaka	10,515	OTL1 G.K
Osaka area	Osaka-5	LOGIPORT Amagasaki	Amagasaki-shi, Hyogo	24,582	Amagasaki Property TMK
Total				35,097	



(iv) Forecast of Financial Results

The outlook for LLR's financial results for the fiscal period ending February 29, 2020 and the period ending August 31, 2020 are presented below.

	Operating revenues	Operating income	Ordinary income	Net Income	Distributions per unit (excluding those in excess of retained earnings per unit)	Distributions in excess of retained earnings per unit	Distributions per unit (including those in excess of retained earnings per unit)
	Million yen	Million yen	Million yen	Million yen	Yen	Yen	Yen
Fiscal period ending February 29, 2020	8,624	5,123	4,669	4,668	3,424	178	3,602
Fiscal period ending August 31, 2020	7,317	3,913	3,520	3,518	2,581	203	2,784

For the assumptions used in this outlook, please refer to the “Forecast Assumptions for the Fiscal Periods Ending February 29, 2020 and August 31, 2020” below.

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

Forecast Assumptions for the Fiscal Periods Ending February 29, 2020 and August 31, 2020

Item	Assumptions								
Calculation period	<ul style="list-style-type: none"> <li>• Fiscal period ending February 29, 2020: September 1, 2019 to February 29, 2020 (182 days)</li> <li>• Fiscal period ending August 31, 2020: March 1, 2019 to August 31, 2020 (184 days)</li> </ul>								
Property portfolio	<ul style="list-style-type: none"> <li>• In addition to the trust beneficiary interests in real estate (for 17 properties in total) and preferred equity securities (with one property as the underlying asset) held as of August 31, 2019 (“Current Assets”), LLR assumes that there will be no changes (e.g. any acquisition of new properties or any disposal of existing properties) until the end of the fiscal period ending August 31, 2020, with the exception of the acquisition and transfer of the following trust beneficiary interests in real estate and redemption of preferred equity securities.</li> <li>&lt;Assets acquired&gt; <ul style="list-style-type: none"> <li>60.0% co-ownership interest in LOGIPORT Sakai Chikko Shinmachi acquired on September 3, 2019</li> <li>37.5% co-ownership interest in LOGIPORT Osaka Taisho acquired on September 25, 2019</li> <li>51.0% co-ownership interest in LOGIPORT Amagasaki acquired on September 25, 2019</li> </ul> </li> <li>&lt;Assets transferred&gt; <ul style="list-style-type: none"> <li>60.0% co-ownership interest in LOGIPORT Nagareyama (A) transferred on September 2, 2019</li> <li>20.0% co-ownership interest in LOGIPORT Hiratsuka Shinmachi transferred on September 2, 2019</li> </ul> </li> <li>&lt;Assets scheduled for redemption&gt; <ul style="list-style-type: none"> <li>Amagasaki Property TMK Preferred Securities (“Preferred Securities”) <ul style="list-style-type: none"> <li>To be redeemed in October 2019</li> </ul> </li> </ul> </li> <li>• LLR’s property portfolio may change due to the acquisition of new properties other than the assets scheduled to be acquired or the sale of assets held other than assets scheduled to be transferred.</li> </ul>								
Operating revenue	<ul style="list-style-type: none"> <li>• Rental revenues are calculated based on information on the acquired assets provided by the current owners, lease agreements for the Current Assets in effect as of today, and other factors including market trends.</li> <li>• The average occupancy rate of all properties was expected to be 97.3% in the fiscal period ending February 29, 2020, and 97.5% in the fiscal period ending August 31, 2020.</li> <li>• The dividends received in association with the redemption of the preferred securities shown in the above “Property portfolio” section are expected to be 765 million yen in the fiscal period ending February 29, 2020.</li> <li>• A 734 million yen gain on the sale of real estate, etc. (the amount obtained by deducting the assumed carrying amount and expected transfer costs from the transfer price as of the transfer date) is expected in the fiscal period ending February 29, 2020, due to the transfer of the trust beneficiary interests in real estate for LOGIPORT Nagareyama (A) (60.0% co-ownership interest) and LOGIPORT Hiratsuka Shinmachi (20.0% co-ownership interest) as stated in the above “Property portfolio” section.</li> </ul> <p>&lt;Expected amount of gain on sale of real estate, etc. (million yen)&gt;</p> <table> <tr> <th></th><th>Fiscal period ending February 29, 2020</th></tr> <tr> <td>LOGIPORT Nagareyama (A)</td><td>595</td></tr> <tr> <td>LOGIPORT Hiratsuka Shinmachi</td><td>138</td></tr> <tr> <td>Total</td><td>734</td></tr> </table> <ul style="list-style-type: none"> <li>• With respect to operating revenues, there is an underlying assumption that tenants will fully pay their contractual rents without delinquency.</li> </ul>		Fiscal period ending February 29, 2020	LOGIPORT Nagareyama (A)	595	LOGIPORT Hiratsuka Shinmachi	138	Total	734
	Fiscal period ending February 29, 2020								
LOGIPORT Nagareyama (A)	595								
LOGIPORT Hiratsuka Shinmachi	138								
Total	734								
Operating expenses	<ul style="list-style-type: none"> <li>• Leasing-related expenses other than depreciation expenses are calculated by reflecting variable factors of expenses based on information regarding the Acquisition Asset provided by the current owner, the actual historical figures of the Current Held Assets, and entrustment agreements in effect as of today.</li> <li>• Depreciation expense, including ancillary costs, was calculated using a straight-line depreciation method, and LLR assumed that depreciation expense for the fiscal period ending February 29, 2020 was 923 million yen, and for the fiscal period ending August 31, 2020 was 924 million yen</li> <li>• While fixed property taxes, city planning taxes, and depreciable asset taxes (“Fixed Asset Taxes”) are</li> </ul>								

Item	Assumptions
	<p>typically calculated pro-rata based on the actual number of days as to which the properties are owned and were settled at the time of acquisition, the settlement was capitalized into LLR's acquisition costs. Accordingly, for the newly acquired assets, the settlement amount Fixed Asset Taxes will not be expensed during the fiscal period ending February 29, 2020. In addition, for the newly acquired assets, Fixed Asset Taxes for the fiscal year 2020 will be expensed from the fiscal period ending August 31, 2020.</p> <ul style="list-style-type: none"> <li>• If LLR were to expense Fixed Asset Taxes in the fiscal period ending August 31, 2020, LLR would expense a total of 211 million yen in the fiscal period ending February 29, 2020, for assets acquired in the fiscal period ended August 31, 2019 (LOGIPORT Sakai Chikko Shinmachi (40% co-ownership interest), LOGIPORT Osaka Taisho (25% initial acquisition), LOGIPORT Kashiwa Shonan, LOGIPORT Sayama Hidaka, Suminoe (leasehold land) and Higashi Ogishima (leasehold land)) and newly acquired assets.</li> <li>• Repair and maintenance expenses are calculated based on a repair and maintenance plan prepared by the Asset Management Company, for items viewed as necessary for each property. Actual repair and maintenance expenses may be significantly different from the expected amount due to various factors around certain unexpected repairs, the tendency for significant variations in the amount depending on each fiscal period, and the fact that repair expenses do not generally arise on a periodic basis.</li> <li>• It is assumed that no operating expenses will arise in relation to the Preferred Equity Securities.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>• LLR expects to recognize the estimated amortization amount of deferred organization expenses in the amounts of 3 million yen for both of the fiscal periods ending February 29, 2020 and August 31, 2020, respectively.</li> <li>• LLR expects to recognize expenses pertaining to the issuance of new investment units and the public offering of investment units resolved on May 21, 2019, in the amount of 7.0 million yen for the fiscal period ending February 29, 2020, and expenses pertaining to the issuance of new investment units and the public offering of investment units resolved on September 4, 2019, in the amount of 7.0 million yen for the fiscal period ended August 31, 2020.</li> <li>• Interest expenses and other debt-related costs (including interest expenses on investment corporation bonds, amortization of investment corporation bonds and borrowing related expenses) are expected to be 408 million yen and 381 million yen for the fiscal periods ending February 29, 2020 and August 31, 2020, respectively. Non-cash items, which are included in interest expenses and other debt-related costs, are expected to be 70 million yen and 71 million yen for the fiscal periods ending February 29, 2020 and, August 31, 2020, respectively.</li> </ul>
Loans payable	<ul style="list-style-type: none"> <li>• As of August 31, 2019, the balance of LLR's interest-bearing debt was 97,661 million yen. In addition, it was assumed that an early repayment of 1,390 million yen will be made on September 9, 2019, and new loans totaling 15,500 million yen will be taken on September 25, 2019.</li> <li>• It was assumed that LLR will repay 540 million yen of short-term loans payable in the fiscal period ending February 29, 2020, and 1,100 million yen in the fiscal period ended August 31, 2020, with the source of capital coming from consumption tax refunds anticipated to be received during the fiscal period ending February 29, 2020, and the fiscal period ended August 31, 2020.</li> <li>• The LTV ratio as of the end of the fiscal period ending February 29, 2020, and the end of the fiscal period ending August 31, 2019, are expected to be around 42.4%, respectively (rounded to the first decimal place). The LTV ratio is calculated by the following formula:  <math display="block">\text{LTV} = \text{total interest-bearing debt} \div \text{total assets} \times 100</math> </li> </ul>
Investment units	<ul style="list-style-type: none"> <li>• Current outstanding number of units is 1,363,000. LLR does not expect there to be any changes to the number of outstanding units until the fiscal period ending August 31, 2020.</li> </ul>
Distributions per unit (excluding those in excess of retained earnings per unit)	<ul style="list-style-type: none"> <li>• Distributions per unit (excluding distributions in excess of retained earnings per unit) are calculated on the premise that all profits will be distributed in accordance with the distribution policy provided in LLR's Articles of Incorporation.</li> <li>• Distributions per unit (excluding distributions in excess of retained earnings per unit) may change due to factors such as additional acquisitions or dispositions of real estate properties, changes in rental revenues</li> </ul>

Item	Assumptions
	<p>attributable to tenant replacements, changes in the operating environment including unexpected repairs, changes in interest rates and any additional issuance of new investment units in the future.</p>
Distributions in excess of retained earnings per unit	<ul style="list-style-type: none"> <li>• Distributions in excess of retained earnings per unit are calculated in accordance with the distribution policy in LLR's Articles of Incorporation and internal policies of the asset manager. Distributions in excess of retained earnings for the fiscal periods ending February 29, 2020, and August 31, 2020, are assumed to be 30% of the sum of the accumulated depreciation calculated on the last day of the applicable fiscal period, less the sum of the accumulated depreciation recorded on the last day of the preceding fiscal period, which are assumed to be 243 million yen and 277 million yen, respectively</li> <li>• Depreciation expenses may vary from the current assumed amount due to a change in portfolio assets, the amount of incidental expenses incurred, the amount of capital expenditures, and the pro-rata allocation of acquisition costs attributed to each asset and their respective useful life adopted for each asset. The total amount of distributions in excess of retained earnings, which will be based on depreciation expenses, may also vary accordingly</li> <li>• LLR expects for the time being to make distributions in excess of retained earnings on a regular basis within an appropriate level for maintaining financial soundness and stability, after consideration is given to alternative uses of cash such as execution of repair plans, capital expenditures, repayment of debts along with potential property acquisitions, and will make such distributions equal to 30% of the amount resulting from deducting the total amount of accumulated depreciation recorded as of the last day of the previous fiscal period from the amount of accumulated depreciation calculated as of the last day of the relevant fiscal period. This amount will be decided by LLR taking into consideration the level of net income, gains or losses on sales of real estate, etc., the level of cancellation fees or penalties, the level of temporary revenues, the level of distributions including distributions in excess of retained earnings, and the financial condition of LLR (especially the Appraisal LTV set forth below) in the relevant calculation period. Unexpected factors, such as increases in repair expenses, may cause distributions in excess of retained earnings per unit to materially differ from the forecasted amount. If the Appraisal LTV (set forth below) exceeds 60%, LLR may decide to make reduced distributions or not to make any distributions in excess of retained earnings after considering the above-listed factors.</li> <li>• LLR does not plan to make distributions in excess of retained earnings to the extent doing so would cause what LLR calls its "Appraisal LTV," as calculated below, to exceed 60%:  <math display="block">\text{Appraisal LTV}(\%) = A/B \times 100</math> <p>A = interest-bearing debt (inclusive of long-term corporate bonds and short-term corporate bonds but excluding subordinated debt) + tenant leasehold deposits (excluding the amount reserved by the trustees of LLR's properties as tenant leasehold deposits and the amount reserved as tenant leasehold deposits in LLR's relevant reserve account (this account is for the refund obligation which LLR has as the lessor to various tenants)).</p> <p>B = total appraised real estate value of LLR's portfolio + the amount of cash deposits in LLR's bank accounts (excluding reserve accounts for tenant leasehold deposits) + cash and deposits in trust (excluding the amount reserved by the trustees of our properties as tenant leasehold deposits) – the total amount of distributions for the immediately prior fiscal period – the total amount of distributions in excess of retained earnings for the immediately prior fiscal period.</p> <p>In addition, the total amount of distributions and distributions in excess of retained earnings (with respect to the return of capital invested) depends upon the figures for the most recent fiscal period.</p> </li> </ul>
Other	<ul style="list-style-type: none"> <li>• As an underlying premise, LLR assumes that any revision that will have an impact on the forecast information above will be made in accordance with applicable laws and regulations (including tax laws), accounting standards, listing rules of the TSE and the standards set by the Investment Trusts Association, Japan.</li> <li>• As an underlying premise, LLR assumes that there are no unexpected material changes to general economic trends and real estate market conditions.</li> </ul>

(2) Investment Risks

Disclosure of this information was omitted because there are no material changes from the “Investment Risks” described in the securities registration statement (filed on September 4, 2019).

## 2. Financial Statements

### (1) Balance Sheet

		Thousands of yen	
		As of	
		February 28, 2019	August 31, 2019
Assets			
Current assets			
Cash and deposits	6,828,982	6,744,682	
Cash and deposits in trust	3,745,887	4,236,219	
Operating accounts receivable	170,324	177,092	
Prepaid expenses	121,307	130,339	
Consumption taxes receivable	-	357,627	
Other	114	686	
Total current assets	10,866,616	11,646,648	
Non-current assets			
Property, plant and equipment			
Buildings in trust	63,449,320	70,432,223	
Accumulated depreciation	(3,885,164)	(4,499,296)	
Buildings in trust, net	59,564,155	65,932,927	
Structures in trust	12,173	29,308	
Accumulated depreciation	(1,729)	(2,300)	
Structures in trust, net	10,444	27,008	
Tools, furniture and fixtures in trust	5,743	10,405	
Accumulated depreciation	(98)	(340)	
Tools, furniture and fixtures in trust, net	5,644	10,064	
Land in trust	128,520,999	145,322,177	
Total property, plant and equipment	188,101,244	211,292,178	
Investments and other assets			
Investment securities	1,237,993	1,237,993	
Long-term prepaid expenses	385,679	424,220	
Deferred tax assets	20	3	
Lease and guarantee deposits	10,000	10,000	
Total investments and other assets	1,633,694	1,672,218	
Total non-current assets	189,734,938	212,964,396	
Deferred assets			
Deferred organization expenses	11,578	7,922	
Investment unit issuance expenses	-	22,584	
Investment corporation bond issuance costs	57,679	52,023	
Total deferred assets	69,258	82,530	
Total assets	200,670,813	224,693,574	

Balance Sheet, continued

	Thousands of yen	
	As of	
	February 28, 2019	August 31, 2019
Liabilities		
Current liabilities		
Operating accounts payable	169,693	190,204
Short-term loans payable	-	1,930,000
Current portion of long-term loans payable	1,300,000	1,300,000
Accounts payable	816,141	882,739
Accrued expenses	5,163	7,788
Income taxes payable	1,029	677
Accrued consumption taxes	143,084	-
Advances received	978,731	1,051,574
Other	451,088	654,639
Total current liabilities	3,864,931	6,017,624
Non-current liabilities		
Investment corporation bonds payable	11,500,000	11,500,000
Long-term loans payable	74,731,000	82,931,000
Tenant leasehold and security deposits in trust	2,384,175	2,469,743
Total non-current liabilities	88,615,175	96,900,743
Total liabilities	92,480,106	102,918,368
Net assets		
Unitholders' equity		
Unitholders' capital	106,363,965	119,249,475
Deduction from unitholders' capital	(957,000)	△1,162,700
Unitholders' capital, net	105,406,965	118,086,775
Surplus		
Unappropriated retained earnings	2,783,741	3,688,431
Total surplus	2,783,741	3,688,431
Total unitholders' equity	108,190,706	121,775,206
Total net assets	(*1) 108,190,706	(*1) 121,775,206
Total liabilities and net assets	200,670,813	224,693,574

## (2) Income Statement

	Thousands of yen	
	For the periods ended	
	February 28, 2019	August 31, 2019
Operating revenue		
Rent revenue	(*1) 5,206,141	(*1) 5,483,767
Other lease business revenue	(*1) 586,316	(*1) 513,295
Gain on sales of real estate properties		(*2) 945,267
Total operating revenue	5,792,458	6,942,330
Operating expenses		
Expenses related to rent business	(*1) 1,860,667	(*1) 1,985,716
Asset management fee	705,203	772,387
Asset custody and administrative fee	28,141	29,145
Directors' compensations	3,600	3,600
Audit fee	10,000	10,500
Other operating expenses	84,389	76,284
Total operating expenses	2,692,001	2,877,633
Operating profit	3,100,457	4,064,697
Non-operating income		
Interest income	47	54
Interest on refund	659	-
Total non-operating income	707	54
Non-operating expenses		
Interest expenses	230,646	243,788
Interest expenses on investment corporation bonds	25,963	26,786
Amortization of deferred organization expenses	3,656	3,656
Amortization of investment unit issuance expenses	-	2,053
Amortization of investment corporation bond	5,656	5,656
Investment unit public offering expenses	-	17,573
Borrowing related expenses	50,917	76,843
Total non-operating expenses	316,839	376,358
Ordinary income	2,784,324	3,688,393
Income before income taxes	2,784,324	3,688,393
Income taxes - current	1,036	686
Income taxes - deferred	(14)	17
Total income taxes	1,021	703
Net income	2,783,302	3,687,689
Retained earnings brought forward	439	741
Unappropriated retained earnings (undisposed loss)	2,783,741	3,688,431



## (3) Statement of Unitholders' Equity

Previous period (For the period ended February 28, 2019)

Thousands of yen					
Unitholders' equity					
Unitholders' capital			Surplus		
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital	Unappropriated retained earnings (undisposed loss)	Total surplus
Balance at beginning of current period	106,363,965	(752,400)	105,611,565	2,697,639	2,697,639
Changes of items during period					
Distributions in excess of retained earnings		(204,600)	(204,600)		
Dividends of retained earnings				(2,697,200)	(2,697,200)
Net income				2,783,302	2,783,302
Total changes of items during period	-	(204,600)	(204,600)	86,102	86,102
Balance at end of current period	(*1) 106,363,965	(957,000)	105,406,965	2,783,741	2,783,741

Thousands of yen		
Unitholders' equity		
	Total unitholders' equity	Total net assets
Balance at beginning of current period	108,309,204	108,309,204
Changes of items during period		
Distributions in excess of retained earnings	(204,600)	(204,600)
Dividends of retained earnings	(2,697,200)	(2,697,200)
Net income	2,783,302	2,783,302
Total changes of items during period	(118,497)	(118,497)
Balance at end of current period	108,190,706	108,190,706

Current period (For the period ended August 31, 2019)

	Thousands of yen				
	Unitholders' equity				
	Unitholders' capital			Surplus	
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital	Unappropriated retained earnings (undisposed loss)	Total surplus
Balance at beginning of current period	106,363,965	(957,000)	105,406,965	2,783,741	2,783,741
Changes of items during period					
Issuance of new investment units	12,885,510		12,885,510		
Distributions in excess of retained earnings		(205,700)	(205,700)		
Dividends of retained earnings				(2,783,000)	(2,783,000)
Net income				3,687,689	3,687,689
Total changes of items during period	12,885,510	(205,700)	12,679,810	904,689	904,689
Balance at end of current period	(*1) 119,249,475	(1,162,700)	118,086,775	3,688,431	3,688,431

	Thousands of yen	
	Unitholders' equity	
	Total unitholders' equity	Total net assets
Balance at beginning of current period	108,190,706	108,190,706
Changes of items during period		
Issuance of new investment units	12,885,510	12,885,510
Distributions in excess of retained earnings	(205,700)	(205,700)
Dividends of retained earnings	(2,783,000)	(2,783,000)
Net income	3,687,689	3,687,689
Total changes of items during period	13,584,499	13,584,499
Balance at end of current period	121,775,206	121,775,206

(4) Statements related to Distributions

	Yen	
	For the periods ended	
	February 28, 2019	August 31, 2019
I Unappropriated retained earnings for the period	2,783,741,863	3,688,431,723
II Additional amount of distributions in excess of retained earnings		
Deduction for unitholders' capital	205,700,000	183,920,000
III Amount of distributions	2,988,700,000	3,872,000,000
(amount of distributions per investment unit)	(2,717)	(3,200)
Of which, distributions of retained earnings	2,783,000,000	3,688,080,000
(of which, distributions of retained earnings per unit)	(2,530)	(3,048)
Of which, distributions in excess of retained earnings	205,700,000	183,920,000
(of which, distributions in excess of retained earnings per unit)	(187)	(152)
IV Retained earnings brought forward	741,863	351,723

Method of calculation of amount of distributions

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

Based on this policy, 2,783,000,000 yen was allocated as distributions of retained earnings. This is the maximum value of the integral multiple of the total number of units of the investment units issued and outstanding at end of the period in an amount that is not in excess of unappropriated retained earnings.

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

Based on this policy, the amount roughly equivalent to 30% of the 688,532,290 yen that is the amount remaining after deducting the total amount of accumulated depreciation recorded in the previous period from the total amount of accumulated depreciation calculated for this fiscal period was

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

Based on this policy, 3,688,080,000 yen was allocated as distributions of retained earnings. This is the maximum value of the integral multiple of the total number of units of the investment units issued and outstanding at end of the period in an amount that is not in excess of unappropriated retained earnings.

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

Based on this policy, the amount roughly equivalent to 30% of the 614,944,649 yen that is the amount remaining after deducting the total amount of accumulated depreciation recorded in the previous period from the total amount of accumulated depreciation calculated for this fiscal period was

Yen	
For the periods ended	
February 28, 2019	August 31, 2019
calculated to be 205,700,000 yen, and was allocated as distributions of earnings in excess of retained earnings (amount of contributions refunded that under tax law is equivalent to a capital- refund distribution).	calculated to be 183,920,000 yen, and was allocated as distributions of earnings in excess of retained earnings (amount of contributions refunded that under tax law is equivalent to a capital- refund distribution).

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

## (5) Statements of Cash Flows

	Thousands of yen	
	For the periods ended	
	February 28, 2019	August 31, 2019
Cash flows from operating activities		
Income before income taxes	2,784,324	3,688,393
Depreciation	688,532	729,248
Amortization of deferred organization expenses	3,656	3,656
Amortization of investment unit issuance expenses	-	2,053
Amortization of investment corporation bond	5,656	5,656
Interest income	(47)	(54)
Interest expenses	256,609	270,575
Decrease (increase) in operating accounts	13,416	(6,767)
Decrease (increase) in consumption taxes refund	307,011	(459,634)
Decrease (increase) in prepaid expenses	(6,861)	(9,031)
Decrease (increase) in long-term prepaid expenses	51,284	(38,541)
Increase (decrease) in operating accounts payable	(21,852)	20,511
Increase (decrease) in accounts payable - other	(23,209)	128,534
Increase (decrease) in accrued consumption taxes	21,261	(41,077)
Increase (decrease) in advances received	15,472	72,842
Decrease in property, plant and equipment in trust due to sale	-	6,931,344
Other, net	(55)	20,775
Subtotal	4,095,199	11,318,485
Interest income received	47	54
Interest expenses paid	(257,021)	(267,949)
Income taxes paid	(743)	(1,037)
Net cash provided by (used in) operating activities	3,837,483	11,049,553
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(78,946)	(30,913,462)
Purchase of investment securities	(1,237,693)	-
Proceeds from tenant leasehold and security	22,853	227,466
Repayments of tenant leasehold and security	(13,307)	(67,430)
Net cash provided by (used in) investing activities	(1,307,094)	(30,753,426)
Cash flows from financing activities		
Proceeds from short-term loans payable	-	7,490,000
Repayments of short-term loans payable	-	(5,560,000)
Proceeds from long-term loans payable	1,221,000	8,200,000
Proceeds from issuance of investment units	-	12,860,871
Payment of distributions of retained earnings	(2,697,337)	(2,782,046)
Payment of distributions in excess of retained	(204,610)	(205,610)
Net cash provided by (used in) financing activities	(1,680,948)	20,003,214
Net increase (decrease) in cash and cash equivalents	849,440	299,340
Cash and cash equivalents at beginning of period	8,596,663	9,446,103
Cash and cash equivalents at end of period	(*1) 9,446,103	(*1) 9,745,444

(6) Notes with respect to Going Concern Assumptions

None

(7) Notes on Matters concerning Significant Accounting Policies

1. Valuation standard and valuation method for investment securities

Available-for-sale securities

There is no market price

The moving average cost method was adopted.

2. Method of depreciation of non-current assets

Property, plant and equipment (including trust assets)

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

Buildings	2-79 years
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Structures	10-45 years
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Tools, furniture and fixtures	6-15 years
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3. Accounting treatment for deferred assets

(i) Deferred organization expenses

Amortized over a period of five years.

(ii) Issuance costs for corporate bonds

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

(iii) Investment unit issuance expenses

Amortized over a period of three years.

4. Standards for revenue and expense recognition

Treatment of fixed asset taxes

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

The amount equivalent to the first year's fixed asset tax that is borne by LLR in association with the acquisition of real estate or beneficiary interests in trusts holding real estate, as trust assets are not recognized as an expense; rather, they are included in the acquisition cost of the relevant real estate. During the current period, the amount equivalent to the fixed asset tax included in the acquisition cost of real estate was 86,594 thousand yen.

5. Hedge accounting method

(i) Method of hedge accounting

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

(ii) Hedging instruments and hedged items

Hedging instruments: interest rate swap transactions

Hedged items: interest on loans

(iii) Hedging policy

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

(iv) Method of assessing hedge effectiveness

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

6. Scope of funds in the statements of cash flows

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

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

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

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

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

- (a) Cash in trust and deposits in trust
- (b) Buildings in trust, structures in trust, tools, furniture and fixtures in trust, land in trust
- (c) Tenant leasehold and security deposits in trust

(ii) Treatment of consumption taxes

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

(8) Notes to the Financial Statements

[Notes to Balance Sheet]

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

Thousands of yen

As of	
February 28, 2019	August 31, 2019
50,000	50,000

[Notes to Income Statement]

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

	Thousands of yen	
	For the periods ended	
	February 28, 2019	August 31, 2019
(i) Real estate leasing revenues		
Rent revenue		
Rent income	4,719,997	4,991,417
Common service fee	486,144	492,350
Total	5,206,141	5,483,767
Other lease business revenues		
Utilities charge reimbursement	305,398	313,976
Parking revenue	136,378	141,777
Other lease revenues	144,539	57,541
Total	586,316	513,295
Total real estate leasing revenues	5,792,458	5,997,063
(ii) Real estate leasing expenses		
Leasing expenses		
Outsourcing costs	273,608	268,586
Utilities expenses	302,420	312,352
Taxes and public dues	423,841	477,423
Insurance premiums	9,959	10,505
Repair and maintenance	111,015	90,277
Depreciation	688,532	729,248
Other leasing expenses	51,288	97,321
Total real estate leasing expenses	1,860,667	1,985,716
(iii) Real estate leasing profit (( i ) - ( ii ))	3,931,791	4,011,347



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

Previous period (For the period ended February 28, 2019)

None

Current period (For the period ended August 31, 2019)

	Thousands of yen		
	LOGIPORT Nagareyama (A) (40% joint co-ownership interest)	LOGIPORT Hiratsuka-shinmachi (80% joint co-ownership interest)	Total
Sales proceed	1,800,000	6,160,000	7,960,000
Book value of properties sold	1,381,785	5,549,558	6,931,344
Other sales expenses	19,899	63,488	83,388
Gain on sales of real estate properties	398,314	546,953	945,267

[Notes to Statement of Changes in Unitholders' Capital]

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

	For the periods ended	
	February 28, 2019	August 31, 2019
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	1,100,000 units	1,210,000 units

[Notes to the Statements of Cash Flows]

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

	Thousands of yen	
	For the periods ended	
	February 28, 2019	August 31, 2019
Cash and deposits	6,828,982	6,744,682
Cash and deposits in trust	3,745,887	4,236,219
Restricted deposits in trust (Note)	(1,128,766)	(1,235,457)
Cash and cash equivalents at period end	9,446,103	9,745,444

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

[Notes to Lease Transactions]

Operating lease transactions (lessor)

Unearned leasing fees associated with non-cancelable operating leases

	Thousands of yen	
	As of	
	February 28, 2019	August 31, 2019
Due within one year	7,298,611	7,994,988
Due after one year	18,656,470	19,229,325
Total	25,955,082	27,224,314

[Notes to Financial Instruments]

1. Matters concerning the status of financial instruments

(i) Policy for handling financial instruments

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

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

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

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

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

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

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

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

2. Matters concerning the fair value of financial instruments

Previous period (As of February 28, 2019)

Amounts recognized on the balance sheet as of the fiscal period ended February 28, 2019, fair values, and differences between these amounts are presented below. Financial instruments for which it is extremely difficult to determine fair value are not included in the following tables (Note 2).

Thousands of yen			
As of February 28, 2019			
	Book value	Fair value	Difference
(1) Cash and deposits	6,828,982	6,828,982	-
(2) Cash and deposits in trust	3,745,887	3,745,887	-
Total assets	10,574,870	10,574,870	-
(4) Current portion of long-term loans payable	1,300,000	1,300,033	33
(5) Investment corporation bonds payable	11,500,000	11,570,800	70,800
(6) Long-term loans payable	74,731,000	75,335,713	604,713
Total liabilities	87,531,000	88,206,547	675,547
Derivative transactions	-	-	-

Current period (As of August 31, 2019)

Amounts recognized on the balance sheet as of the fiscal period ended August 31, 2019, fair values, and differences between these amounts are presented below. Financial instruments for which it is extremely difficult to determine fair value are not included in the following tables (Note 2).

	Thousands of yen		
	As of August 31, 2019		
	Book value	Fair value	Difference
(1) Cash and deposits	6,744,682	6,744,682	-
(2) Cash and deposits in trust	4,236,219	4,236,219	-
Total assets	10,980,902	10,980,902	-
(3) Short-term loans payable	1,930,000	1,930,000	-
(4) Current portion of long-term loans payable	1,300,000	1,300,000	-
(5) Investment corporation bonds payable	11,500,000	11,618,300	118,300
(6) Long-term loans payable	82,931,000	83,511,702	580,702
Total liabilities	97,661,000	98,360,002	699,002
Derivative transactions	-	-	-

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

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

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

(3) Short-term loans payable, (4) Current portion of long-term loans payable

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

(5) Investment corporation bonds

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

(6) Long-term loans payable

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

Derivative transactions

Please refer to “Notes to Derivative Transactions” below.

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

	Thousands of yen	
	As of	
	February 28, 2019	August 31, 2019
Investment securities (*1)	1,237,993	1,237,993
Tenant leasehold and security deposits in trust (*2)	2,384,175	2,469,743

\*1. Investment securities are not subject to fair value presentation because there are no market prices and it is difficult to reasonably estimate cash flows. Therefore it is understood to be extremely difficult to assess fair value.

\*2. Tenant leasehold and security deposits in trust are not subject to fair value presentation because there are no market prices and it is difficult to reasonably estimate cash flows. Therefore it is understood to be extremely difficult to assess fair value.

Note 3. Amount to be redeemed after date of settlement of monetary claims

Previous period (As of February 28, 2019)

	Thousands of yen
	Due within one year
Cash and deposits	6,828,982
Cash and deposits in trust	3,745,887

Current period (As of August 31, 2019)

	Thousands of yen
	Due within one year
Cash and deposits	6,744,682
Cash and deposits in trust	4,236,219

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

Previous period (As of February 28, 2019)

	Thousands of yen					
	As of February 28, 2019					
	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	-	-	6,500,000
Long-term loans payable	1,300,000	10,740,000	2,650,000	19,321,000	16,560,000	25,460,000
Total	1,300,000	10,740,000	7,650,000	19,321,000	16,560,000	31,960,000

Current period (As of August 31, 2019)

	Thousands of yen					
	As of August 31, 2019					
	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	1,930,000	-	-	-	-	-
Investment corporation bonds payable	-	-	5,000,000	-	-	6,500,000
Long-term loans payable	1,300,000	13,390,000	4,211,000	15,110,000	16,560,000	33,660,000
Total	3,230,000	13,390,000	9,211,000	15,110,000	16,560,000	40,160,000

[Notes to Securities]

Previous period (As of February 28, 2019)

Because there are no market prices for the preferred securities (1,237,993 thousand yen recognized on the balance sheet) and it is difficult to reasonably estimate cash flows, it is understood to be extremely difficult to assess fair value, so fair value is not listed.

Current period (As of August 31, 2019)

Because there are no market prices for the preferred securities (1,237,993 thousand yen recognized on the balance sheet) and it is difficult to reasonably estimate cash flows, it is understood to be extremely difficult to assess fair value, so fair value is not listed.

[Notes to Derivative Transactions]

1. Derivative transactions to which hedge accounting was not applied

Previous period (As of February 28, 2019)

None

Current period (As of August 31, 2019)

None

2. Derivative transactions to which hedge accounting was applied

Previous period (As of February 28, 2019)

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

Thousands of yen						
As of February 28, 2019						
Hedge accounting method	Type of derivative transaction	Primary hedged item	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	41,320,000	41,320,000	(Note)	(Note)

Current period (As of August 31, 2019)

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

Thousands of yen						
As of August 31, 2019						
Hedge accounting method	Type of derivative transaction	Primary hedged item	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	49,520,000	49,520,000	(Note)	(Note)

Note: Because the derivative transactions subject to special treatment for interest rate swaps are treated integrally with long-term loans that are being hedged, the stated fair value incorporates the fair value of the relevant long-term loans. (Please refer to Item (6) Long-term loans payable under (Notes to Financial Instruments) “Matters concerning the fair value of financial instruments” and “Note 1. Methods used to calculate the fair value of financial instruments and matters concerning derivative transactions” above.)

[Notes to Transactions with Related Parties]

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

Previous period (For the period ended February 28, 2019)

None

Current period (For the period ended August 31, 2019)

None

2. Transactions and Account Balances with Affiliates

Previous period (For the period ended February 28, 2019)

None

Current period (For the period ended August 31, 2019)

None

### 3. Transactions and Account Balances with Companies under Common Control

Previous period (For the period ended February 28, 2019)

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)	717,413	Accounts payable	654,242

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 above includes management fees of 12,210 thousand yen capitalized as part of acquisition costs of investment securities.

Current period (For the period ended August 31, 2019)

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)	1,152,517	Accounts payable	724,925

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. Asset management fees, attributable to property acquisitions and property dispositions, were 300,530 thousand yen and 79,600 thousand yen, respectively.

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

Previous period (For the period ended February 28, 2019)

None

Current period (For the period ended August 31, 2019)

None

[Notes on Tax Effect Accounting]

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

	Thousands of yen	
	As of	
	February 28, 2019	August 31, 2019
(Deferred tax assets)		
Enterprise tax payable	20	3
Total deferred tax assets	20	3
Net deferred tax assets	20	3

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

	As of	
	February 28, 2019	August 31, 2019
Statutory tax rate	31.51%	31.51%
(Adjustments)		
Deductible distributions	(31.50%)	(31.51%)
Other	0.03%	0.02%
Actual effective income tax rate	0.04%	0.02%

[Notes to Retirement Benefits]

Previous period (As of February 28, 2019)

None

Current period (As of August 31, 2019)

None

[Notes to Equity Method Earnings]

Previous period (As of February 28, 2019)

None

Current period (As of August 31, 2019)

None

[Notes to Asset Retirement Obligations]

Previous period (As of February 28, 2019)

None

Current period (As of August 31, 2019)

None

[Notes to Segment Information]

(Segment Information)

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

(Related information)

Previous period (For the period ended February 28, 2019)

(1) Information by Products and Services

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

(2) Information by Geographic Region

(i) Operating Revenues

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

(ii) Property and Equipment

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

(3) Information by Major Customers

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

Current period (For the period ended August 31, 2019)

(1) Information by Products and Services

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

(2) Information by Geographic Region

(i) Operating Revenues

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

(ii) Property and Equipment

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

(3) Information by Major Customers

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

[Notes to Rental Properties]

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

	Thousands of yen	
	For the periods ended	
	February 28, 2019	August 31, 2019
Book value (Note 1)		
Balance at the beginning of the period	188,639,035	188,101,244
Changes during the period (Note 2)	(537,791)	23,190,934
Balance at the end of the period	188,101,244	211,292,178
Fair value at the end of the period (Note 3)	203,920,000	231,790,000

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

Note 2. The decrease for period ended February 28, 2019, was a result of the recognition of depreciation expenses of 688,532 thousand yen. In addition, the increase for period ended August 31, 2019, was a result of the acquisition of six properties during the period with a total value of 30,722,463 thousand yen. The decrease for period ended August 31, 2019, was a result of the disposition of two properties during the period with a total value of 6,931,344 thousand yen and the recognition of depreciation expenses of 729,248 thousand yen, respectively.

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

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



[Note to Per Unit Information]

	Yen	
	For the periods ended	
	February 28, 2019	August 31, 2019
Net assets per unit	98,355	100,640
Net income per unit	2,530	3,201

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

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

	Thousands of yen	
	For the periods ended	
	February 28, 2019	August 31, 2019
Net income	2,783,302	3,687,689
Amount not attributable to ordinary unitholders	-	-
Net income attributable to ordinary investment units	2,783,302	3,687,689
Weighted average number of units outstanding	1,100,000	1,151,954

[Notes to Significant Subsequent Events]

1. 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 September 4, 2019, and payment was completed on September 18, 2019, for the issuance of new investment units through a public offering and on October 10, 2019, 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	145,714 units
Issue price	148,005 yen per unit
Total issue price	21,566,400,570 yen
Issue value	142,995 yen per unit
Total issue value	20,836,373,430 yen
Payment date	September 18, 2019

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

Number of investment units issued	7,286 units
Issue value	142,995 yen per unit
Total issue value	1,041,861,570 yen
Payment date	October 10, 2019
Subscriber	Nomura Securities Co., Ltd.

## 2. Borrowing of funds

LLR decided to borrow the following funds on September 19, 2019, and borrowed the funds on September 25, 2019.

Classification	Lender	Amount borrowed (million yen)	Interest rate (Note 4) (Note 5)	Borrowing Date	Borrowing Method	Repayment Date	Repayment Method	Collateral
Short-term	Syndicated facility consisting of MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Banking Corporation as arrangers (Note 1)	1,100	Base interest rate (1-month Japanese yen TIBOR by Japanese Bankers Association) + 0.1625%			September 25, 2020		
Long-term	Syndicated facility consisting of MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Banking Corporation as arrangers (Note 1)	800	Base interest rate (3-month Japanese yen TIBOR by Japanese Bankers Association) + 0.3000%	September 25, 2019	Borrowing based on a separate term loan agreement dated September 19, 2019, with the lenders shown on the left	September 25, 2024	Lump sum at maturity	Unsecured Unguaranteed
Long-term	Syndicated facility consisting of MUFG Bank, Ltd., Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 2)	5,700	Base interest rate (3-month Japanese yen TIBOR by Japanese Bankers Association) + 0.3200%			February 15, 2027		
Long-term	Syndicated facility consisting of MUFG Bank, Ltd., Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation as arrangers (Note 3)	7,900	Base interest rate (3-month Japanese yen TIBOR by Japanese Bankers Association) + 0.3500%			July 13, 2027		

Note 1. The syndicated facility was established by the Sumitomo Mitsui Trust Bank, Limited.

Note 2. The syndicated facility consists of Resona Bank, Limited, The Bank of Fukuoka, Ltd., Shinsei Bank, Limited, The Nomura Trust and Banking Co., Ltd., The Chugoku Bank, Ltd., and The Nishi-Nippon City Bank, Ltd.

Note 3. The syndicated facility consists of the arrangers and the Development Bank of Japan Inc.

Note 4. "Interest rate" does not include loan fees payable to lenders.

Note 5. The initial interest payment date for the short-term loan is October 31, 2019, and subsequent interest payment dates are the last day of every month thereafter as well as the repayment date (or the following business day if that day falls on a day that is not a business day, or the immediately preceding business day if that day falls in the next calendar month). The initial interest payment date for the long-term loans is November 30, 2019, and subsequent interest payment dates are the last day of every February, May, August, and November thereafter as well as the repayment date (or the following business day if that day falls on a day that is not a business day, or the immediately preceding business day if that day falls in the next calendar month). As for floating interest rates for the short-term loan, the base interest rate applied to the interest calculation period for the interest payment date refers to the Japanese Yen Tokyo Interbank Offered Rate ("TIBOR") for one-month deposits published by the Japan Bankers Association (JBA) TIBOR Administration (General Incorporated Association) two business days before the interest payment date for the immediately preceding interest calculation period (however, for the initial calculation period, the applicable date is the borrowing date). For the long-term loans, the base interest rate applied to the interest calculation period for the interest payment date refers to the Japanese Yen Tokyo Interbank Offered Rate ("TIBOR") for three-month deposits published by the JBA TIBOR Administration (General Incorporated Association) two business days before the interest payment date for the immediately preceding interest calculation period (however, for the initial calculation period, the applicable date is the borrowing date). Please refer to the

JBA TIBOR Administration's website (<http://www.jbatibor.or.jp/english/>) for changes in the JBA Japanese Yen TIBOR.

Note 6. An interest rate swap agreement was concluded on September 20, 2019, 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	5,700 million yen
Interest rate	Fixed payment interest rate 0.3625% Variable receipt interest rate 3-month Japanese yen TIBOR by Japanese Bankers Association + 0.3200%
Starting date	September 25, 2019
Ending date	February 15, 2027
Interest payment date	The initial interest payment date is November 30, 2019, and subsequent interest payment dates are the last day of every February, May, August, and November thereafter, and the repayment date (or the following business day if that day falls on a day that is not a business day or the immediately preceding business day if that day falls in the next calendar month).

\* The interest rate for these borrowings was effectively fixed at 0.3625% with the signing of the interest rate swap agreement.

Note 7. An interest rate swap agreement was concluded on September 20, 2019, to fix the payment interest rate for these borrowings and hedge the risk of rising interest rates on these borrowings as follows.

Counterparty	Nomura Securities Co., Ltd.
Notional principal	7,900 million yen
Interest rate	Fixed payment interest rate 0.4035% Variable receipt interest rate 3-month Japanese yen TIBOR by Japanese Bankers Association + 0.3500%
Starting date	September 25, 2019
Ending date	July 13, 2027
Interest payment date	The initial interest payment date is November 30, 2019, and subsequent interest payment dates are the last day of every February, May, August, and November thereafter, and the repayment date (or the following business day if that day falls on a day that is not a business day or the immediately preceding business day if that day falls in the next calendar month).

\* The interest rate for these borrowings was effectively fixed at 0.4035% with the signing of the interest rate swap agreement.

### 3. Acquisition of assets

LLR decided to acquire trust beneficial interests pertaining to the following assets at the Board of Directors meeting held on September 4, 2019, and acquired the assets on September 25, 2019. "Acquisition Price" is the purchase price for each of the trust beneficiary interests as shown in the joint co-ownership interest purchase agreement for the trust beneficiary interests in the acquired assets (excluding consumption taxes, local consumption taxes, and various acquisition costs, and is rounded down to the nearest million yen).

Area	Property number	Property name	Location	Acquisition Price (million yen)	Seller
Osaka area	Osaka-3	LOGIPORT Osaka Taisho	Osaka-shi, Osaka	10,515	OTL1 G.K
Osaka area	Osaka-5	LOGIPORT Amagasaki	Amagasaki-shi, Hyogo	24,582	Amagasaki Property TMK
Total				35,097	

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

Unitholders' capital and changes in the number of investment units issued and outstanding as of the reporting date are shown below.

Date	Description	Total number of outstanding investment units (units)		Unitholders' capital (Note 1) (thousand yen)		Comment
		Increase (decrease)	Balance	Increase (decrease)	Balance	
October 9, 2015	Established through private placement	1,500	1,500	150,000	150,000	(Note 2)
February 16, 2016	Public offering	1,050,800	1,052,300	101,601,852	101,751,852	(Note 3)
March 15, 2016	Third-party allotment	47,700	1,100,000	4,612,113	106,363,965	(Note 4)
November 21, 2016	Distributions in excess of retained earnings (refund of investment)	-	1,100,000	(202,400)	106,161,565	(Note 5)
May 22, 2017	Distributions in excess of retained earnings (refund of investment)	-	1,100,000	(174,900)	105,986,665	(Note 6)
November 20, 2017	Distributions in excess of retained earnings (refund of investment)	-	1,100,000	(187,000)	105,799,665	(Note 7)
May 21, 2018	Distributions in excess of retained earnings (refund of investment)	-	1,100,000	(188,100)	105,611,565	(Note 8)
November 19, 2018	Distributions in excess of retained earnings (refund of investment)	-	1,100,000	(204,600)	105,406,965	(Note 9)
May 20, 2019	Distributions in excess of retained earnings (refund of investment)	-	1,100,000	(205,700)	105,201,265	(Note 10)
June 5, 2019	Public offering	104,761	1,204,761	12,271,808	117,473,073	(Note 11)
June 28, 2019	Third-party allotment	5,239	1,210,000	613,701	118,086,775	(Note 12)

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

Note 2. The amount remaining after subtracting the amount of the deduction for unitholders' capital from unitholders' capital is stated.

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

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

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

Note 6. At the Board of Directors Meeting of LLR on April 14, 2017, LLR decided to make distributions in excess of retained earnings (refund of contributions that under tax law is equivalent to a refund of investment) at an amount of 159 yen per unit as distributions of funds for the second fiscal period (ended February 28, 2017) and payment of these commenced on May 22, 2017.

Note 7. At the Board of Directors Meeting of LLR on October 13, 2017, LLR decided to make distributions in excess of retained earnings (refund of contributions that under tax law is equivalent to a refund of investment) at an amount of 170 yen per unit as distributions of funds for the third fiscal period (ended August 31, 2017) and payment of these commenced on November 20, 2017.

- Note 8. At the Board of Directors Meeting of LLR on April 13, 2018, LLR decided to make distributions in excess of retained earnings (refund of contributions that under tax law is equivalent to a refund of investment) at an amount of 171 yen per unit as distributions of funds for the fourth fiscal period (ended February 28, 2018) and payment of these commenced on May 21, 2018.
- Note 9. At the Board of Directors Meeting of LLR on October 15, 2018, LLR decided to make distributions in excess of retained earnings (refund of contributions that under tax law is equivalent to a refund of investment) at an amount of 186 yen per unit as distributions of funds for the third fiscal period (ended August 31, 2018) and payment of these commenced on November 19, 2018.
- Note 10. At the Board of Directors Meeting of LLR on April 15, 2019, LLR decided to make distributions in excess of retained earnings (refund of contributions that under tax law is equivalent to a refund of investment) at an amount of 187 yen per unit as distributions of funds for the third fiscal period (ended February 28, 2019) and payment of these commenced on May 20, 2019.
- Note 11. LLR issued new investment units for the purpose of raising funds to acquire new properties at an offer price of 121,387 yen per unit (underwriting price of 117,141 yen).
- Note 12. LLR issued new investment units through a third-party allotment associated with the public offering at an underwriting price of 117,141 yen for the purpose of obtaining funds for future acquisition of property and the repayment of loans.

### 3. Reference Information

#### (1) Information on Price of the Managed Assets

##### A) Composition of LLR's Assets

Type of assets	Use	Area (Note 1)	Previous period (February 28, 2019)		Current period (August 31, 2019)	
			Total amount held (million yen) (Note 2)	Percentage to total assets (%) (Note 3)	Total amount held (million yen) (Note 2)	Percentage to total assets (%) (Note 3)
Real estate in trust	Logistics facilities	Tokyo area	179,883	89.6	189,610	84.4
		Osaka area	8,218	4.1	21,682	9.6
		Other	-	-	-	-
	Subtotal	188,101	93.7	211,292	94.0	
Investment securities (Note 4)			1,237	0.6	1,237	0.6
Deposits / other assets			11,331	5.6	12,163	5.4
Total assets			200,670	100.0	224,693	100.0

	Previous period (February 28, 2019)		Current period (August 31, 2019)	
	Amount (million yen)	Percentage to total assets (%) (Note 3)	Amount (million yen)	Percentage to total assets (%) (Note 3)
Total liabilities	92,480	46.1	102,918	45.8
Total net assets	108,190	53.9	121,775	54.2
Total assets	200,670	100.0	224,693	100.0

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

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

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

Note 4. "Investment securities" are the Preferred Securities of Amagasaki Property TMK.

B) Investment Assets

(i) Main Issues of the Investment Securities

Type	Name of Securities	Quantity (units)	Carrying Amount (thousand yen)	Appraisal value (thousand yen) (Note 2)	Share of Total Assets (%)
Preferred Securities	Amagasaki Property TMK Preferred Securities (Note 1)	1,221,000	1,237,993	1,237,993	0.6

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

Name of Securities	Property Portfolio	Property Name	Property Location
Amagasaki Property TMK Preferred Securities	Trust beneficiary interest	LOGIPORT Amagasaki	20 Ogimachi, Amagasaki-shi, Hyogo, and others

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

(ii) Overview of Real Estate, etc.

(a) Portfolio Overview

The assets (real estate or beneficiary interests in trusts holding real estate as trust assets; collectively referred to as “asset holdings” hereinafter) held by LLR as of August 31, 2019 are presented below.

Area	Property number (Note 1)	Property name	Location	Form of possession	Property age (Years) (Note 2)	As of end of current period carrying amount (million yen)	Acquisition Price (million yen) (Note 3)	Investment ratio (%) (Note 4)	Appraisal value (million yen) (Note 5)	Gross floor area (m <sup>2</sup> ) (Note 6)
Tokyo area	Tokyo-1	LOGIPORT Hashimoto (Note 7)	Kanagawa Prefecture Sagamihara City	Trust beneficiary interest	5	21,030	21,200	10.0	23,100	145,801.69
	Tokyo-2	LOGIPORT Sagamihara (Note 8)	Kanagawa Prefecture Sagamihara City	Trust beneficiary interest	6	22,934	23,020	10.9	25,500	200,045.57
	Tokyo-3	LOGIPORT Kitakashiwa	Chiba Prefecture Kashiwa City	Trust beneficiary interest	7	25,113	25,300	12.0	29,500	104,302.62
	Tokyo-4	LOGIPORT Nagareyama (A) (Note 9)	Chiba Prefecture Nagareyama City	Trust beneficiary interest	11	2,079	2,100	1.0	2,514	17,673.87
	Tokyo-5	LOGIPORT Nagareyama (B)	Chiba Prefecture Nagareyama City	Trust beneficiary interest	11	26,206	26,600	12.6	29,800	133,414.76
	Tokyo-6	LOGIPORT Higashi Ogishima (A)	Kanagawa Prefecture Kawasaki City	Trust beneficiary interest	32	19,064	19,000	9.0	19,800	100,235.67
	Tokyo-7	LOGIPORT Higashi Ogishima (B)	Kanagawa Prefecture Kawasaki City	Trust beneficiary interest	28	19,106	19,120	9.0	21,600	117,546.26
	Tokyo-8	LOGIPORT Higashi Ogishima (C)	Kanagawa Prefecture Kawasaki City	Trust beneficiary interest	18	23,544	23,700	11.2	25,400	116,997.14
	Tokyo-9	LOGIPORT Kawagoe	Saitama Prefecture Kawagoe City	Trust beneficiary interest	9	11,962	11,950	5.6	12,200	50,742.47
	Tokyo-10	LOGIPORT Hiratsuka Shinmachi (Note 10)	Kanagawa Prefecture Hiratsuka City	Trust beneficiary interest	3	1,385	1,380	0.7	1,446	29,067.95
	Tokyo-11	LOGIPORT Kashiwa Shonan	Chiba Prefecture Kashiwa City	Trust beneficiary interest	1	9,411	9,300	4.4	10,400	40,878.58

Area	Property number (Note 1)	Property name	Location	Form of possession	Property age (Years) (Note 2)	As of end of current period carrying amount (million yen)	Acquisition Price (million yen) (Note 3)	Investment ratio (%) (Note 4)	Appraisal value (million yen) (Note 5)	Gross floor area (m <sup>2</sup> ) (Note 6)
	Tokyo-12	LOGIPORT Sayama Hidaka	Saitama Prefecture Hidaka City	Trust beneficiary interest	4	6,506	6,430	3.0	6,560	23,570.37
	Tokyo-13	Higashi Ogishima (leasehold land)	Kanagawa Prefecture Kawasaki City	Trust beneficiary interest	-	1,264	1,189	0.6	1,560	-
Osaka area	Osaka-1	LOGIPORT Sakai Minamijimacho	Osaka Prefecture Sakai City	Trust beneficiary interest	3	8,187	8,150	3.9	8,510	30,696.61
	Osaka-2	LOGIPORT Sakai-chikkoshinmachi (Note 11)	Osaka Prefecture Sakai City	Trust beneficiary interest	1	1,687	1,664	0.8	1,840	20,428.39
	Osaka-3	LOGIPORT Osaka Taisho (Note 12)	Osaka Prefecture Osaka City	Trust beneficiary interest	2	7,232	7,140	3.4	7,440	117,037.14
	Osaka-4	Suminoe (leasehold land)	Osaka Prefecture Osaka City	Trust beneficiary interest	-	4,574	4,330	2.0	4,620	-
Portfolio total / average					12	211,292	211,573	100.0	231,790	1,248,439.09

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

Note 2. "Property age" is generally calculated as the period from the construction completion date shown on the property registry for the main building until August 31, 2019, and is rounded to the nearest whole number. The number presented as the portfolio age average is the weighted average weighted by acquisition price, rounded to the nearest whole number.

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

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

Note 5. "Appraisal value" represents the appraisal value as of August 31, 2019, shown in the real estate appraisal documents prepared by Tanizawa Sogo Appraisal Co, Ltd., CBRE K.K. or Japan Real Estate Institute, which have been contracted to appraise the asset holdings.

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

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

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

Note 9. The Acquisition Price and appraisal value for LOGIPORT Nagareyama (A) are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (equating to 60%), while the gross floor area is the figure for the entire property.

Note 10. The Acquisition Price and appraisal value for LOGIPORT Hiratsuka Shinmachi are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (equating to 20%), while the gross floor area is the figure for the entire property.

Note 11. The Acquisition Price and appraisal value for LOGIPORT Sakai Chikko Shinmachi are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (equating to 40%), while the gross floor area is the figure for the entire property.

Note 12. The Acquisition Price and appraisal value for LOGIPORT Osaka Taisho are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (equating to 25%), while the gross floor area is the figure for the entire property.



(b) Tenant Agreements

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

Area	Property number	Property name	Number of tenants (Note 1)	Annual lease revenue (million yen) (Note 2)	Lease & guarantee deposits (million yen) (Note 3)	Leasable floor area (㎡) (Note 4)	Leased floor area (㎡) (Note 5)	Occupancy rate (%) (Note 6)
Tokyo area	Tokyo-1	LOGIPORT Hashimoto (Note 7)	15	1,130	276	130,052	130,052	100.0
	Tokyo-2	LOGIPORT Sagamihara (Note 8)	18	1,322	311	180,971	180,495	99.7
	Tokyo-3	LOGIPORT Kitakashiwa	8	1,393	361	100,349	100,349	100.0
	Tokyo-4	LOGIPORT Nagareyama (A) (Note 9)	1	1,503 (Note 9)	338 (Note 9)	18,172	18,172	100.0
	Tokyo-5	LOGIPORT Nagareyama (B)	8			112,684	112,517	99.9
	Tokyo-6	LOGIPORT Higashi Ogishima (A)	22	1,073	329	85,281	81,264	95.3
	Tokyo-7	LOGIPORT Higashi Ogishima (B)	18	1,159	364	103,731	98,705	95.2
	Tokyo-8	LOGIPORT Higashi Ogishima (C)	18	1,387	272	114,925	113,521	98.8
	Tokyo-9	LOGIPORT Kawagoe	4	656	160	53,088	53,088	100.0
	Tokyo-10	LOGIPORT Hiratsuka Shinmachi (Note 10)	1	Not disclosed (Note 13)	Not disclosed (Note 13)	29,074	29,074	100.0
	Tokyo-11	LOGIPORT Kashiwa Shonan	1	Not disclosed (Note 13)	Not disclosed (Note 13)	40,773	40,773	100.0
	Tokyo-12	LOGIPORT Sayama Hidaka	1	Not disclosed (Note 13)	Not disclosed (Note 13)	23,565	23,565	100.0
	Tokyo-13	Higashi Ogishima (leasehold land)	1	Not disclosed (Note 13)	Not disclosed (Note 13)	11,472	11,472	100.0
Osaka Area	Osaka-1	LOGIPORT Sakai Minamijimacho	1	Not disclosed (Note 13)	Not disclosed (Note 13)	30,690	30,690	100.0
	Osaka-2	LOGIPORT Sakai-chikkoshinmachi (Note 11)	1	Not disclosed (Note 13)	Not disclosed (Note 13)	30,690	30,690	100.0
	Osaka-3	LOGIPORT Osaka Taisho (Note 12)	10	388	87	106,929	106,830	99.9
	Osaka-4	Suminoe (leasehold land)	1	Not disclosed (Note 13)	Not disclosed (Note 13)	106,929	106,830	99.9
Portfolio total / average			129	11,682	2,865	1,187,761 917,578	1,176,659 906,784	99.1 98.8

Note 1. "Number of tenants" is stated as the total number of lease agreements associated with the buildings shown for each of the trust properties as of August 31, 2019. If a master lease agreement has been executed for the trust property, it is stated as the total

number of end tenants. However, if the same lessee has executed multiple lease agreements at the trust property, that lessee is counted as one tenant when arriving at calculating the total.

- Note 2. “Annual lease revenue” is stated as the total annualized monthly rent calculated by multiplying the monthly lease amount (including common service fees) shown in each lease agreement associated with each trust property as of August 31, 2019 (excluding consumption taxes) by 12, rounded down to the nearest million yen. Therefore, the sum of the “annual lease revenue” for the individual trust properties may not necessarily match the portfolio total.
- Note 3. “Lease & guarantee deposits” is stated as the aggregate amount of the lease and guarantee deposit balances shown in each lease agreement associated with each trust property for each trust property as of August 31, 2019, rounded down to the nearest million yen. Therefore, the sum of the individual “lease & guarantee deposits” for the properties may not necessarily match the portfolio total.
- Note 4. “Leasable floor area” is the area that can be leased at the buildings associated with each trust property as of August 31, 2019, stated as the aggregate of the area considered leasable under the lease agreements or building drawings, rounded down to the nearest whole number. Additionally, in the “Portfolio total” row, the upper figure represents the aggregate leasable floor area for the buildings of each trust property. The lower figure represents the aggregate leasable floor area for the buildings of each trust property after factoring in LLR's share in the joint co-ownership interests in a trust beneficiary interest and calculating leasable floor area proportional to LLR's share, in cases of trust properties in which LLR has share of the joint co-ownership interests.
- Note 5. “Leased floor area” is stated as the aggregate leased floor area associated with the buildings shown in the lease agreements for each of the trust properties as of August 31, 2019. If a master lease agreement has been executed for the trust property, it is stated as the aggregate of the area which has actually been leased through the execution of lease agreements with end tenants, rounded down to the nearest whole number. Additionally, in the “Portfolio total/average” row, the upper figure represents the aggregate leased floor area for the buildings of each trust property. The lower figure represents the ratio of the aggregate leased floor area for the buildings of each trust property after factoring in LLR's share in the joint co-ownership interests in a trust beneficiary interest and calculating leased floor area proportional to LLR's share, in cases of trust properties in which LLR has share of the joint co-ownership interests.
- Note 6. “Occupancy rate” is stated as the ratio of leased floor area to leasable floor area with the buildings shown in the lease agreements for each of the trust properties as of August 31, 2019, rounded to the second decimal place. Additionally, in the “Portfolio total/average” row, the upper figure represents the ratio of the aggregate Leased Floor Area for a given building divided by the Leasable Floor Area for a given building, rounded to the second decimal place. The lower figure represents the ratio of the aggregate Leased Floor Area for a given building divided by the Leasable Floor Area for a given building, rounded to the second decimal place, after factoring in LLR's share in the joint co-ownership interests in a trust beneficiary interest and calculating leasable and leased floor area proportional to LLR's share, in cases of trust properties in which LLR has share of the joint co-ownership interests.
- Note 7. The total number of tenants, leasable floor area, and leased floor area, and occupancy rate for “LOGIPORT Hashimoto” are stated as figures for the entire building, while the annual lease revenue and lease & guarantee deposits are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (55%).
- Note 8. The total number of tenants, leasable floor area, and leased floor area, and occupancy rate for “LOGIPORT Sagami-hara” are stated as the figure for the entire building, while the annual lease revenue and lease & guarantee deposits are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (51%).
- Note 9. Because consent has not been obtained from the single end tenant at “LOGIPORT Nagareyama (A)” to disclose the annual lease revenue and lease & guarantee deposits, the annual lease revenue and lease & guarantee deposits are presented in aggregate with the annual lease revenue and lease & guarantee deposits, respectively, for LOGIPORT Nagareyama (B).
- Note 10. The total number of tenants, leasable floor area, leased floor area, and occupancy rate for LOGIPORT Hiratsuka Shinmachi are stated as figures for the entire building, while the annual lease revenue and lease & guarantee deposits are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (20%).
- Note 11. The total number of tenants, leasable floor area, leased floor area, and occupancy rate for LOGIPORT Sakai Chikko Shinmachi are stated as figures for the entire building, while the annual lease revenue and lease & guarantee deposits are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (40%).
- Note 12. The total number of tenants, leasable floor area, and leased floor area, and occupancy rate for LOGIPORT Osaka Taisho are stated as figures for the entire building, while the annual lease revenue and lease & guarantee deposits are stated as amounts proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interest (25%).
- Note 13. Not disclosed because approval for disclosure has not been obtained from the tenant.

## (c) Appraisal report summary

Area	Property number	Property name	Appraiser	Appraisal date	Appraisal Value (million yen)	Cost-approach value (million yen)	Income approach value (million yen)				
							Direct capitalization method		Discounted cash flow (DCF) method		
							Income-approach value	Capitalization rate (%)	Income-approach value	Discount rate (%)	Terminal capitalization rate (%)
Tokyo area	Tokyo-1	LOGIPORT Hashimoto (Note 1)	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2019	23,100	20,200	23,600	4.1	22,900	4.2	4.3
	Tokyo-2	LOGIPORT Sagamihara (Note 2)	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2019	25,500	23,200	26,100	4.2	25,300	4.3	4.4
	Tokyo-3	LOGIPORT Kitakashiwa	CBRE K.K.	August 31, 2019	29,500	22,800	29,700	3.9	29,500	3.7	4.0
	Tokyo-4	LOGIPORT Nagareyama (A) (Note 3)	CBRE K.K.	August 31, 2019	2,514	1,716	2,490	4.3	2,514	3.9	4.2
	Tokyo-5	LOGIPORT Nagareyama (B)	CBRE K.K.	August 31, 2019	29,800	21,600	29,600	4.2	29,800	3.9	4.2
	Tokyo-6	LOGIPORT Higashi Ogishima (A)	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2019	19,800	19,400	19,700	4.5	19,800	4.5	4.6
	Tokyo-7	LOGIPORT Higashi Ogishima (B)	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2019	21,600	20,800	22,000	4.5	21,400	4.5	4.6
	Tokyo-8	LOGIPORT Higashi Ogishima (C)	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2019	25,400	24,400	25,400	4.4	25,400	4.4	4.5
	Tokyo-9	LOGIPORT Kawagoe	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2019	12,200	11,300	12,500	4.4	12,100	4.5	4.6
	Tokyo-10	LOGIPORT Hiratsuka Shinmachi (Note 4)	Japan Real Estate Institute	August 31, 2019	1,446	1,256	1,458	4.5	1,434	4.1	4.6
	Tokyo-11	LOGIPORT Kashiwa Shonan	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2019	10,400	10,100	10,600	4.4	10,300	4.3 (Note 7)	4.6
	Tokyo-12	LOGIPORT Sayama Hidaka	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2019	6,560	6,460	6,690	4.4	6,500	4.3 (Note 8)	4.6
	Tokyo-13	Higashi Ogishima (leasehold land)	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2019	1,560	-	-	-	1,560	3.7 (Note 9)	3.8
Osaka Area	Osaka-1	LOGIPORT Sakai Minamijimacho	Japan Real Estate Institute	August 31, 2019	8,510	5,940	8,610	4.5	8,400	4.2	4.6
	Osaka-2	LOGIPORT Sakai-chikkoshinmachi (Note 5)	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2019	1,840	1,800	1,900	4.6	1,820	4.5 (Note 10)	4.8
	Osaka-3	LOGIPORT Osaka Taisho (Note 6)	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2019	7,440	7,150	7,680	4.2	7,330	4.3	4.4
	Osaka-4	Suminoe (leasehold land)	Tanizawa Sogo Appraisal Co., Ltd.	August 31, 2019	4,620	-	-	-	4,620	4.0	4.0
Portfolio total					231,790	198,122	228,028		230,678		

- Note 1. The appraisal value, cost-approach value, and income-approach values based on the direct capitalization method, and DCF method for LOGIPORT Hashimoto are stated as amounts proportional to the joint co-ownership interests in trust beneficiary interests that LLR holds (55%).
- Note 2. The appraisal value, cost-approach value, and income-approach values based on the direct capitalization method, and DCF method for LOGIPORT Sagamihara are stated as amounts proportional to the joint co-ownership interests in trust beneficiary interests that LLR holds (51%).
- Note 3. The appraisal value, cost-approach value, and income-approach values based on the direct capitalization method, and DCF method for LOGIPORT Nagareyama (A) are stated as amounts proportional to the joint co-ownership interests in trust beneficiary interests that LLR holds (60%).
- Note 4. The appraisal value, cost-approach value, and income-approach values based on the direct capitalization method, and DCF method for LOGIPORT Hiratsuka Shinmachi are stated as amounts proportional to the joint co-ownership interests in trust beneficiary interests that LLR holds (20%).
- Note 5. The appraisal value, cost-approach value, and income-approach values based on the direct capitalization method, and DCF method for LOGIPORT Sakai Chikko Shinmachi are stated as amounts proportional to the joint co-ownership interests in trust beneficiary interests that LLR holds (40%).
- Note 6. The appraisal value, cost-approach value, and income-approach values based on the direct capitalization method, and DCF method for LOGIPORT Osaka Taisho are stated as amounts proportional to the joint co-ownership interests in trust beneficiary interests that LLR holds (25%).
- Note 7. The discount rate for LOGIPORT Kashiwa Shonan is stated as the figure from the first fiscal year until the fifth fiscal year.
- Note 8. The discount rate for LOGIPORT Sayama Hidaka is stated as the figure from the first fiscal year until the fourth fiscal year.
- Note 9. The discount rate for Higashi Ogishima (leasehold land) is stated as the figure from the first fiscal year until the fourth fiscal year.
- Note 10. The discount rate for LOGIPORT Sakai Chikko Shinmachi is stated as the figure from the first fiscal year until the eighth fiscal year.

(d) Information about major real estate properties

Of the assets held by LLR, those properties where “total annual lease revenue” represents 10% or more of the “total annual lease revenue for the entire portfolio” as of August 31, 2019 are presented below.

Property name	Total annual lease revenue (million yen) (Note 1)	Share of lease revenue (%) (Note 2)
LOGIPORT Sagamihara (Note 3)	1,322	11.3
LOGIPORT Kitakashiwa	1,503	12.9
LOGIPORT Nagareyama (A) (Note 4)	1,387	11.9
LOGIPORT Nagareyama (B)		
LOGIPORT Higashi Ogishima (C)	1,393	11.9
Total	1,503	12.9

Note 1. “Total annual lease revenue” is stated as the total annualized monthly rent (including common service fees) shown in each lease agreement associated with each trust property as of August 31, 2019 (excluding consumption taxes), calculated by multiplying by 12, rounded down to the nearest million yen.

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

Note 3. The total annual lease revenue for LOGIPORT Sagamihara is stated as an amount proportional to LLR's ownership interest of the joint co-ownership interests within the trust beneficiary interests (51%).

Note 4. Because consent has not been obtained from the single end tenant at LOGIPORT Nagareyama (A) to disclose the annual lease revenue, it is presented in aggregate with the annual lease revenue for LOGIPORT Nagareyama (B).

(e) Information about Major Tenants

Within the assets held by LLR, as of August, 2019 there are no tenants for which the leased floor area represents 10% or more of the total leased floor area for the entire portfolio (for those assets for which a pass-through type master lease agreement has been executed, this includes the end tenants and excludes the master lessee that has executed the master lease agreement).

(f) Portfolio Diversification

The distribution of LLR's asset holdings according to classification by area as of August 31, 2019 is as shown below.

a. Share by area

Area	Number of properties (Note 1)	Gross floor area (m <sup>2</sup> )		Share (%)		Acquisition price (million yen)		Share(%)	
		(Note 1)	(Note 2) (Note 4)	(Note 1)	(Note 3)	(Note 1)	(Note 5)	(Note 1)	(Note 3)
Tokyo area	13		1,080,276.95		86.5		190,289		89.9
Osaka area	4		168,162.14		13.5		21,284		10.1
Other	-		-		-		-		-
Total	17		1,248,439.09		100.0		211,573		100.0

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

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

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

Note 4. The table above was created using the gross floor areas based on figures for the entire LOGIPORT Hashimoto, LOGIPORT Sagamihara, LOGIPORT Nagareyama (A), LOGIPORT Hiratsuka Shinmachi, LOGIPORT Sakai Chikko Shinmachi, and LOGIPORT Osaka Taisho properties.

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

b. Share by property age (Note 1)

Property age (Note 2)	Number of properties	Gross floor area (m <sup>2</sup> )		Share (%) (Note 4)	Acquisition Price (million yen) (Note 6)	Share (%) (Note 4)
		(Note 3)	(Note 5)			
20 years or more	2		217,781.93		38,120	18.5
At least 15 years but less than 20 years	1		116,997.14		23,700	11.5
At least 10 years but less than 15 years	2		151,088.63		28,700	13.9
At least 5 years but less than 10 years	4		500,892.35		81,470	39.5
Less than 5 years	6		261,679.04		34,064	16.5
Total	15		1,248,439.09		206,054	100.0

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

Note 2. As a general rule, "property age" is calculated as the period from the construction date shown on the registration for the main building until August 31, 2019, rounded to the nearest whole number.

Note 3. "Gross floor area" reflects the figure shown in the registrations for all buildings associated with the real estate in trust (excluding ancillary buildings that are not subject to leasing) held by LLR.

Note 4. "Share" is rounded to the second decimal place.

Note 5. The table above was created using the gross floor areas based on figures for the entire LOGIPORT Hashimoto, LOGIPORT Sagamihara, LOGIPORT Nagareyama (A), LOGIPORT Hiratsuka Shinmachi, LOGIPORT Sakai Chikko Shinmachi, and LOGIPORT Osaka Taisho properties.

Note 6. "Acquisition Price" is the purchase price for each of the trust beneficiary interests as shown in the trust beneficiary interest purchase agreement of the relevant property (excluding consumption taxes, local consumption taxes, and various acquisition costs, and is rounded down to the nearest million yen).

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

Size (gross floor area) (m <sup>2</sup> ) (Note 2) (Note 4)	Number of properties	Gross floor area (m <sup>2</sup> ) (Note 2) (Note 4)	Share (%) (Note 3)	Acquisition Price (million yen) (Note 5)	Share (%) (Note 3)
At least 100,000m <sup>2</sup>	8	1,035,380.85	82.9	165,080	80.1
At least 50,000m <sup>2</sup>	1	50,742.47	4.1	11,950	5.8
Less than 100,000m <sup>2</sup>					
At least 30,000m <sup>2</sup>	2	71,575.19	5.7	17,450	8.5
Less than 50,000m <sup>2</sup>					
At least 10,000m <sup>2</sup>	4	90,740.58	7.3	11,574	5.6
Less than 30,000m <sup>2</sup>					
Less than 10,000m <sup>2</sup>	-	-	-	-	-
Total	15	1,248,439.09	100.0	206,054	100.0

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

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

Note 3. “Share” is rounded to the second decimal place.

Note 4. The table above was created using the gross floor areas based on figures for the entire LOGIPORT Hashimoto, LOGIPORT Sagamihara, LOGIPORT Nagareyama (A), LOGIPORT Hiratsuka Shinmachi, LOGIPORT Sakai Chikko Shinmachi, and LOGIPORT Osaka Taisho properties.

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

d. Share by remaining lease term

Lease term (remaining lease term) (Note 1) (Note 2)	Leased floor area (m <sup>2</sup> ) (Note 3) (Note 5) (Note 6)	Share (%) (Note 4)	Annual lease revenue (million yen) (Note 3) (Note 5) (Note 6)	Share (%) (Note 4)
7 years or more	93,352	10.3	1,119	9.6
At least 5 years but less than 7 years	51,962	5.7	718	6.1
At least 3 years but less than 5 years	173,939	19.2	2,351	20.1
At least 1 year but less than 3 years	295,532	32.6	3,753	32.1
Less than 1 year	291,997	32.2	3,738	32.0
Total	906,784	100.0	11,682	100.0

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

Note 2. “Lease term (remaining term)” is based on the remaining term of leases as of August 31, 2019, under the lease agreements for asset holdings that have been executed as of that date.

Note 3. “Leased floor area” is stated as the leased floor area associated with each trust property for each trust property as of February 28, 2019, while “annual lease revenue” is stated as the annualized monthly rent (including common service fees) shown in each lease agreement associated with each trust property for each trust property as of February 28, 2019 (for trust properties with multiple lease agreements, the aggregate thereof) (excluding consumption taxes) calculated by multiplying by 12, rounded down to the nearest million yen. These are then aggregated for each remaining lease term category.

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

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

Note 6. The table above was created using the leased floor area and annual lease revenue based on figures equivalent to LLR’s respective shares in the joint co-ownership interests in LOGIPORT Hashimoto, LOGIPORT Sagamihara, LOGIPORT Nagareyama (A), LOGIPORT Hiratsuka Shinmachi, LOGIPORT Sakai Chikko Shinmachi, and LOGIPORT Osaka Taisho properties.

## (g) Property Income/Expenses

(Unit: thousand yen)

Property number	Tokyo-1	Tokyo-2	Tokyo-3	Tokyo-4	Tokyo-5
Name of property	LOGIPORT Hashimoto	LOGIPORT Sagamihara	LOGIPORT Kitakashiwa	LOGIPORT Nagareyama (A)	LOGIPORT Nagareyama (B)
Number of operating days in 7th period	184	184	184		184
(i) Total real estate leasing revenues	606,474	733,482	766,724	828,912	
Rent revenue - real estate	562,969	658,550	688,356	765,525	
Other lease business revenue	43,505	74,931	78,368	63,386	
(ii) Total real estate leasing expenses	193,121	244,940	305,685	332,855	
Outsourcing costs	20,149	32,333	30,682	30,671	
Utilities expenses	29,114	46,707	65,000	50,081	
Taxes and public dues	53,307	59,521	72,324	60,494	
Insurance premiums	945	1,113	1,208	1,625	
Repair and maintenance	9,519	16,077	13,083	17,100	
Depreciation	74,942	67,984	90,780	146,097	
Other leasing expenses	5,142	21,203	32,605	26,784	
(iii) Real estate leasing profit (= (i) - (ii))	413,353	488,542	461,039	47,510	448,546
(iv) Rent NOI (= (iii) + Depreciation)	488,296	556,526	551,819	67,009	575,145

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

(Unit: thousand yen)					
Property number	Tokyo-6	Tokyo-7	Tokyo-8	Tokyo-9	Tokyo-10
Name of property	LOGIPORT Higashi Ogishima (A)	LOGIPORT Higashi Ogishima (B)	LOGIPORT Higashi Ogishima (C)	LOGIPORT Kawagoe	LOGIPORT Hiratsuka Shinmachi
Number of operating days in 7th period	184	184	184	184	184
(i) Total real estate leasing revenues	600,436	663,409	766,085	347,629	
Rent revenue - real estate	543,676	577,389	689,846	320,917	
Other lease business revenue	56,760	86,019	76,238	26,711	
(ii) Total real estate leasing expenses	165,806	221,534	255,218	109,160	
Outsourcing costs	39,851	38,760	51,859	17,642	
Utilities expenses	20,663	32,184	42,745	20,912	Not disclosed (Note)
Taxes and public dues	40,189	61,149	59,539	26,251	
Insurance premiums	1,103	1,381	1,471	526	
Repair and maintenance	9,978	14,715	7,612	2,035	
Depreciation	51,386	71,788	89,918	41,194	
Other leasing expenses	2,633	1,553	2,071	598	
(iii) Real estate leasing profit (= (i) - (ii))	434,630	441,875	510,867	238,468	86,408
(iv) Rent NOI (= (iii) + Depreciation)	486,016	513,664	600,785	279,663	105,143

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



(Unit: thousand yen)

Property number	Tokyo-11	Tokyo-12	Tokyo-13	Osaka-1	Osaka-2
Name of property	LOGIPORT Kashiwa Shonan	LOGIPORT Sayama Hidaka	Higashi Ogishima (leasehold land)	LOGIPORT Sakai Minamijimacho	LOGIPORT Sakai- chikkoshinmachi
Number of operating days in 7th period	82	82	82	184	62
(i) Total real estate leasing revenues					
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing expenses					
Outsourcing costs					
Utilities expenses	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Taxes and public dues					
Insurance premiums					
Repair and maintenance					
Depreciation					
Other leasing expenses					
(iii) Real estate leasing profit (= (i) - (ii))	95,307	57,871	13,077	151,573	12,871
(iv) Rent NOI (= (iii) + Depreciation)	113,327	68,330	13,077	182,555	15,522

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

(Unit: thousand yen)		
Property number	Osaka-3	Osaka-4
Name of property	LOGIPOINT Osaka taisho	Suminoe (leasehold land)
Number of operating days in 7th period	82	82
(i) Total real estate leasing revenues	88,633	
Rent revenue - real estate	83,064	
Other lease business revenue	5,569	
(ii) Total real estate leasing expenses	24,299	
Outsourcing costs	3,367	
Utilities expenses	4,943	Not disclosed (Note)
Taxes and public dues	35	
Insurance premiums	106	
Repair and maintenance	126	
Depreciation	14,307	
Other leasing expenses	1,411	
(iii) Real estate leasing profit (= (i) - (ii))	64,334	45,069
(iv) Rent NOI (= (iii) + Depreciation)	78,642	45,069

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

(2) Capital Expenditures on Portfolio Assets

A) Planned capital expenditures

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

Property number	Property name	Location	Purpose	Expected timing	Estimated work costs (million yen) (Note)		
					Total amount	Current Payment Amount	Total amount paid
Tokyo-3	LOGIPORT Kitakashiwa	Chiba Prefecture Kashiwa City	Countermeasure work from birds	February 2020	17	-	-
Tokyo-8	LOGIPORT Higashi Ogishima (C)	Kanagawa Prefecture Kawasaki City	High-voltage cable improvement work	February 2020	20	-	-

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

B) Capital expenditures during the period

A summary of the main projects, treated as capital expenditures, associated with real estate held by LLR that were undertaken during the period is presented below. Capital expenditures were 129 million yen for the period, and there were also 90 million yen in maintenance expenses classified as other operating expenses.

Property number	Property name	Location	Purpose	Implementation period	Amount paid (million yen) (Note)
Tokyo-5	LOGIPORT Nagareyama (B)	Chiba Prefecture Nagareyama City	Road repair work	August 2019	17
Tokyo-3	LOGIPORT Kitakashiwa	Chiba Prefecture Kashiwa City	Construction work to replace office lighting with LED lighting	August 2019	7
Tokyo-4	LOGIPORT Nagareyama (A)	Chiba Prefecture Nagareyama City	Central monitoring equipment replacement work	July 2019	87
Other capital expenditures					96
Total					129

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

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

None