LaSalle INVESTMENT MANAGEMENT

Logiport REIT

Financial Results for the 6th Fiscal Period ("FP") Ending in February 2019 LaSalle LOGIPORT REIT

April 16, 2019



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01

Operational Highlights



Operational Highlights

PROGRESS IN STRENGTHENING PORTFOLIO PROFITABILITY THROUGH ACTIVE MANAGEMENT

1

Capturing strong tenant demand, leading to rent growth acceleration

- Highest portfolio occupancy achieved since IPO, averaging 98.8% throughout the 6th FP
- Internal growth is driving Feb 2019 DPU to ¥2,717 (Highest since IPO, +4.3% relative to initial forecast)

2

Strategic asset replacement generates increased portfolio profitability as well as realization of unrealized capital gains

- Acquisitions of LP Sakai Chikko Shinmachi: NOI Yield 5.3%, Stabilized DPU ¥+25
- Dispositions of LP Nagareyama A: NOI Yield 3.6%, Capital gain of ¥1.0bn is fully distributed

3

Steady achievements through value add strategies with additionally new initiatives

- LP Amagasaki has surpassed 80% occupancy, revenue contribution incorporated starting in FP ending Feb 2020
- Added 2 land lease deals that are located in logistics suitable sites. Consider ways for LLR to capitalized on development profits through future redevelopment.

Independent of borrowing or equity capital raise, executed an asset replacement by acquiring a newer prime logistics facility

ASSET REPLACEMENT HIGHLIGHT

- Improving portfolio profitability: Wider NOI Yield, leading to a stabilized DPU of +¥25
- ROI by realization of capital gain: Capital gain of ¥1.0bn, distributed 100% across 2 fiscal periods

Sell LP Nagareyama A (Nagareyama-city, Chiba)



Disposition Price	¥4.50 bn
Appraisal	¥4.08 bn
Book Value	¥3.46 bn
NOI Yield (1)	3.6%
After Depreciation Yield(1)	2.6%
Age of Building	10 years

Buy LP Sakai Chikko Shinmachi (Sakai-city, Osaka)

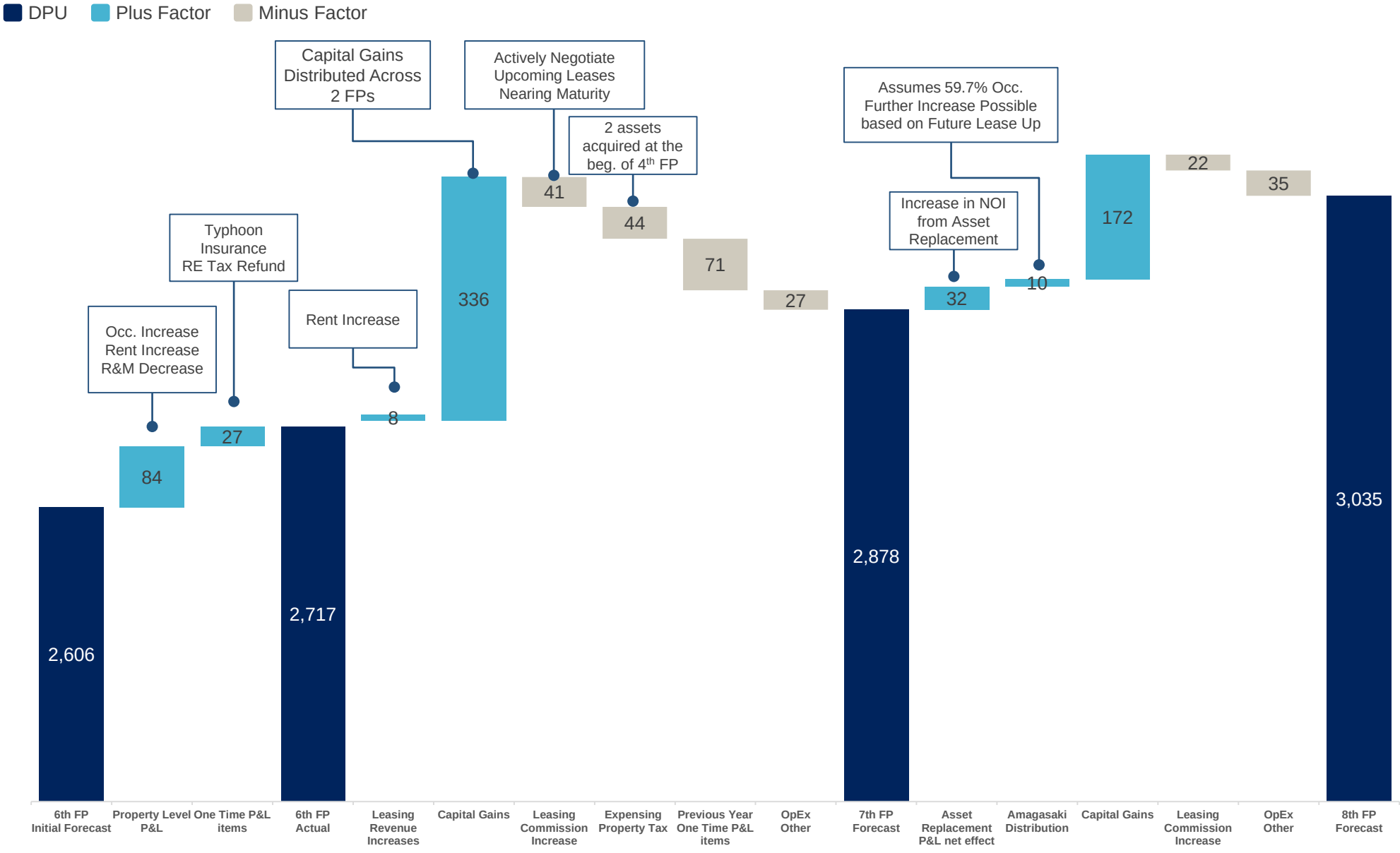


Acquisition Price	¥4.16 bn
Appraisal	¥4.56 bn
NOI Yield (2)	5.3%
After Depreciation Yield(2)	4.3%
Age of Building	1 year

(1) Calculated by taking actual NOI or the actual NOI minus depreciation and both are divided by the disposition price
(2) Calculated by taking appraisal NOI or the appraisal NOI minus depreciation and both are divided by the acquisition price

Expected increases to DPU for 5 consecutive FPs through a series of initiatives

DPU INCREASE/DECREASE FACTOR ANALYSIS (FROM 6TH FP FORECAST TO 8TH FP FORECAST)



Focus on strengthening DPU growth through active management

WHY LLR: UNIQUE INVESTMENT STRATEGY THAT DIFFERENTIATES FROM OTHER LOGISTICS J-REITS

Target a 4+% Annual Average Growth Rate in DPU

Portfolio Strategy

Acquire high-earning / high growth potential properties through strategic asset replacement

Following Nagareyama A, in the process of selling another asset with limited upside

Sift through pipeline and rescind assets of not the highest selection

Return preferential negotiation right on some properties that does not produce accretion for LLR's cost of capital

+

Asset Strategy

By closing the rent gap, increase portfolio profitability

For FP 2019/8's rental revisions, a +6.7% increase is already under contract

Target Rent revised
Rent Gap is Approximately 6%

+

Excess Return Strategy

Excess earnings through acquisitions of value add strategies

Profit contributions through the early lease up of Amagasaki

Add land lease deals to pipeline with an eye toward capturing development profits

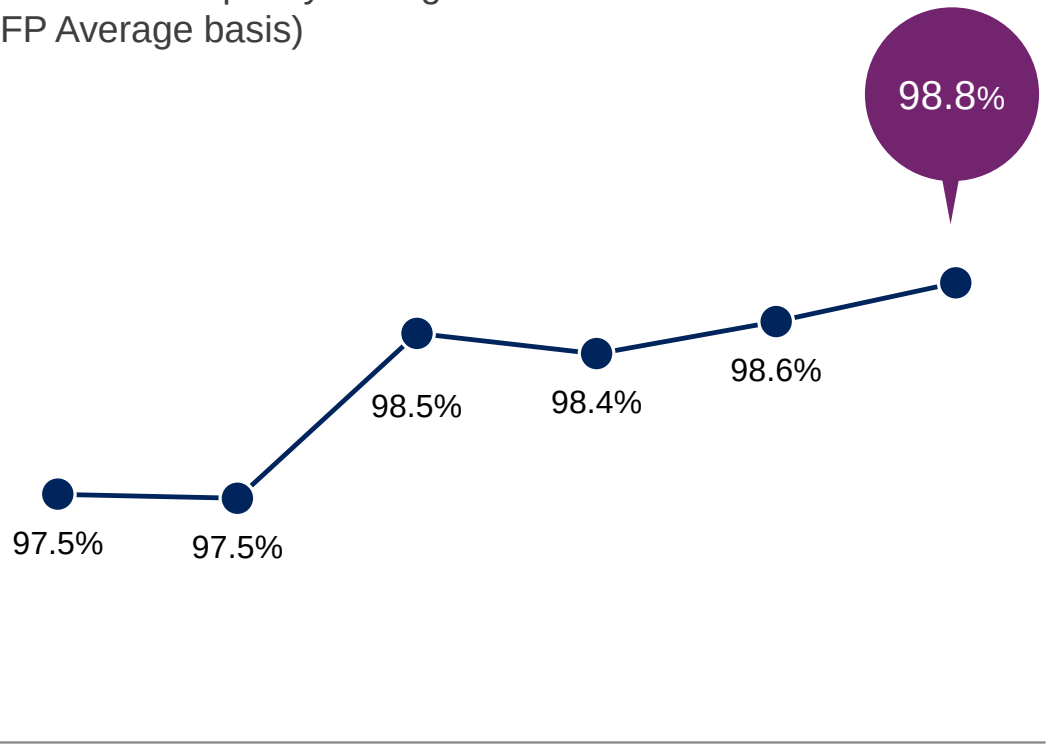
Additional implementation of governance initiatives to provide better alignment of interests with unitholders

- Directors & Employees Investment Unit Ownership Associations implemented
- Share Buyback system already in place
- Review of asset management fee structure

Portfolio occupancy reaches 98.8%, highest level since IPO

ASSET STRATEGY: DEDICATED LEASING TEAM ACTIVITIES WHICH MATRICULATES INTO STRONG TENANT DEMAND LEADING TO SOLID INTERNAL GROWTH

Portfolio Occupancy Change
(FP Average basis)



Both expansion needs and inquiries from outside are strong, as almost full occupancy continues

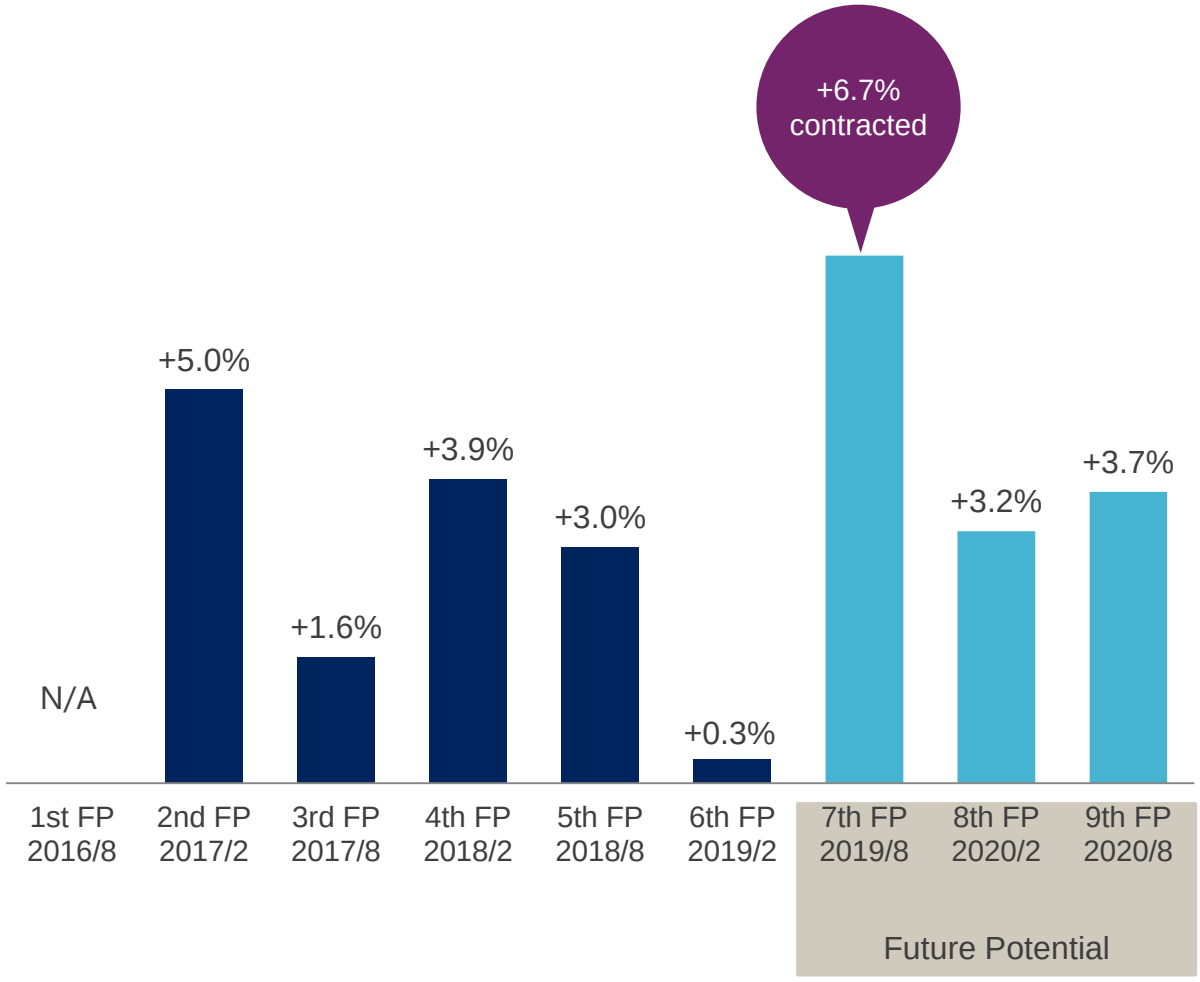
In locations where LLR's assets are situated, especially along the Route 16 corridor, a tightening of supply/demand dynamics, leading to sharp rises in market rent (relative to spot rents) is pronounced

Upward revision to target rents upon lease renewal

FP 2019/8 already has lease renewals under contract with rent increases of +6.7%

ASSET STRATEGY: ROBUST RENT RENEWALS LEADING TO UPWARD REVISIONS IN TARGET RENT

Rent Renewal (Fixed Term Lease Assets)
Past Performance, Future Projections



7th FP Renewal Lease Examples

Tenant A	Sagamihara	17,600㎡	+8.2%
Tenant B	Hashimoto	2,400㎡	+7.1%
Tenant C	Hashimoto	4,900㎡	+2.3%

9th FP Lease Renewal already under contract

Tenant D	Hashimoto	7,700㎡	+14.6%

New “Target Rents” and Inplace Rents have a 6% gap. Future Internal Growth potential.

Rent Gap
(Portfolio Average)
Approx. 6 %

Without getting hung up on AUM growth, prioritize DPU growth

PORTFOLIO STRATEGY: SELECT A PIPELINE OF PROPERTIES WHILE MAINTAINING A DISCIPLINE TOWARD CAREFUL SELECTION

Preferential Negotiation Rights Assets
(Currently warehoused in bridge vehicles)

9 assets
660,000 ㎡

Sponsor Developed


LP Osaka Taisho


LP Kashiwa Shonan


LP Sakai


LP Sayama Hidakai


LP Sagamihara II

Buy


LP Sakai Chikko Shinmachi

External Acquisitions


LP Amagasaki

New


Suminoe Land Lease

New


Higashi Ogishima Land Lease

Current Sponsor Develop

3 assets
450,000 ㎡


LP Kawasaki Bay
5/2019 Completion

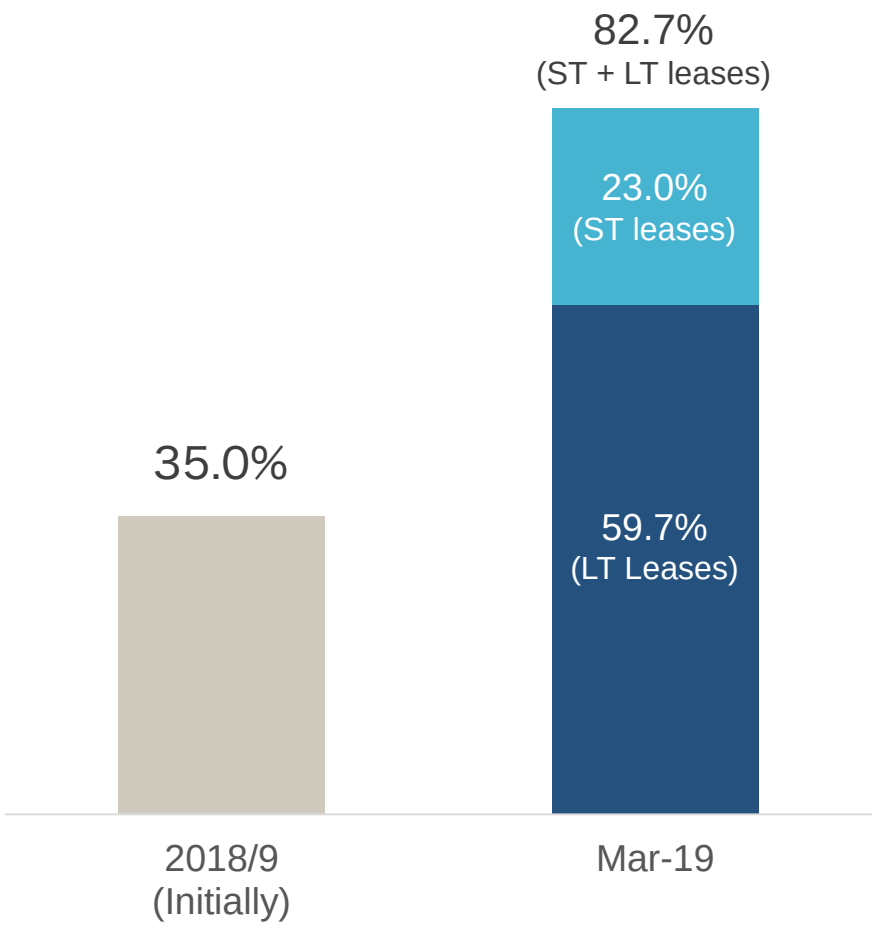

Shin Moriya
8/2019 Intended Completion

Kazo
(Under Planning)

LP Amagasaki: Leasing Progress Results for 2020/2 FP Contribution

EXCESS RETURNS STRATEGY: LEASE UP RESULTING IN EXTRA EARNINGS DISTRIBUTIONS

LP Amagasaki: Lease Up Update



In 6 months, 51,000㎡ has been leased up, which is in line with our initial 12 month lease up business plan

- ✓ Per Tsubo Rent: +4.8% above U/W (excluding ST leases)
- ✓ WALE: 5.6 years (excluding ST leases)
- ✓ NOI Yield: 5.5+% upon stabilization

¥11m in dividend income from SPC is included within our 8th FP earnings forecast (59.7% occupancy rate basis). If lease-up progresses as planned, potential for further dividend distribution increases.

8th FP Forecast Assumed Distribution (on a DPU basis)	Dividend Distribution After Full Stabilization (on a DPU basis)
10 yen	Approx. 50yen

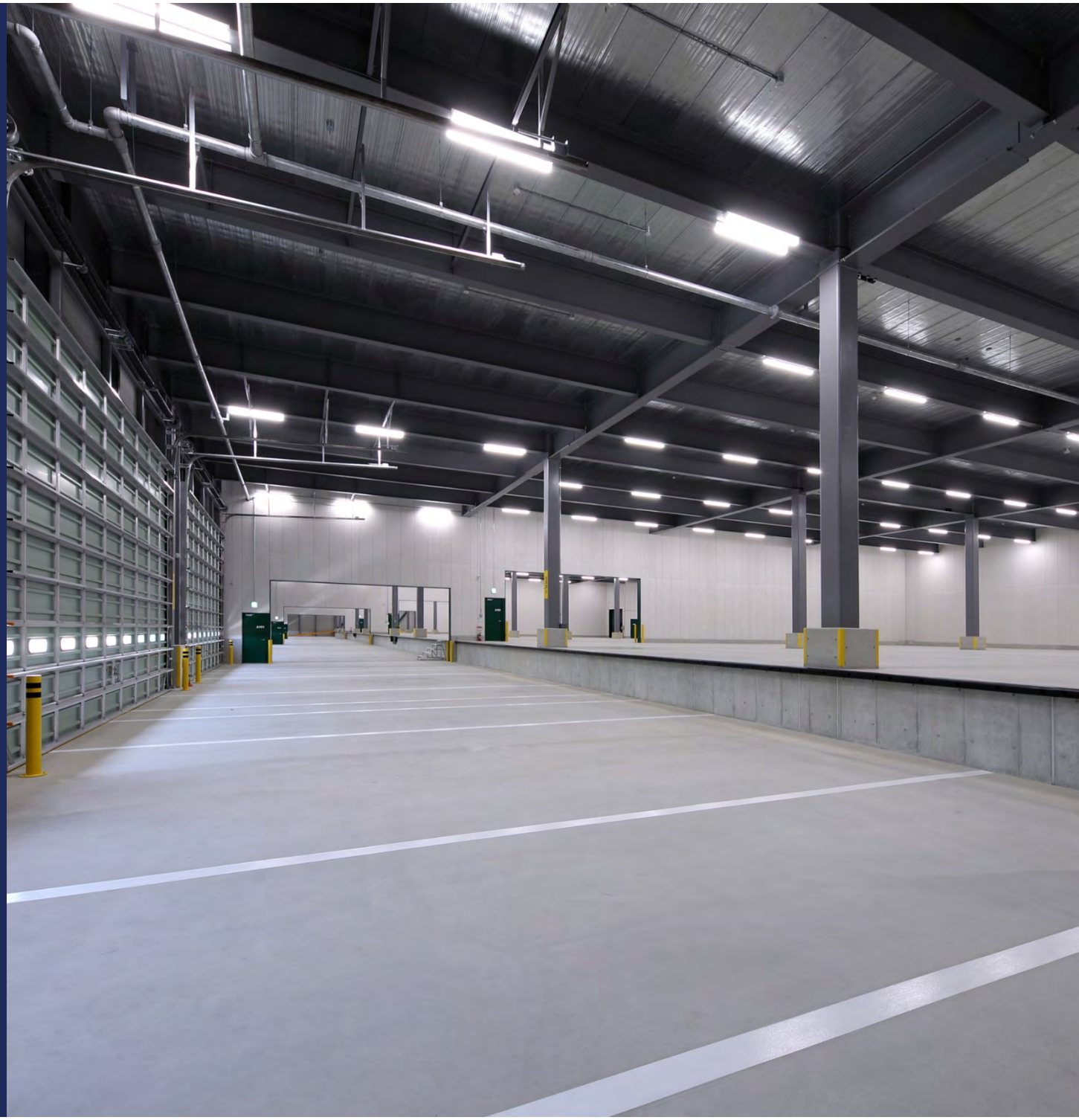
Upside potential land lease deals added to pipeline

EXCESS RETURNS STRATEGY: NEW INITIATIVE AIMED AT GARNERING “EXCESS EARNINGS” THROUGH REDEVELOPMENT

	Leaseback Period LLR receives ground rent	After Leaseback Period Redevelop site into LOGIPORT LLR receives development fees	
Suminoe Land Lease	 Leaseback Period: 2 years		■ Due immediately South from LP Osaka Taisho ■ Consider redevelopment in anticipation for future increased floor space needs **NOI Yield expected to be greater than 5%**
Higashi Ogishima Land Lease	 Leaseback Period: 10 years (After 5th year lessee has a termination option)		■ Located in Higashi Ogishima, there are several cold storage facilities in the vicinity ■ Consider redeveloping a cold storage facility to meet the building lessee’s urgent needs, to comply with Freon gas regulations

02

6th FP Financial Results



Increasing investor value by accumulating steady investment results

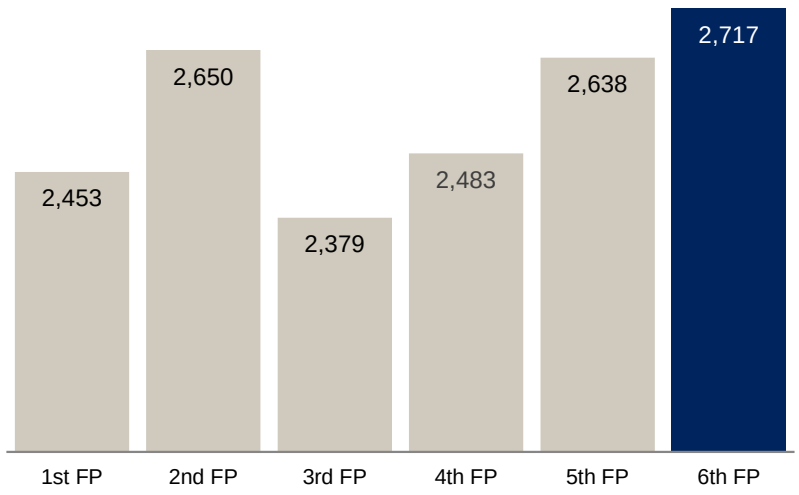
GROWTH IN DPU AND NAV

DPU (yen)

CAGR

+9.3%

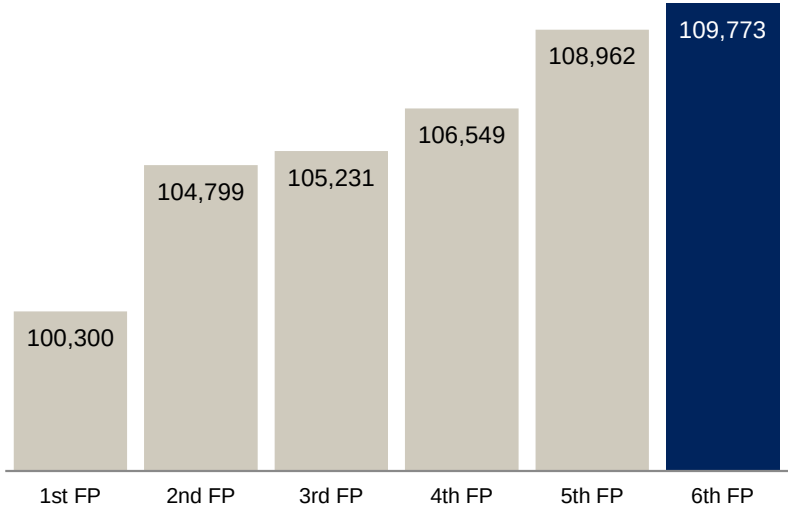
(From 3rd to 6th FP)



NAV per unit (1) (yen)

Absolute Growth Rate from 1st FP

+9.4%



(1) (Net assets – planned dividend distribution amount + unrealized capital gain/loss) ÷ number of investment units as of the end of the fiscal period. 6th FP NAV per unit assumes that the asset replacement is completed, that LP Nagareyama A's capital gain is deducted, and that LP Sakai Chikko Shinmachi's unrealized capital gain is included into the calculation.

2/28/2019 (6th FP) Financial Results

	Units: mm yen	6th FP Initial Forecast (a)	6th FP Actual (b)	Difference (b) - (a)	Difference between initial guidance and actuals
Property Level	Real Estate Leasing Business Total	5,649	5,792	143	
	Rent + CAM + Other Income	5,359	5,385	26	Occ Outperformed (Guidance 98.6%⇒ 98.8%), Per Tsubo Rent Increase
	Reimbursable Utilities Income	289	305	16	Increases in occupancy
	Real Estate Tax Refund	-	54	54	Refund of taxes for the past fiscal years due to building re-assessement
	Insurance Proceeds	-	48	48	Insurance proceeds attributed to typhoon damage
	Real Estate Operating Expenses	1,894	1,860	-34	
	Outsourced Contract Costs	304	299	-5	
	Utilities	278	302	24	Increases in occupancy
	Repair & Maintenance	125	69	-56	Prioritized immediate repairs resulting in reduction
	Repairs (from typhoon damage)	-	42	42	Typhoon related damages
	Depreciation Expense	689	688	-1	
	Property Taxes	431	423	-8	Due to property taxes being U/W conservatively
	Other Expenses	64	35	-29	Did not use all of the contingency
	NOI After Depreciation	3,755	3,931	176	
	NOI	4,444	4,620	176	
Corporate	Asset Management Fees	681	705	24	Increased to EPU linked fee
	Interest Expense & Financing Fees	312	313	1	
	Other P&L Items	99	98	-1	
	One time Expenses	-	31	31	Outsourcing expense associated with review of building value
	Investment Corporation Level Expenses	1,093	1,147	54	
DPU Summary	Net Income	2,660	2,783	123	
	Distributions Per Unit (yen)	2,606	2,717	111	
	Earnings Per Units (yen)	2,418	2,530	112	
	Dividend in Excess of Earnings (yen)	188	187	-1	
	LTV	43.6%	43.6%	0.0%	
	Number of properties at end of FP	11	11	-	

(Note) These figures are using numerical values based on management accounting and may differ from values based on financial accounting.

8/31/2019 (7th FP) Financial Results Guidance

	Units: mm yen	6th FP Initial Actual (a)	7th FP Guidance (b)	Difference (b) - (a)	Difference between 6th FP Actual vs. 7th FP Guidance
Property Level	Real Estate Leasing Business Total	5,792	6,092	300	
	Rent + CAM + Other Income	5,385	5,393	8	Per tsubo rent increase
	Reimbursable Utilities Income	305	306	1	
	Real Estate Tax Refund	54	-	-54	One time adjustement falls off
	Insurance Proceeds	48	-	-48	One time adjustement falls off
	Disposition Capital Gains	-	393	393	
	Real Estate Operating Expenses	1,860	1,976	116	
	Outsourced Contract Costs	299	344	45	LCs from aggressive renewal negotations
	Utilities	302	299	-3	
	Repair & Maintenance	69	118	49	Based on long term R&M plan
	Repairs (from typhoon damage)	42	-	-42	One time adjustement falls off
	Depreciation Expense	688	694	6	
	Property Taxes	423	471	48	Expensing of property taxes for Hiratsuka Shinmachi and Sakai Minamijimacho
	Other Expenses	35	48	13	
	NOI After Depreciation	3,931	3,722	-209	
	NOI	4,620	4,417	-203	
Corporate	Asset Management Fees	705	707	2	
	Interest Expense & Financing Fees	313	317	4	
	Other P&L Items	98	105	7	
	One time Expenses	31	10	-21	Accrued non-deductible C-tax expense attributable with dispositions
	Investment Corporation Level Expenses	1,147	1,139	-8	
DPU Summary	Net Income	2,783	2,974	191	
	Distributions Per Unit (yen)	2,717	2,878	161	
	Earnings Per Units (yen)	2,530	2,704	174	
	Dividend in Excess of Earnings (yen)	187	174	-13	Impact of decrease in accumulated depreciation due to disposition
	LTV	43.6%	43.6%	0.0%	
	Number of properties at end of FP	11	11	-	

(Note) These figures are using numerical values based on management accounting and may differ from values based on financial accounting.

2/29/2020 (8th FP) Financial Results Guidance

	Units: mm yen	7th FP Initial Actual (a)	8th FP Guidance (b)	Difference (b) - (a)	Difference between 7th FP Guidance vs. 8th FP Guidance
Property Level	Real Estate Leasing Business Total	6,092	6,331	239	
	Rent + CAM + Other Income	5,393	5,418	25	Asset Replacement Effect, Rental Increase
	Reimbursable Utilities Income	306	306	-	
	Disposition Capital Gains	393	596	203	Capital Gains Generated from Sale
	Dividend Income	-	11	11	Amagasaki Preferred Shares Distribution
	Real Estate Operating Expenses	1,976	2,008	32	
	Outsourced Contract Costs	344	368	24	LCs from aggressive renewal negotations
	Utilities	299	299	-	
	Repair & Maintenance	118	130	12	
	Depreciation Expense	694	699	5	
	Property Taxes	471	464	-7	
	Other Expenses	48	46	-2	
	NOI After Depreciation	3,722	3,726	4	
	NOI	4,417	4,426	9	
Corporate	Asset Management Fees	707	724	17	
	Interest Expense & Financing Fees	317	314	-3	
	Other P&L Items	105	110	5	
	One time Expenses	10	12	2	Accrued non-deductible C-tax expense attributable w ith dispositions
	Investment Corporation Level Expenses	1,139	1,160	21	
DPU Summary	Net Income	2,974	3,160	186	
	Distributions Per Unit (yen)	2,878	3,035	157	
	Earnings Per Units (yen)	2,704	2,873	169	
	Dividend in Excess of Earnings (yen)	174	162	-12	Impact of decrease in accumulated depreciation due to disposition
	LTV	43.6%	43.6%	0.0%	
	Number of properties at end of FP	11	11	-	

(Note) These figures are using numerical values based on management accounting and may differ from values based on financial accounting.

Memo

03

Current Status of the Portfolio



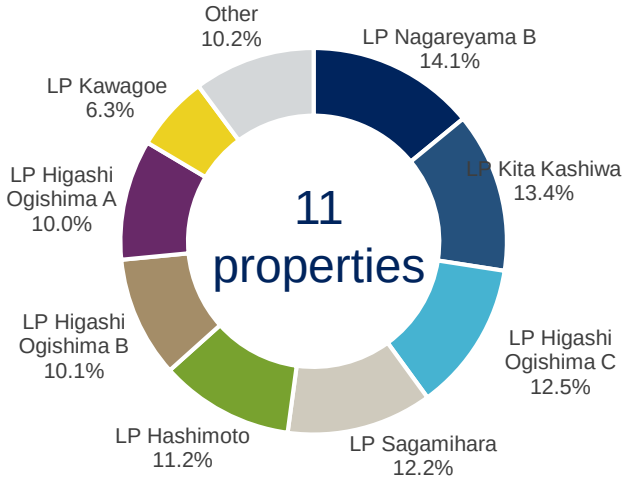
Portfolio Summary

Overview [1]

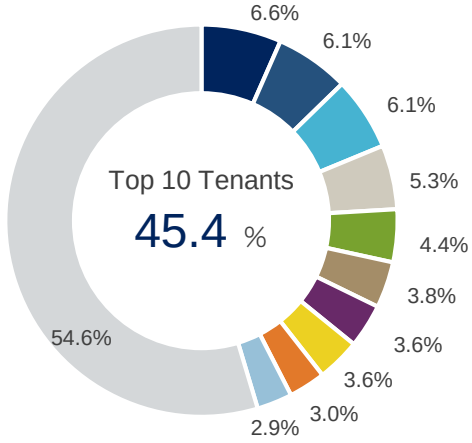
Total Acq. Price	# of properties	Occupancy
¥189.1bn	11	98.8 %

Appraisal NOI Yield [2]	Total GFA	# of tenants [3]
4.9 %	1,049,279 ㎡	113

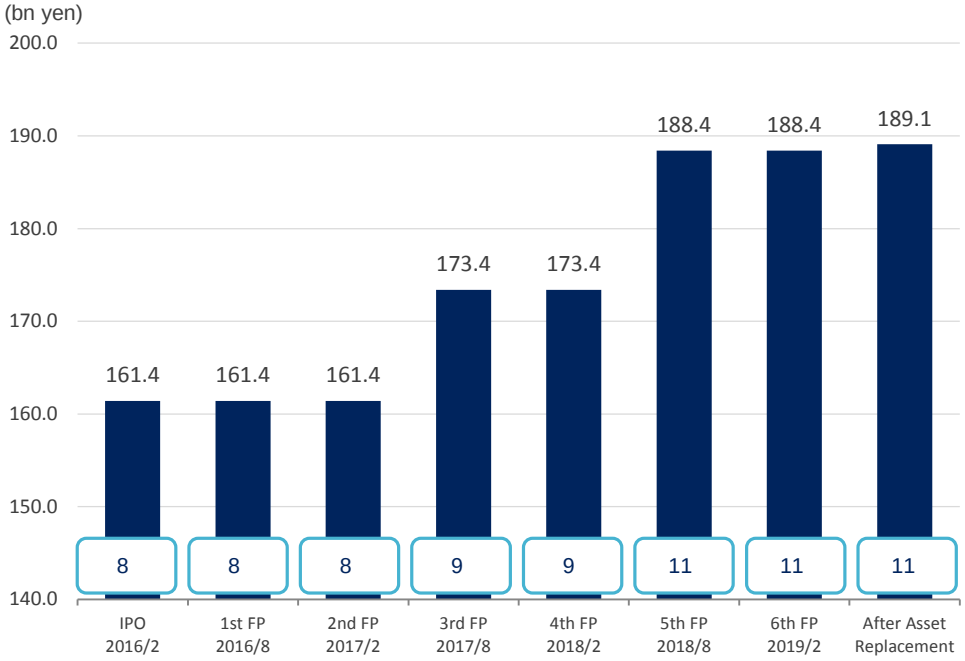
Portfolio Composition (Acq. Price Basis)



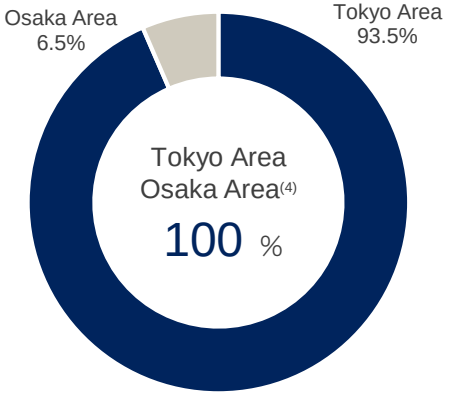
Tenant Diversification (Leased Area Basis)



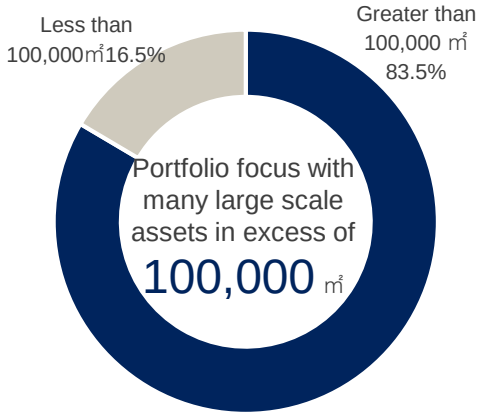
Change in AUM over time



Location Diversification (Acq. Price Basis)



GFA Diversification (Acq. Price Basis)



(1) As of 2/28/2019. Comprised of 11 assets, taking out LP Nagareyama A, and including LP Sakai Chikko Shinmachi.
(2) "Appraisal NOI Yield" is defined as Appraisal NOI divided by the Acquisition Price.
(3) This is the gross number of tenants. There is some tenant overlap across the 11 properties, thus the net number of tenants is 103
(4) "Tokyo Area" is defined as the area within a 60km radius from JR Tokyo Station. "Osaka Area" is defined as the area within a 45km radius from JR Osaka Station.

LP Amagasaki Overview

LP Amagasaki







Acq. Price	1,221 mm yen (11.4% contribution)	NRA (Warehouse)	62,826 tsubo
Reference Value (1)	1,463 mm yen	NOI yield (2)	5.5%

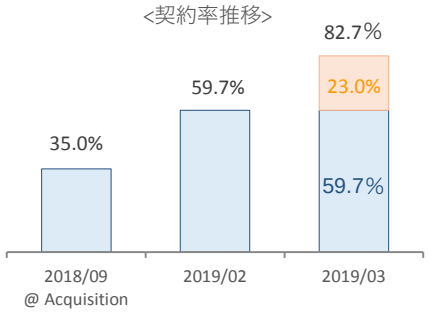
LP Amagasaki: Leases Under Contract

	A	B	C	D	E	F
6F	1,174 Wholesale	3,585 3PL		4,761 3PL		1,466 Precision
5F	4,498 3PL			3,257	2,970 Warehouse Co.	
4F	10,526 3PL					
3F	4,448			6,087 Retail		
2F	4,448 Warehouse Co.			3,187	2,900 3PL	
1F	5,275 3PL			4,245 Warehouse Co.		

Leased (Long term)
Leased (Short term)
Currently negotiating

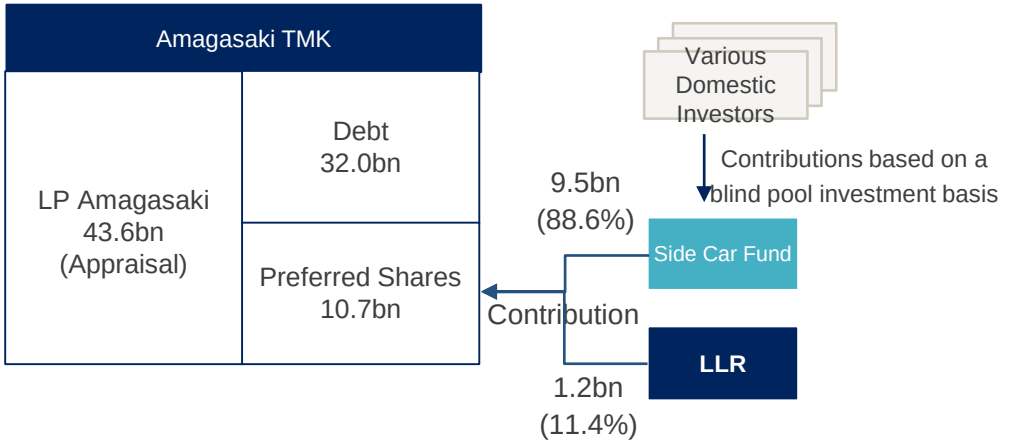
Potential to turn into LT

<契約率推移>



Lease up rate rising due to a broad range of tenant demands in Osaka

LLR Structure



Initial Business Plan

2018年

- 9/2018 Acq. preferred shares through an SPC
- 2/2019 LT Occupancy Rate of 50% achieved

2019年

- 3/2019 82.7% under contract (ST + LT leases)

Portfolio Management Options after Stabilization is Achieved

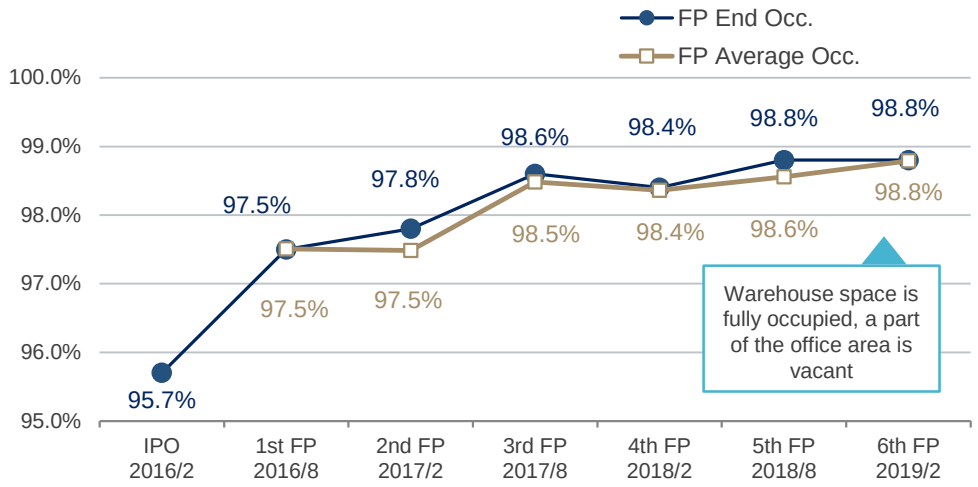
Optimize based on capital and financial market environment

- **Add** ■ LLR acquires the property in full from the SPC
- **Hold** ■ SPC holds the asset, LLR enjoys stabilized dividend distribution
- **Replace** ■ LLR sells an existing asset and replaces this asset with the capital generated from the sale
- **Sell** ■ Sell the property to an external third party, LLR distributes the capital gain in its entirety to shareholders

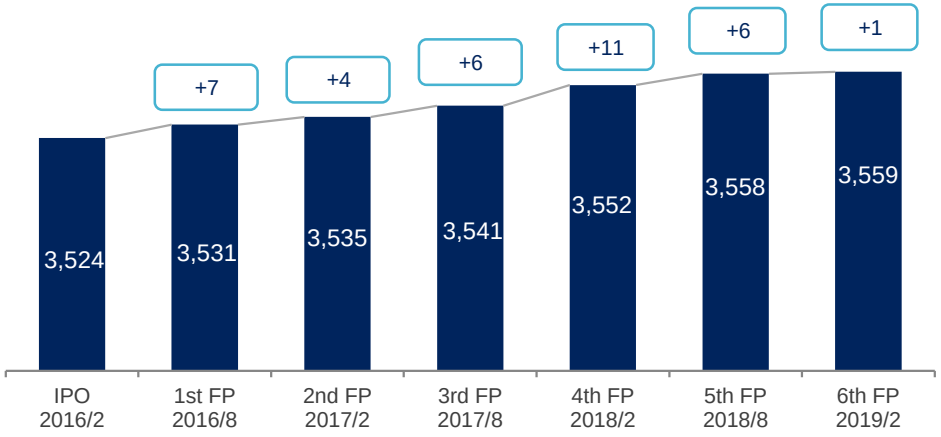
(1) Calculated based on a real estate appraisal and financial statement of the SPC.
(2) "NOI Yield" is based on appraisal NOI divided by the Acq. Price
(3) LP Amagasaki was converted from a factory into modern logistics, where the construction was completed in October 2017.
(4) Leased up occupancy status (warehouse space only) is as of 3/31/2019.

Internal Growth: Property Operations Track Record ①

Changes in Occupancy



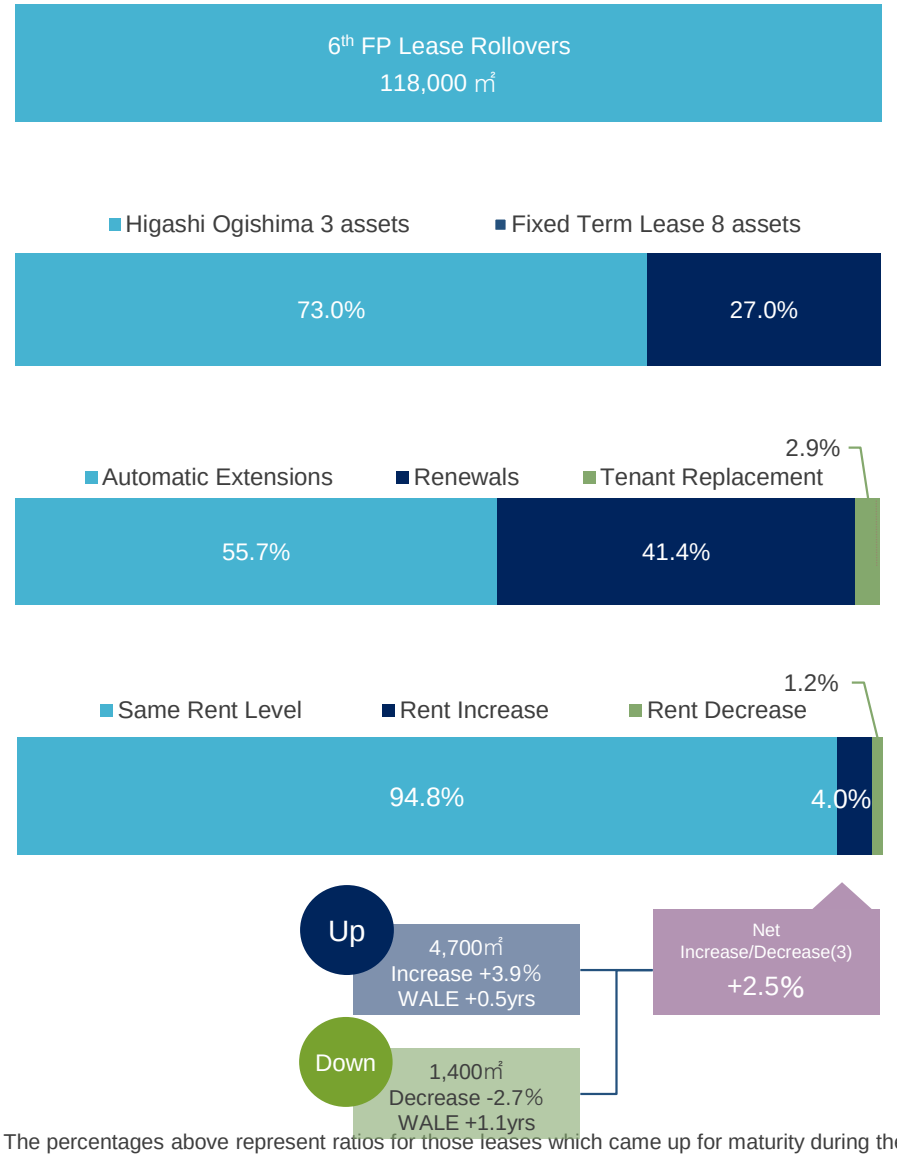
Changes in portfolio level avg. per tsubo rents (IPO portfolio) (1)



(1) Per tsubo rents are calculated factoring in the initial 8 IPO assets.

Leasing Track Record (2)

6th FP lease maturities were approximately 118,000㎡



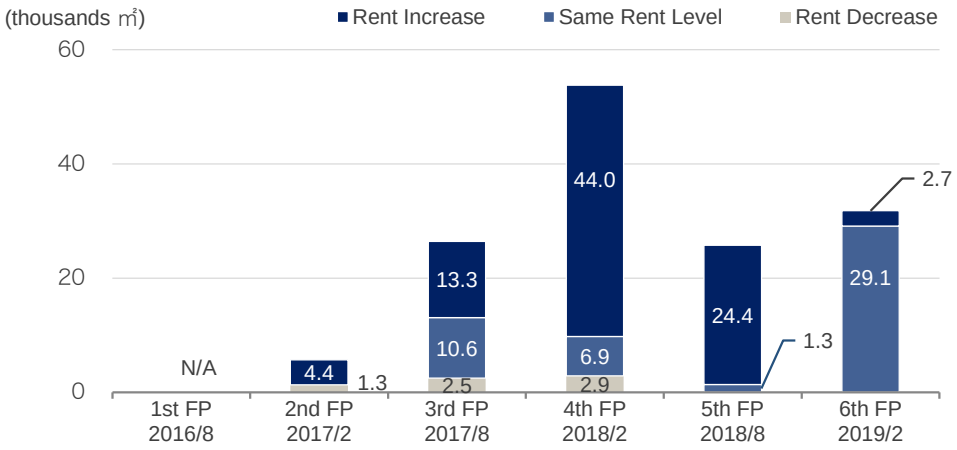
(2) The percentages above represent ratios for those leases which came up for maturity during the 6th FP (warehouse only, excluding temporary use)

(3) Increase/Decrease is relative to the prior lease rent level

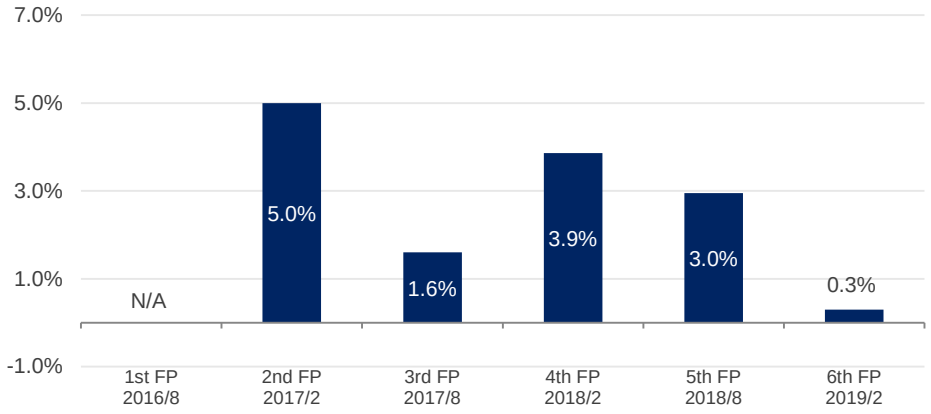
Internal Growth: Property Operations Track Record ②

Fixed Term Lease (8 properties) (1)

Changes in Lease Rental Rates Upon Maturity (2)

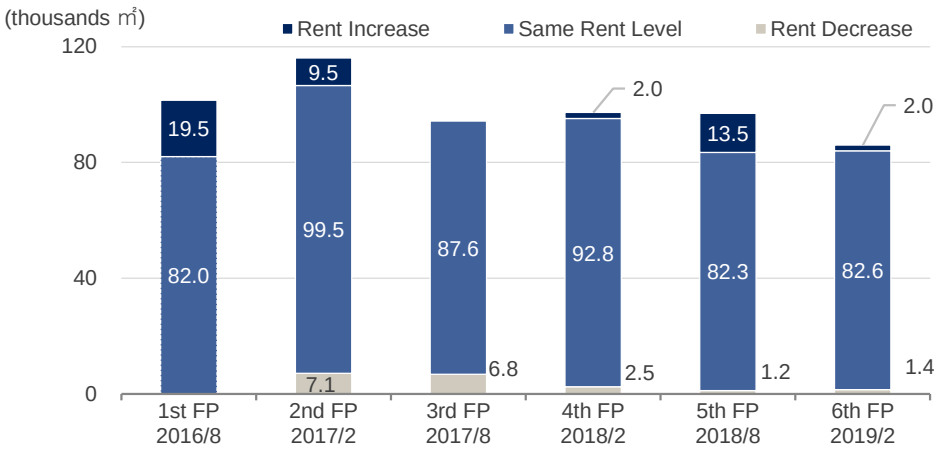


Changes in Lease Rental Rates (3)

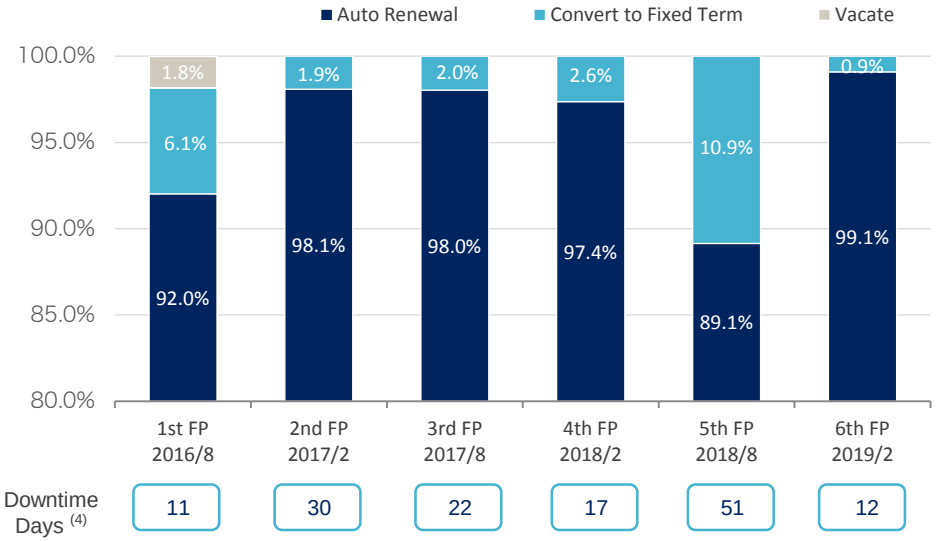


Higashi Ogishima 3 Properties

Changes in Lease Rental Rates Upon Maturity (2)



Lease Renewal Track Record for Standard Leases(2)

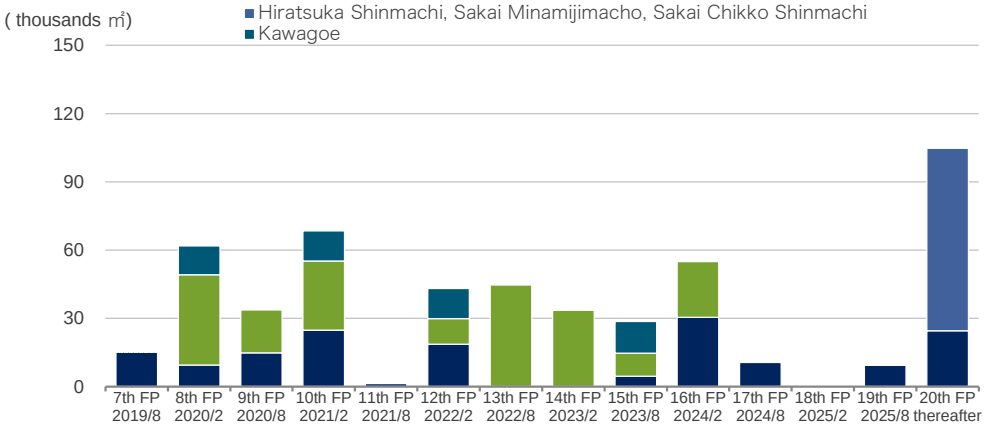


(1) The 8 properties owned as of the end of the 6th FP, excluding the Higashi Ogishima assets
(2) The area where the lease maturity came about during the fiscal period (warehouse only, excluding temporary use)
(3) The amount a given lease's rent increased/decreased relative to the prior lease's rent level for each lease which matured during the FP (warehouse only, excluding temporary use)
(4) When tenants vacate during this FP or in prior FPs, these were the average # of downtime days until signing a subsequent tenant (warehouse space only)

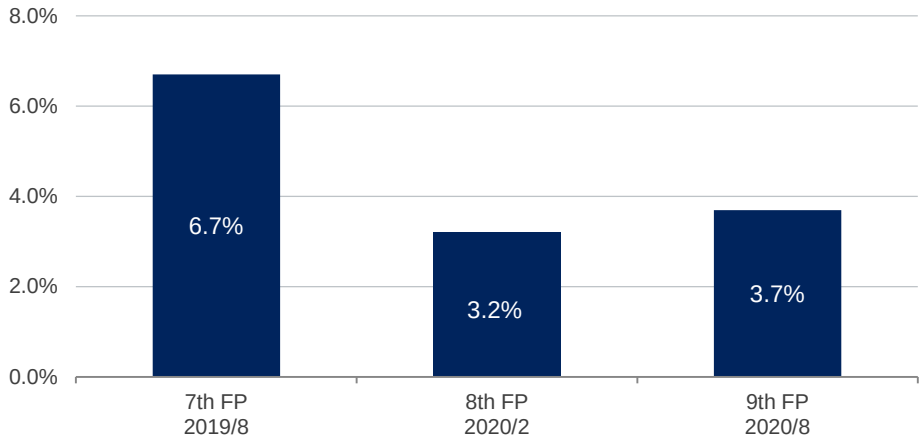
Leasing Strategy Going Forward

Fixed Term Lease Properties (8 assets)

Lease Maturity Schedule

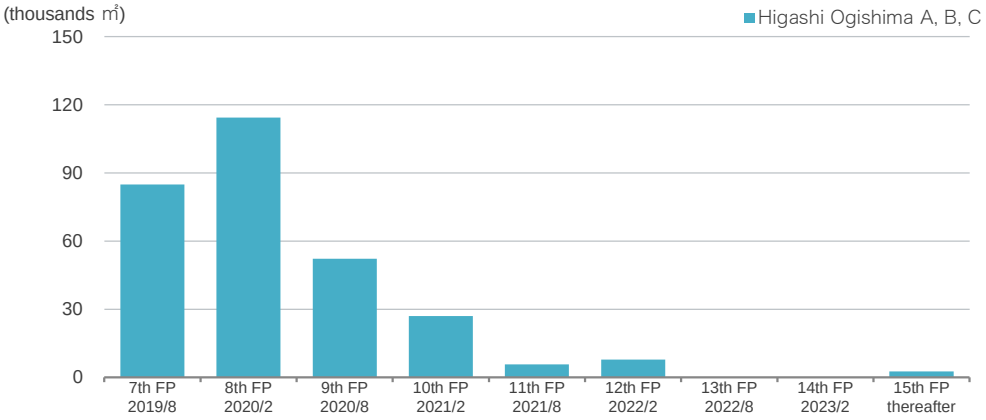


Rent Potential Upside Going Forward (1)

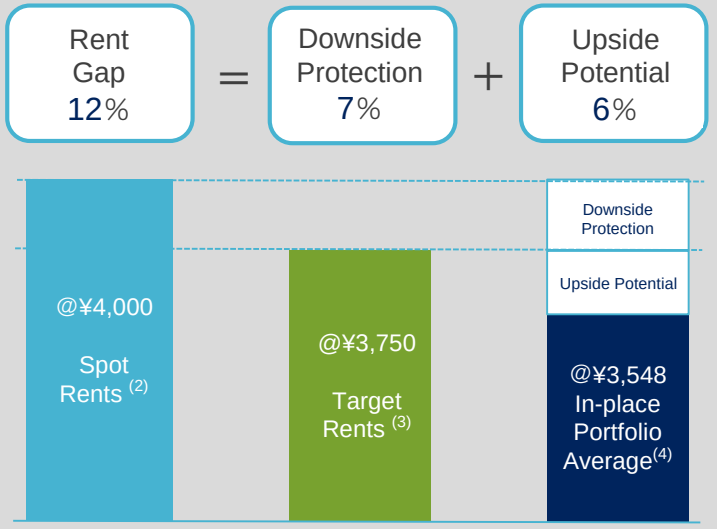


Higashi Ogishima 3 Assets

Lease Maturity Schedule



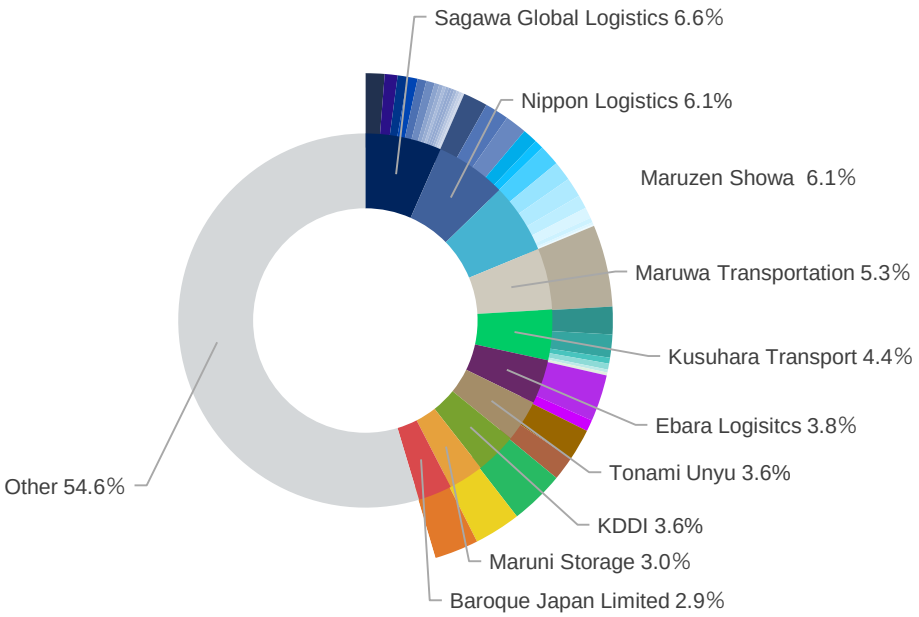
Rent Gap



(1) Aggregated the warehouse area for the existing fixed term lease properties only (excluding 3 Higashi Ogishima assets)
(2) Asking Rent for warehouse area for the newly developed properties
(3) Based on a market report which were compiled by LRA to define market rent levels
(4) Rent levels only account for the warehouse area

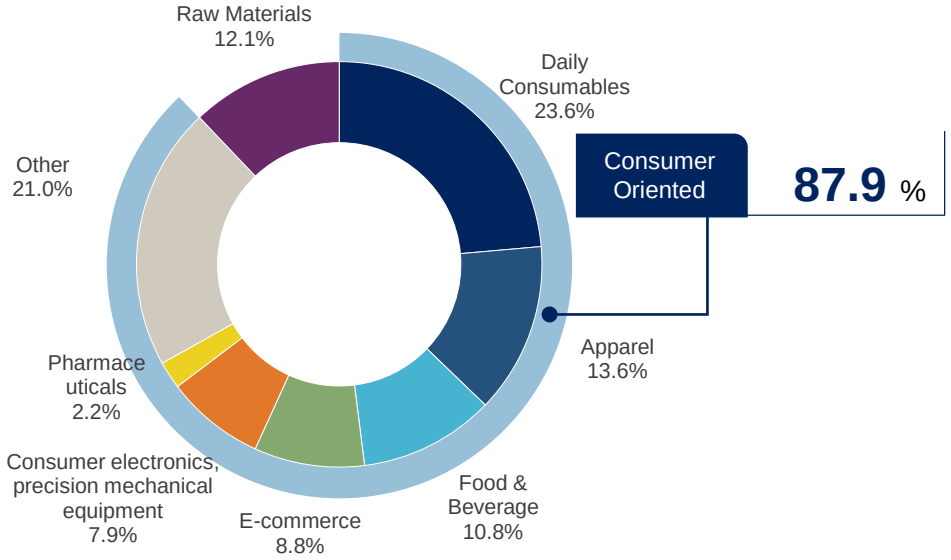
Portfolio with effective tenant diversification

Tenant Diversification Overview [1]
(The outer ring represents end tenants for the top 10 leases)

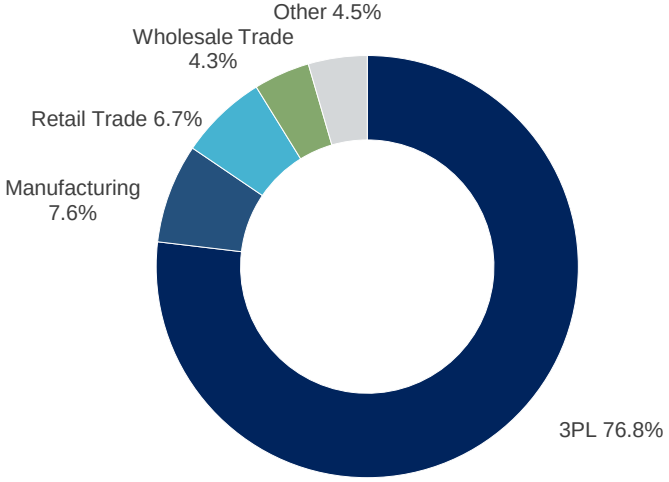


Top 5 tenants	28.4 %
Top 10 Tenants	45.4 %
Total # of Tenants	113 (2)

End User Industry Type [3]



Tenant Business Ratio [3]



(Note) As of 2/28/2019, comprised of 11 assets, excluding LP Nagareyama A and including LP Sakai Chikko Shinmachi
(1) Calculated based on leased area
(2) Some properties have overlapping tenants. Net number of tenants is 103.
(3) Calculated based on leased area (storage area only)

Occupancy Track Record

Occupancy Rates, Fixed Term Lease Ratios, Weighted Average Lease Expiries (“WALE”)

No.	Property Name	Occupancy Rates				# of tenants (1)(2)	WALE Yrs (1)	Fixed Term Lease Ratio (1) (3)
		3/31/2016	8/31/2018	2/28/2019	Change relative to 3/31/2016			
Tokyo-1	LP Hashimoto	90.1%	100.0%	100.0%	+9.9 pt	14	3.4	100.0%
Tokyo-2	LP Sagamihara	97.9%	99.7%	99.7%	+1.8 pt	18	3.4	100.0%
Tokyo-3	LP Kita Kashiwa	100.0%	100.0%	100.0%	-	8	3.0	100.0%
Tokyo-4	LP Nagareyama A	100.0%	100.0%	100.0%	-	1	-(4)	100.0%
Tokyo-5	LP Nagareyama B	99.7%	99.9%	99.9%	+0.2 pt	8	2.4	100.0%
Tokyo-6	LP Higashi Ogishima A	95.5%	96.8%	96.8%	+1.3 pt	23	0.9	37.0%
Tokyo-7	LP Higashi Ogishima B	94.4%	95.1%	95.2%	+0.8 pt	18	1.0	43.9%
Tokyo-8	LP Higashi Ogishima C	95.2%	98.7%	98.7%	+3.5 pt	17	0.9	47.4%
Tokyo-9	LP Kawagoe	-	100.0%	100.0%	-	4	2.3	100.0%
Tokyo-10	LP Hiratsuka Shinmachi	-	100.0%	100.0%	-	1	-(4)	100.0%
Osaka-1	LP Sakai Minamijimacho	-	100.0%	100.0%	-	1	-(4)	100.0%
Portfolio Totals (Before Asset Replacement)		96.5%	98.8%	98.8%	+2.3 pt	112(3)	2.7	78.7%
Osaka-2	LP Sakai Chikko Shinmachi	-	-	100.0%	-	1	-(4)	100.0%
Portfolio Totals (After Asset Replacement)		-	-	98.8%	-	113(5)	2.8	78.8%

(1) Osaka-2 aggregates totals based on an intended closing date on 9/3/2019
(2) Calculated based on a leased area basis
(3) Calculated based on a rental revenue basis
(4) Not able to disclose due to not having obtained tenant approval
(5) Gross number of tenants

Portfolio Overview (After Asset Replacement)

Property No.	Property Name	Address	GFA (㎡)	Acq. Price (bn yen)	Appraisal [1] (bn yen)	Inv. Ratio (%)	Constructed	NOI Yield [2] (%)	PML[3] (%)
Tokyo-1	LP Hashimoto [4]	Sagamihara-city, Kanagawa	145,801	21.2	22.9	11.2	January 2015	4.6	1.3
Tokyo-2	LP Sagamihara [4]	Sagamihara-city, Kanagawa	200,045	23.0	25.3	12.2	August 2013	4.8	0.5
Tokyo-3	LP Kita Kashiwa	Kashiwa-city, Chiba	104,302	25.3	28.8	13.4	October 2012	4.6	0.9
Tokyo-5	LP Nagareyama B	Nagareyama-city, Chiba	133,414	26.6	29.1	14.1	July 2008	4.8	2.3
Tokyo-6	LP Higashi Ogishima A	Kawasaki-city, Kanagawa	100,235	19.0	19.5	10.0	April 1987	5.1	6.5
Tokyo-7	LP Higashi Ogishima B	Kawasaki-city, Kanagawa	117,546	19.1	21.3	10.1	April 1991	5.6	6.2
Tokyo-8	LP Higashi Ogishima C	Kawasaki-city, Kanagawa	116,997	23.7	25.0	12.5	September 2001	4.9	6.3
Tokyo-9	LP Kawagoe	Kawagoe-city, Saitama	50,742	11.9	12.2	6.3	January 2011	4.7	4.4
Tokyo-10	LP Hiratsuka Shinmachi	Hiratsuka-city, Kanagawa	29,067	6.9	7.2	3.6	May 2016	4.8	5.2
Osaka-1	LP Sakai Minamijimacho	Sakai-city, Osaka	30,696	8.1	8.5	4.3	October 2016	4.8	6.5
Osaka-2	LP Sakai Chikko Shinmachi	Sakai-city, Osaka	20,428	4.1	4.5	2.2	August 2018	5.3	7.6
		Totals / Averages	1,049,279	189.1	204.4	100.0		4.9	3.1
LLR-1	LP Amagasaki (Preferred Shares)	Amagasaki-city, Hyogo	258,704	1.22	1.46	-	April 2009 [5]	5.5	5.6

(1) Appraisal values are as of 2/28/2019 (LP Sakai Chikko Shinmachi is as of 3/31/ 2019). LLR-1 appraisal is a reference value for the preferred shares as of 2/28/2019.
(2) NOI yield is the appraisal NOI divided by the acquisition price. LLR-1 based on the SPC's acquisition price.
(3) PML levels are as of April 2019, and based off of Tokyo Marine Nichido's "11 property earthquake risk survey portfolio analysis report." LLR-1 as of a September 2018 report.
(4) Acquisition price and appraisal values for LP Hashimoto and LP Sagamihara are expressed in relative proportion to LLR's co-ownership percentage interest. The GFA is shown for the entire property.
(5) Construction work for converted a plasma TV screen factory into a modern logistics facility was completed in October 2017.

Financial Management Overview

Built on a strong financial management structure (1)

Total Debt	LTV (2)	Wtd. Avg. Interest	# of Lenders
¥87.53bn	43.6 %	0.59 %	11 banks

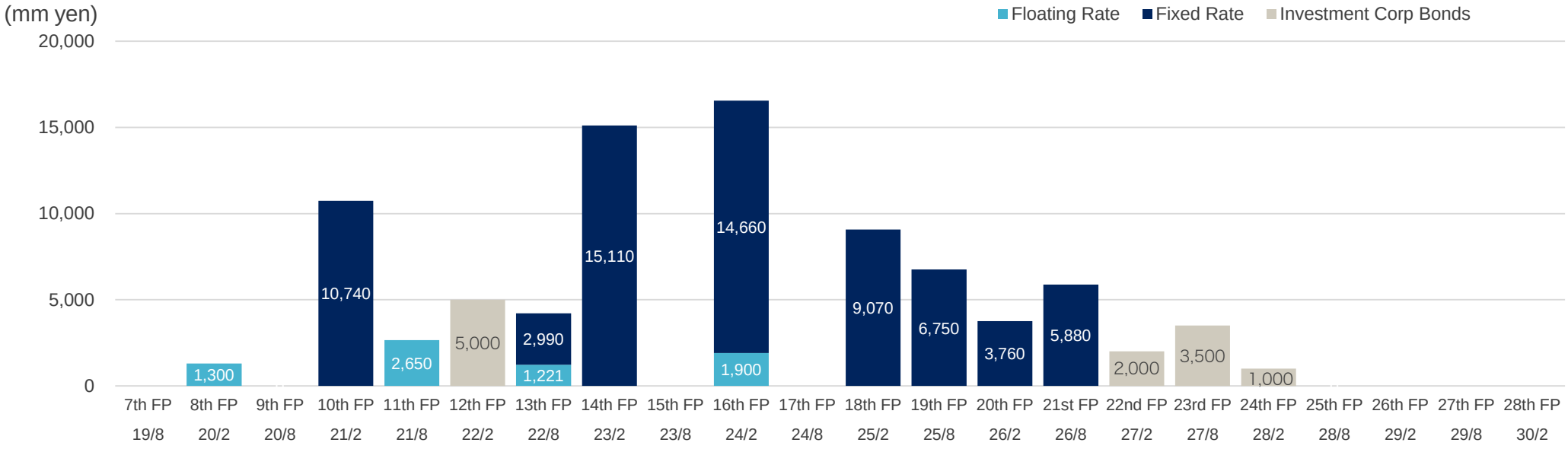
Inv. Corp. Bonds %	Avg. Remaining Debt Term (3)	Avg. Debt Term (3)	Fixed Rate % (4)
13.1 %	4.7 years	7.0 years	91.9 %

Credit Rating

AA-

Provided by Japan Credit Rating ("JCR")

Maturity Ladder



(1) As of 2/28/2019

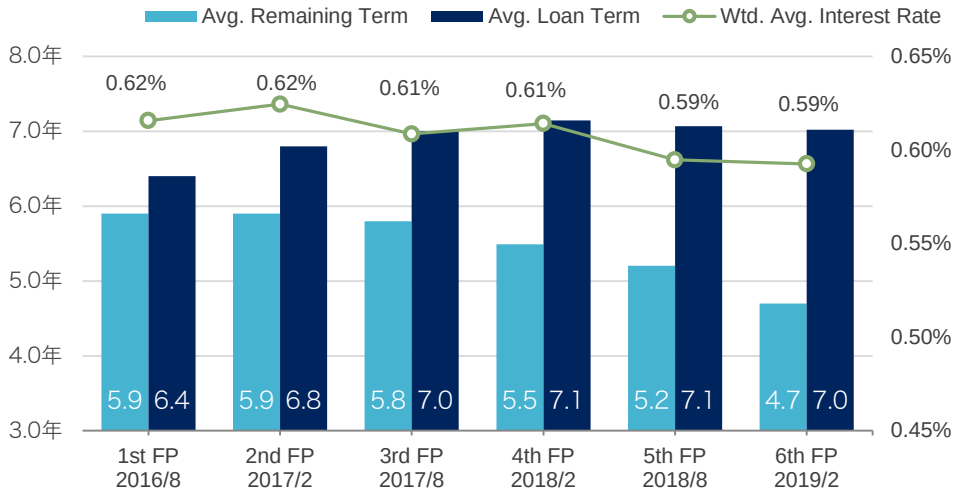
(2) 「LTV」 = Total Debt Balance ÷ Total Assets

(3) Calculated by combining loans and investment corporation bonds

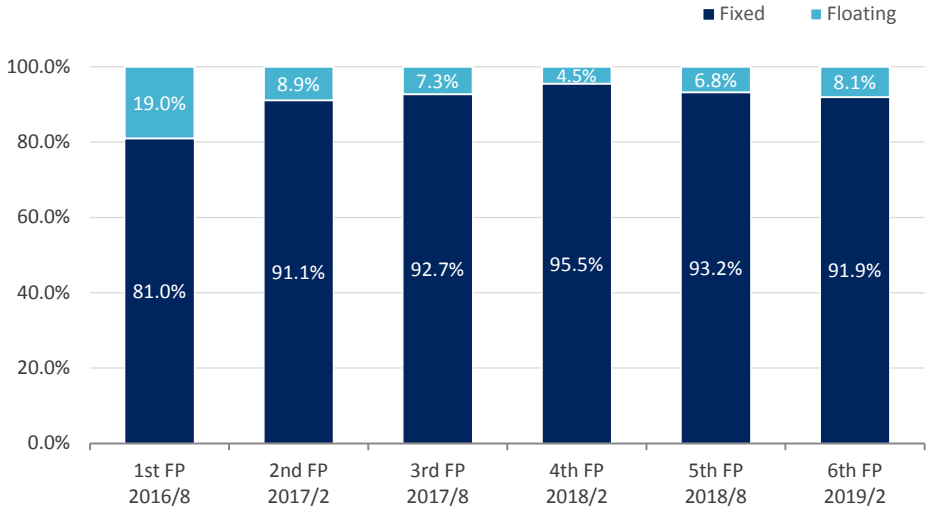
(4) "Fixed Ratio %" is calculated by taking the ratio between fixed rate debt ÷ total debt

Financial Management: Lengthening out loan terms, fixing rates, controlling LTV

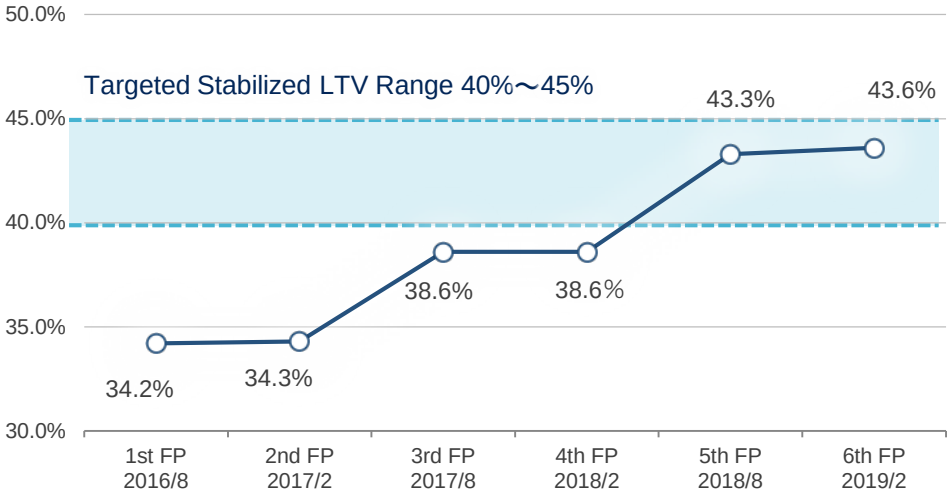
Promoting procurement cost controls and prolongation of borrowing terms



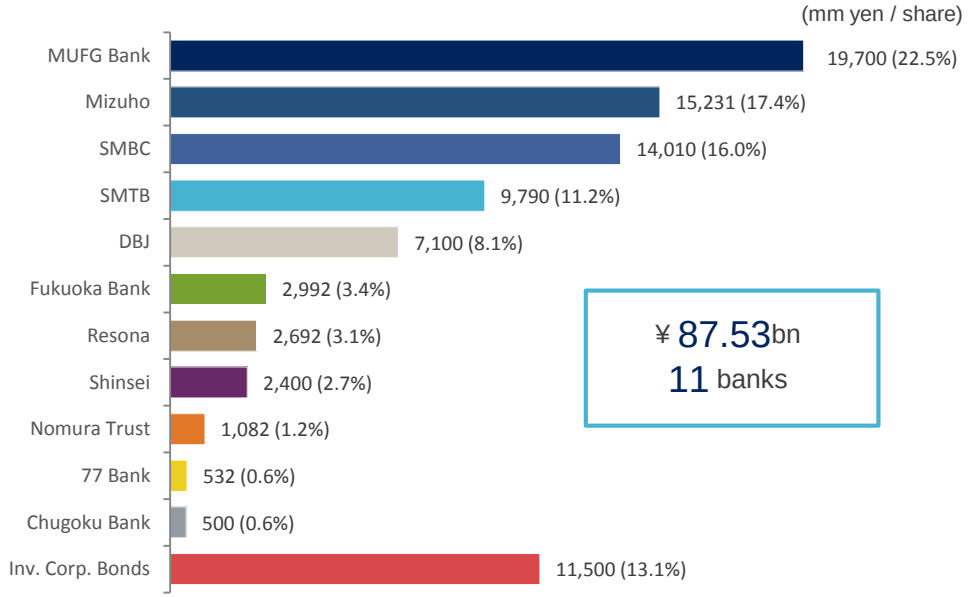
Enhancing the Fixed Rate Ratio



LTV Control



Lender Syndicate Loan Balances



Memo

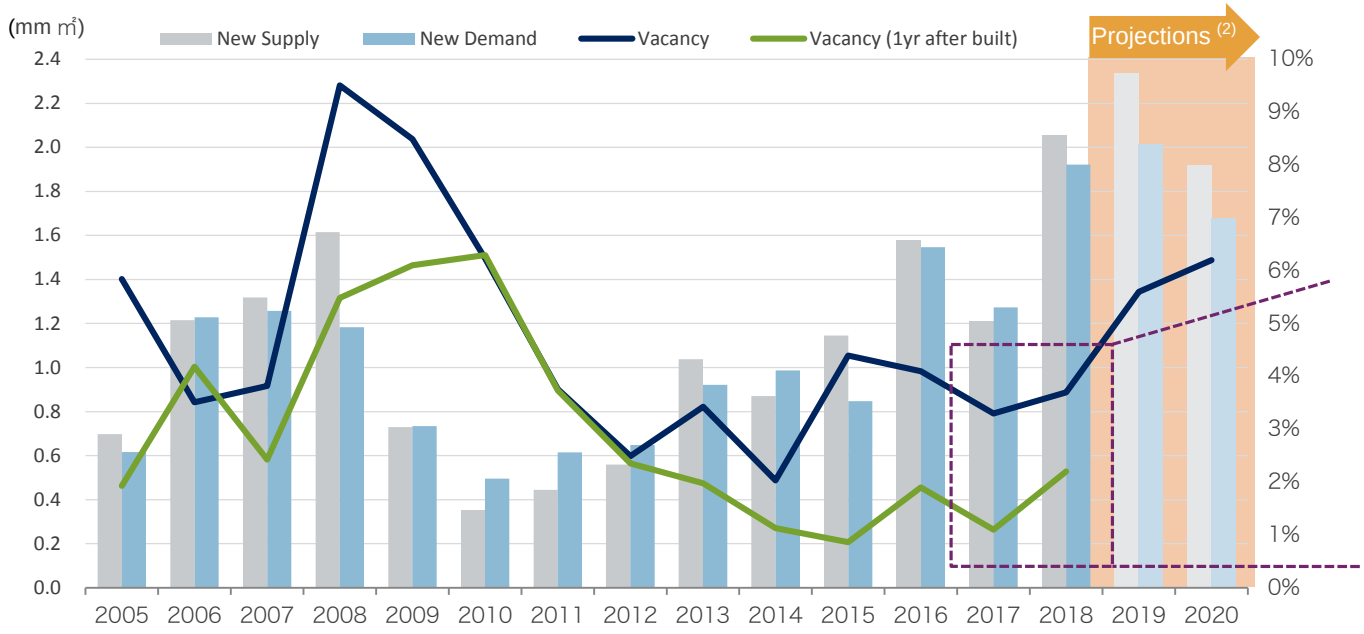
04

Logistics Market Outlook

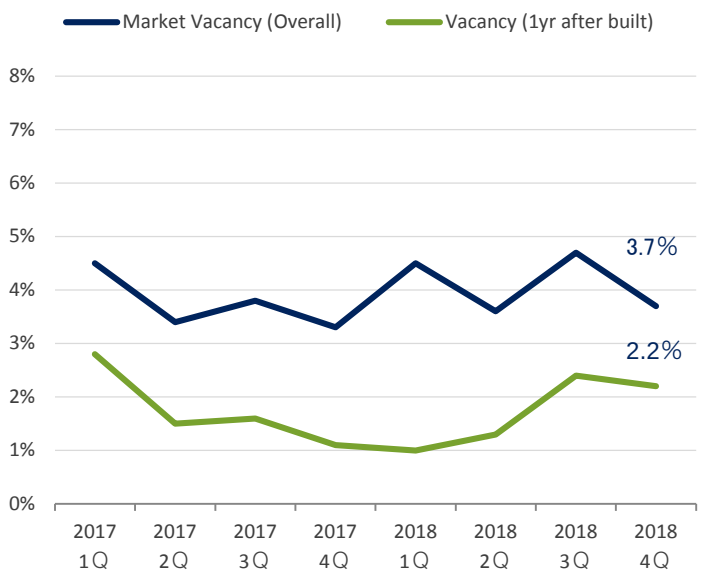


Tokyo Area Logistics Market

Supply/Demand and Mid-term Projects [(1)]

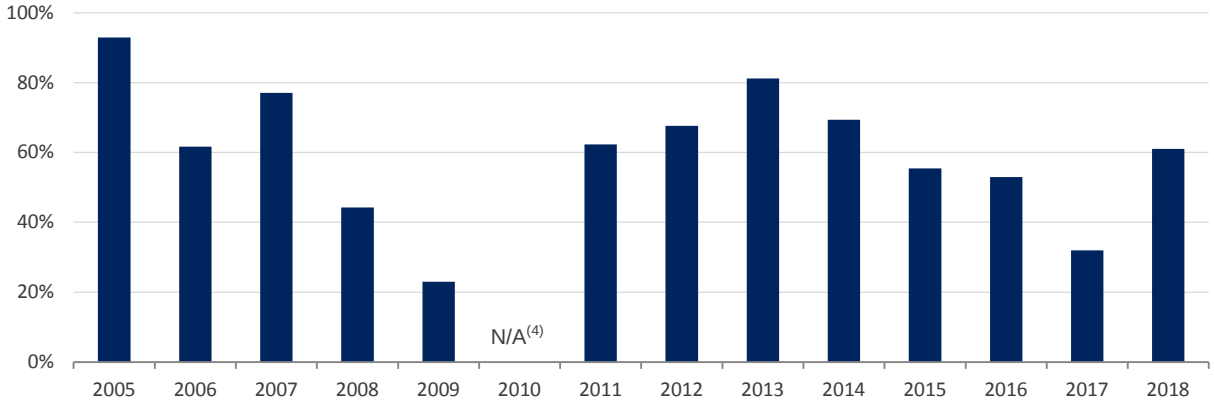


Most recent vacancy change



Source: CBRE (1) Logistics facilities with GFA greater than 5,000㎡
(2) Dark color bar charts are actual figures. Light colored bar charts are projections.

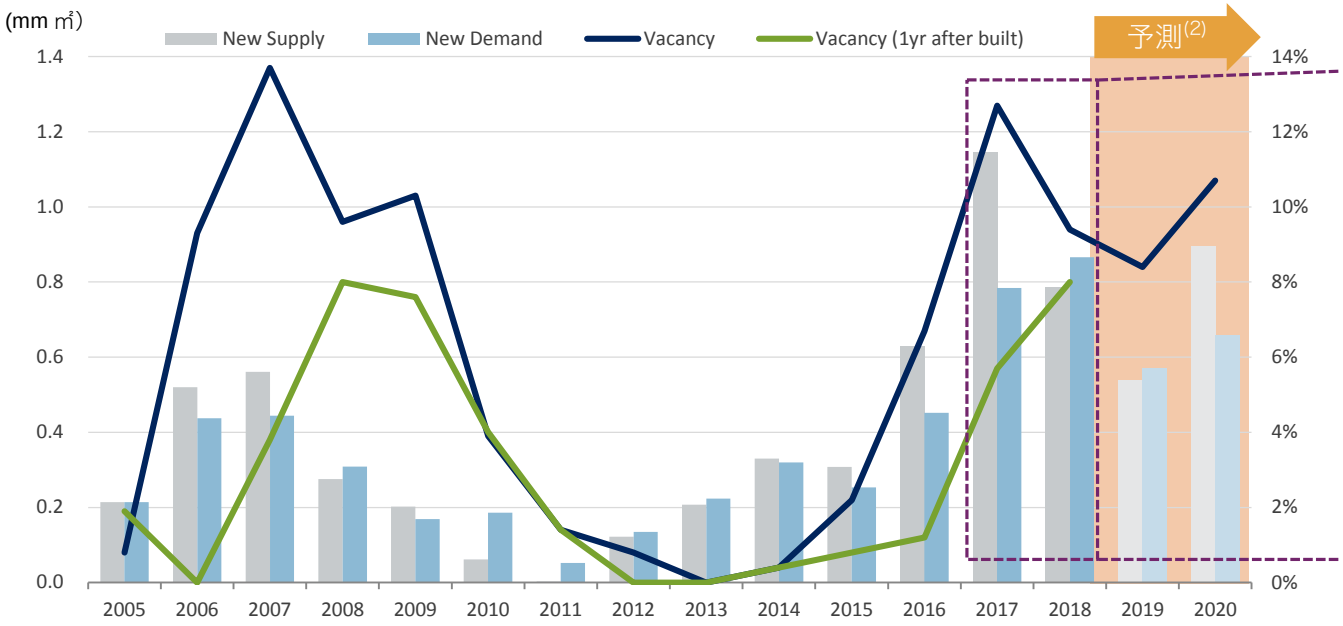
Change in occupancy for large scale multi-tenanted facilities[(3)] at construction completion



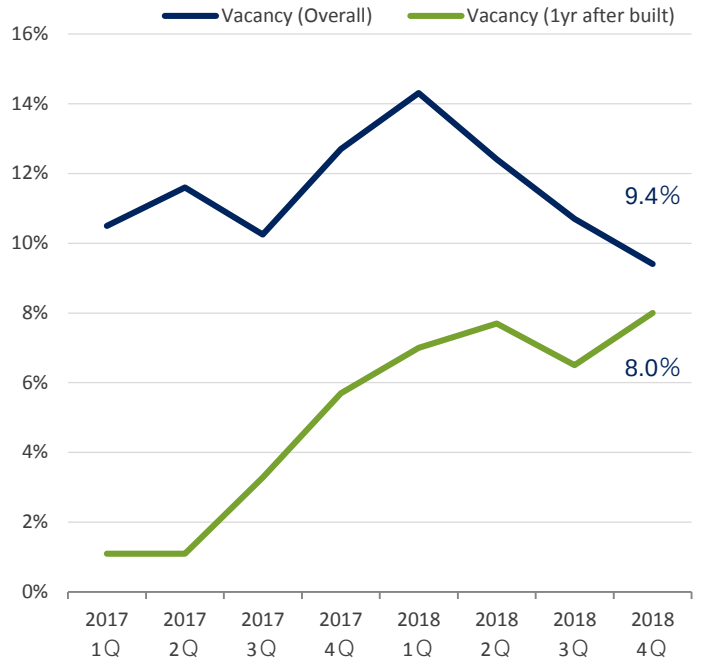
Source: CBRE (3) Comprised of multi-tenanted facilities built with a GFA greater than 10,000㎡
(4) During this year, there were too few examples to be counted

Osaka Area Logistics Market

Supply/Demand and Mid-term Projections [1]

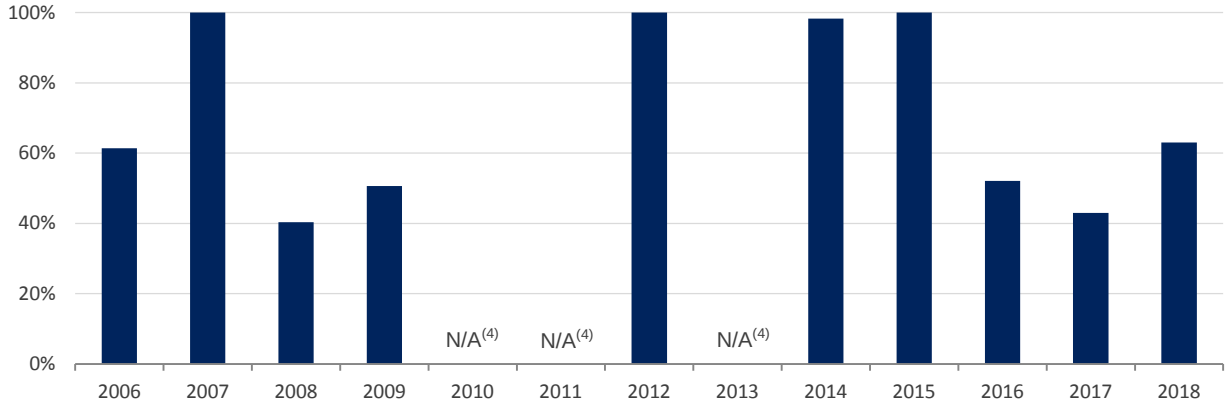


Most recent vacancy change



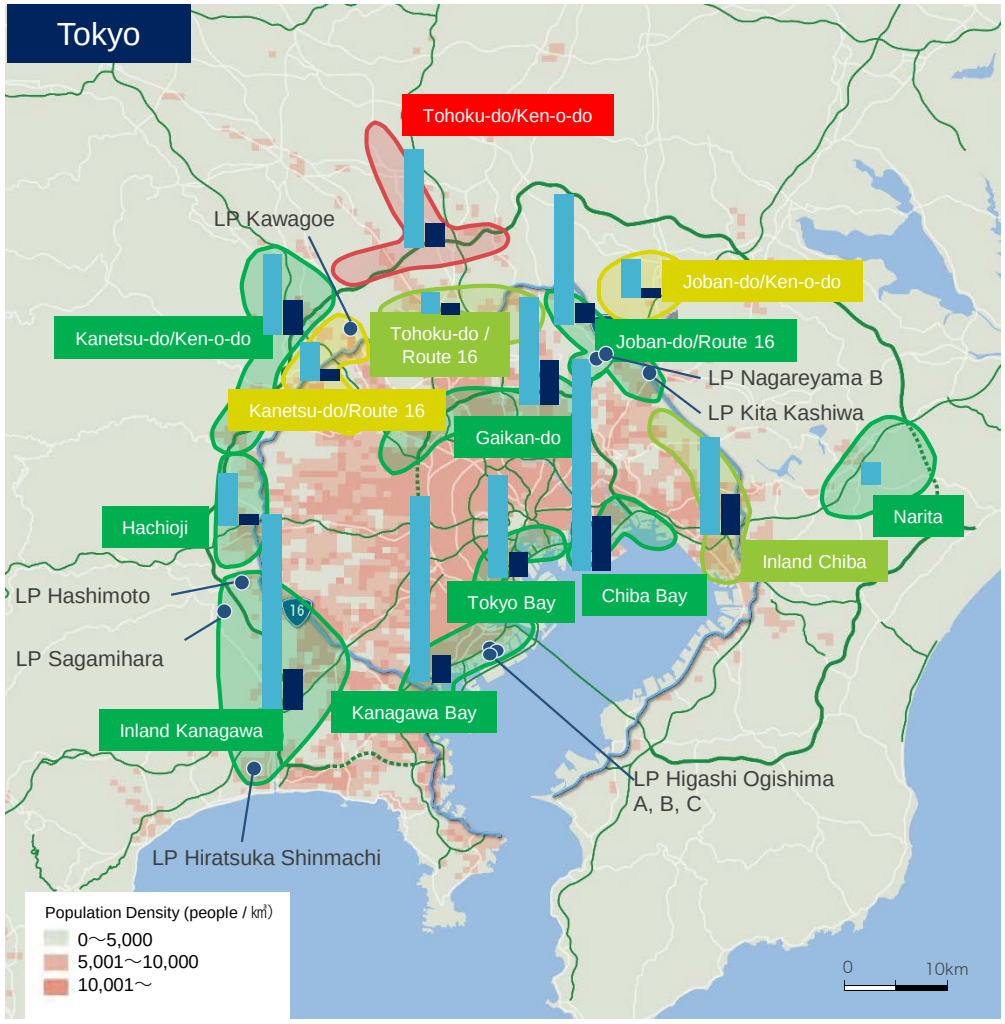
Source: CBRE (1) Logistics facilities with GFA greater than 5,000㎡
(2) Light colored bars represent projections

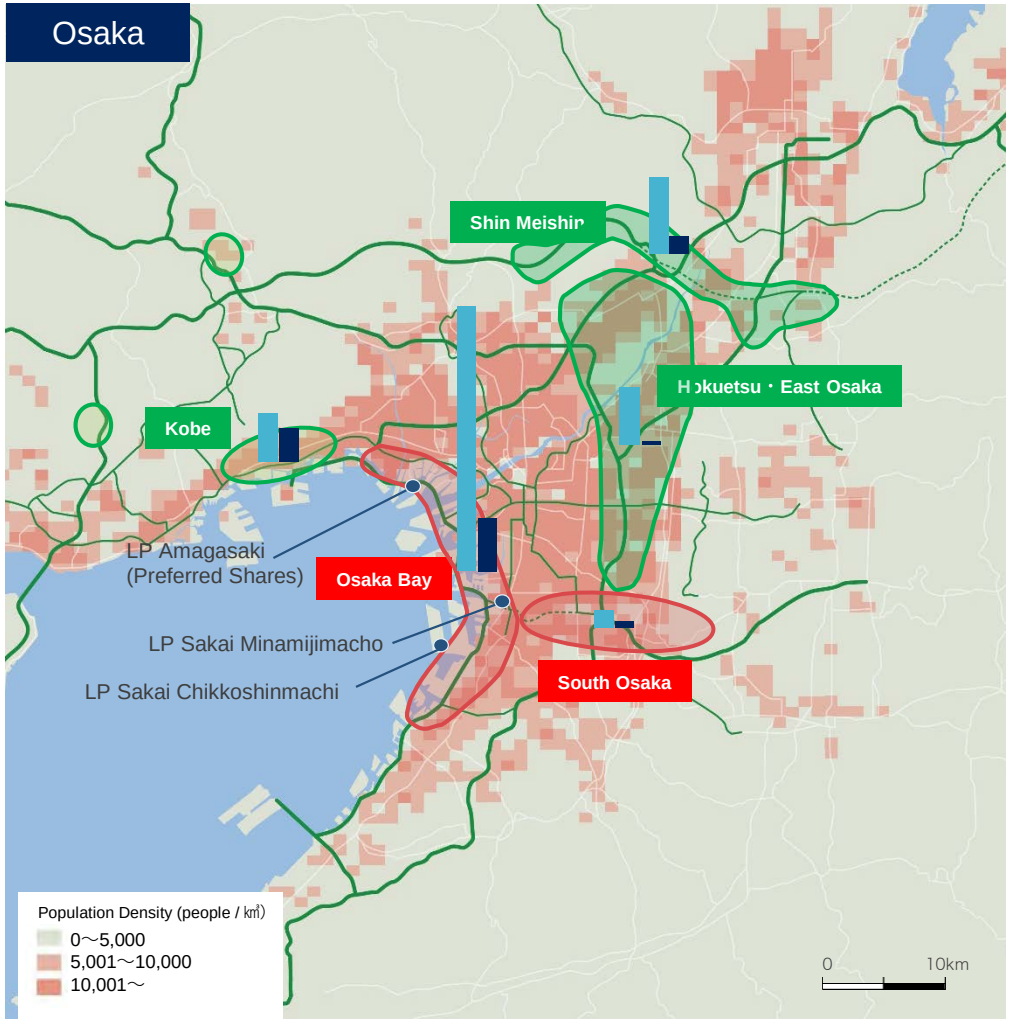
Change in occupancy for large scale multi-tenanted facilities[3] at completion



Source: CBRE (3) Multi-tenanted logistics facilities built with GFA greater than 10,000 tsubo
(4) In these years, there were too few examples to be counted

Tokyo / Osaka Area Submarket Vacancy Rate and Supply Outlook





Vacancy(1) (4th Qtr 2018)	Supply/Demand Environment
0～5%	Supply/Demand is tight
5～10%	Supply/Demand is balanced
10～15%	Supply/Demand is softening
15%～	Supply/Demand is deteriorating

Existing stock as of 4th Qtr 2018
2019 and 2020 projected supply

Source: CBRE data which was compiled by LRA
(1) Logistics facilities with GFA greater than 5,000㎡

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