LaSalle INVESTMENT MANAGEMENT®

Logiport REIT

Financial Results for the 7th Fiscal Period ("FP") Ending in August 2019
LaSalle LOGIPORT REIT

October 21, 2019



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01

Operational Highlights



Operational Highlights

IMPLEMENTING A SERIES OF INITIATIVES BASED ON ACTIVE MANAGEMENT

1

Disciplined external growth through carefully selected investment in high quality properties

As real estate prices continue to rise, we will improve the yield of acquired properties using creative initiatives within the property pipeline

2

Optimal mix of capital raising and two public offerings

Boosting unitholder value by combining optimal financing methods based on prudent management of capital costs

3

Property level management remains strong

Backed by robust demand from tenants, the portfolio’s occupancy reached its highest level of 98.8% since listing, and rental revision rates of +6.7% have been achieved

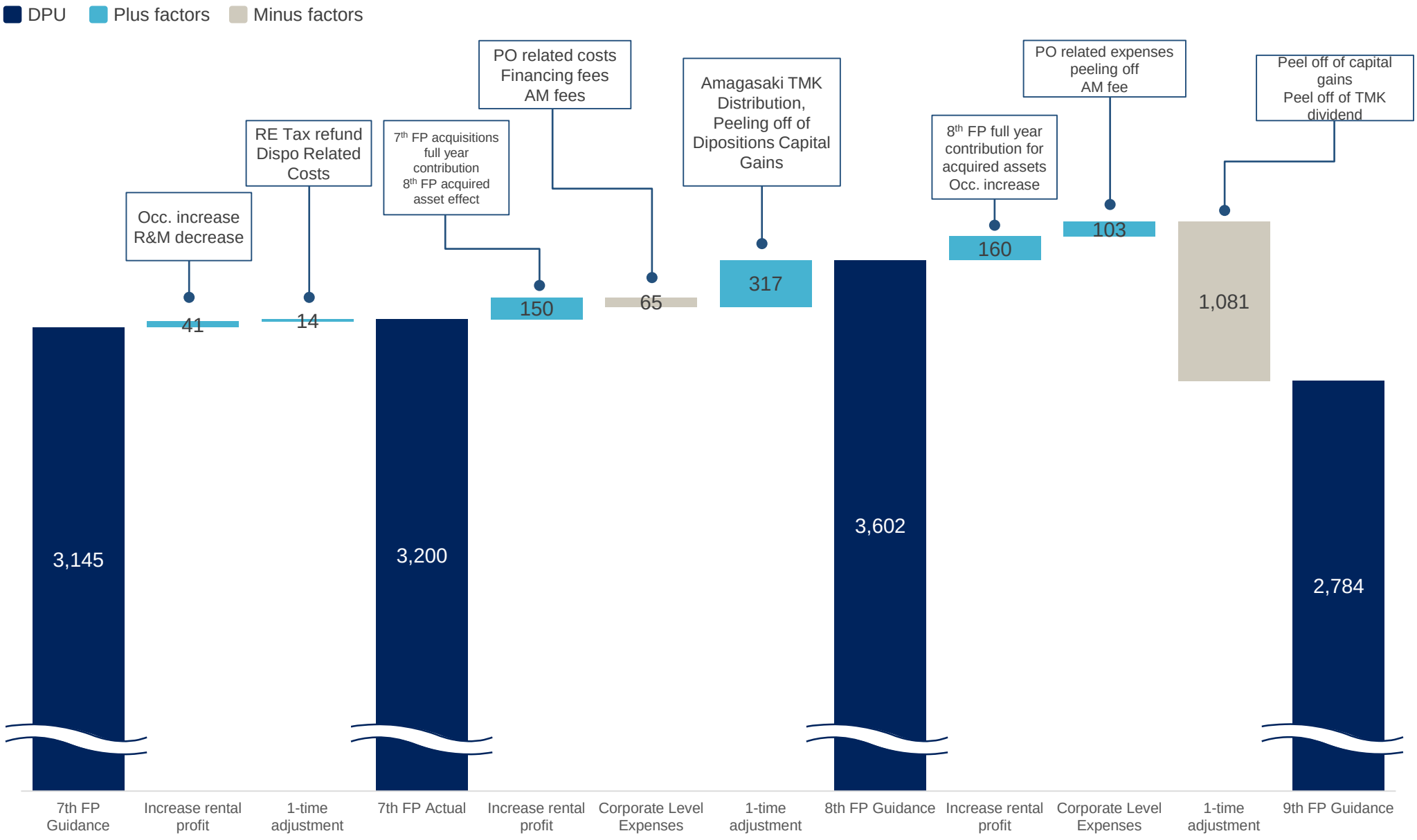
4

Excess return investments demonstrates its power

Excess earnings generated by the lease up of LP Amagasaki will partly be distributed in the form of a return of capital to unitholders, while the remainder will be unrealized capital gain

Increased total return: Growth in stabilized DPU and Capital Gain

ANALYSIS OF CHANGES TO DPU (FROM 7TH FP GUIDANCE TO 9TH FP GUIDANCE)

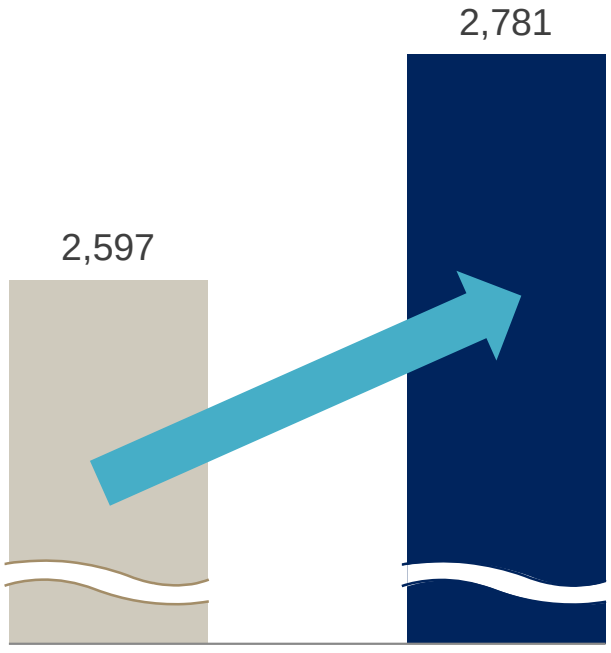


Realizing accelerated growth in unitholder value through active management

STRONG AWARENESS FOR OPERATIONAL TARGETS OF DPU AND NAV PER UNIT

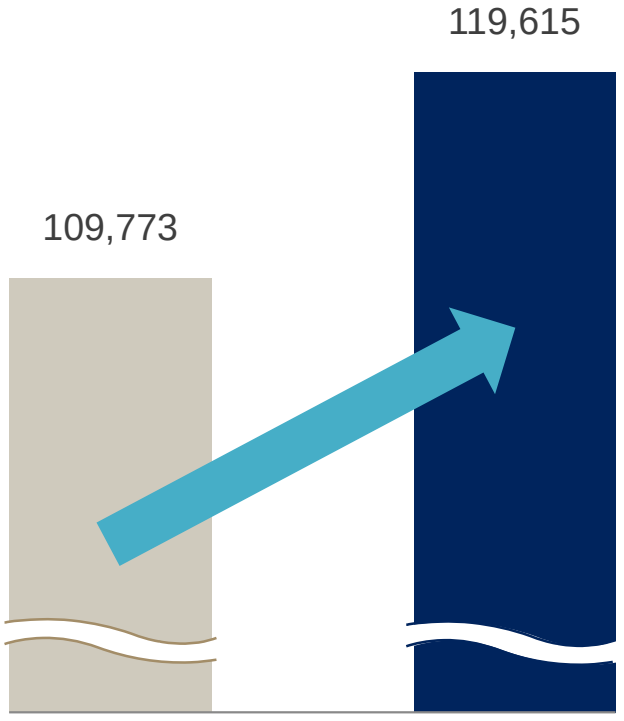
Normalized DPU (yen)

+7.1%



NAV per unit (yen)

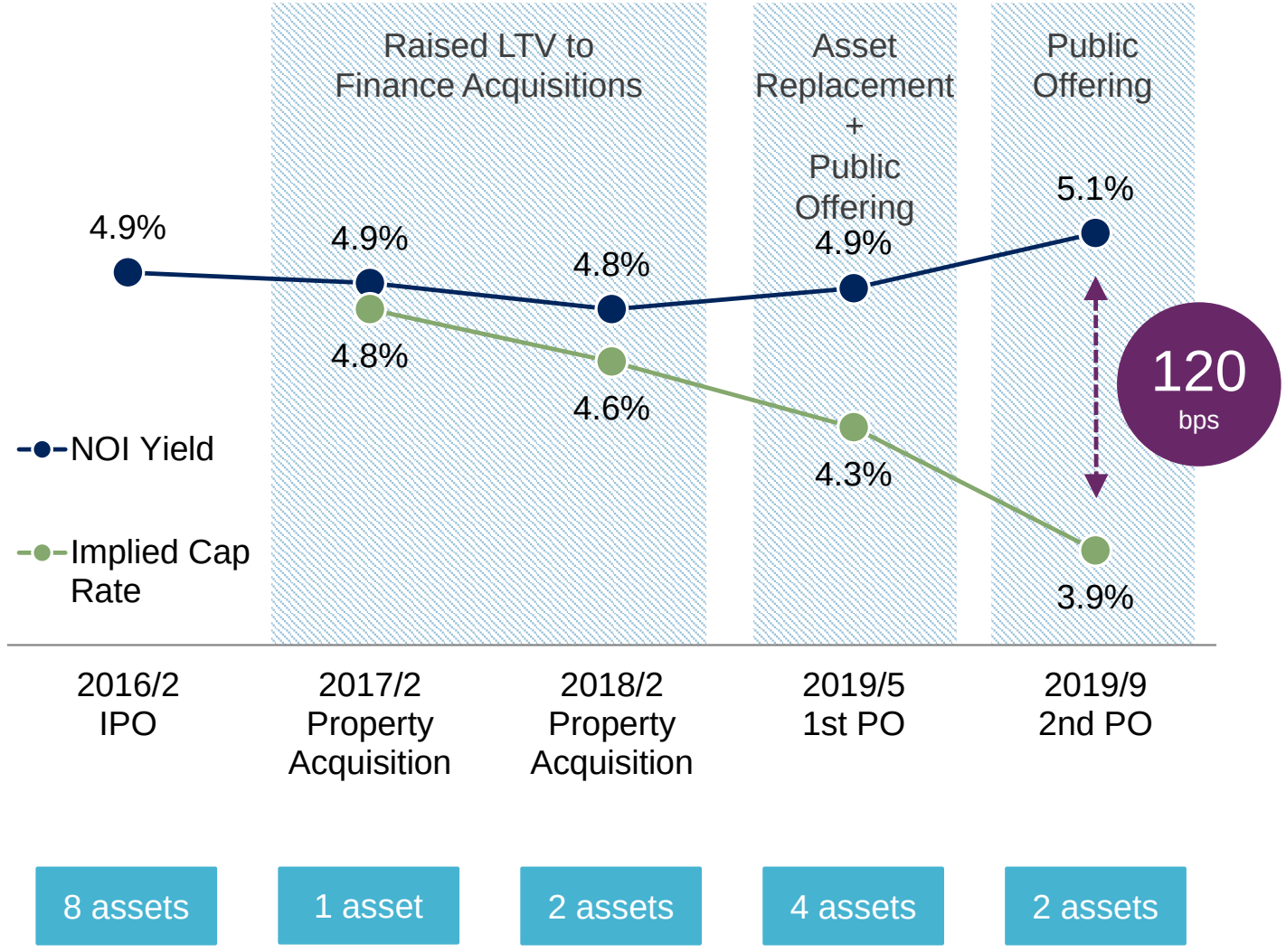
+9.0 %



External Growth that leads to higher unitholder value

MAINTAIN DISCIPLINED ACQUISITION PRICE AND OPTIMIZED FINANCING

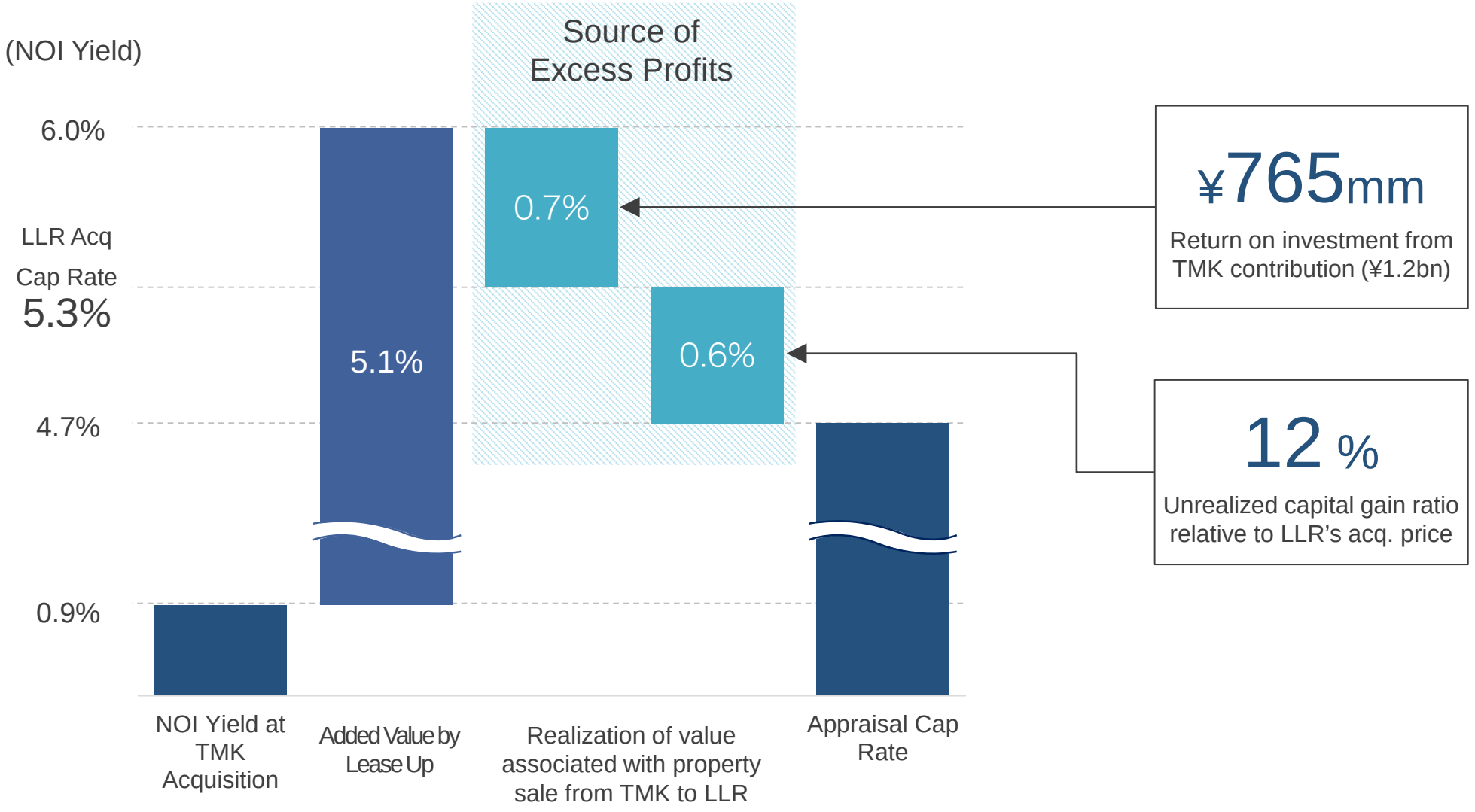
Changes in Acquisition NOI Yield vs. Implied Cap Rates



Acquire properties with an NOI yield greater than 5% while maintaining the quality of the portfolio through active management in a market environment where the real estate market continues to overheat

Excess returns through value add lease up from LP Amagasaki

ACQUIRED 51% INTEREST IN LP AMAGASAKI



Investment Strategy to enable DPU growth of over 4% per year

THREE PILLARS OF ACTIVE MANAGEMENT

Portfolio Strategy

Sustainable growth of unitholder value

- Discerning Selection of Pipeline Properties
- Consider mutual trading with third parties
- Utilize bridge funds
  BV Reduction / BV Compression
- Optimal financing methods according to cost of capital

+

Asset Strategy

Enhance asset level profitability

- Accelerate rent growth against a backdrop of strong tenant demand
- Rent gap of the entire portfolio is about 4%

+

Excess Return Strategy

Capture Excess Revenues

- Progressing initiatives to redevelop Suminoe (leasehold land)
- Investment in lease up deals using side car funds
- Consider investing in development projects

Diverse strategic options utilizing pipeline properties

PORTFOLIO STRATEGY: ABUNDANT PIPELINE OF 130 BN YEN

Income Producing Assets			Redevelopments
 LP Kawasaki Bay Completed 5/2019	 LP Amagasaki 10/2017 Conversion completed	 LP Sakai Completed 4/2017	 Suminoe (Leasehold Land)
 LP Shin Moriya Completed 8/2019	 Kyoto Development 9/2020 to be completed	Sponsor announced planned projects Kobe-Nishi Kazo	 Higashi Ogishima (Leasehold Land)

Implementing unique initiatives using bridge funds to secure highly profitable properties

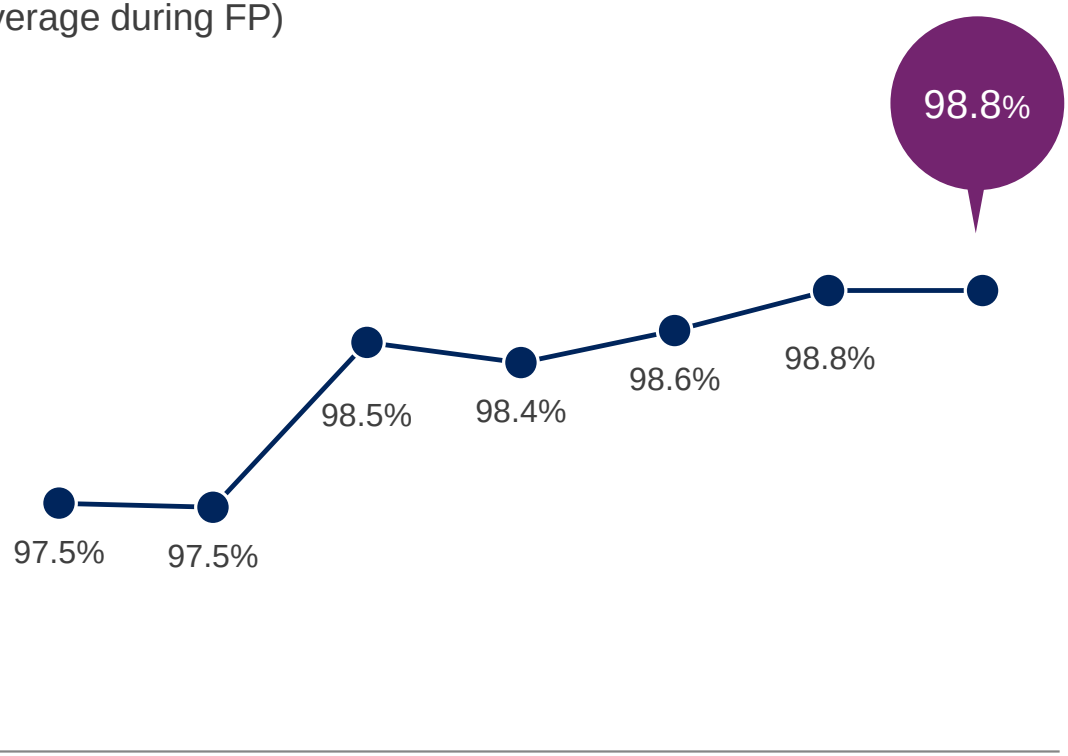
- Book value reduction scheme
- Mutual trading with third parties
- Book value compression using capital gains on dispositions to third parties

LLR can acquire the additional 49% remaining interest in LP Amagasaki at the same price as the September acquisition, which is managed by a new bridge fund.

Portfolio occupancy was 98.8%, maintaining highest level since IPO

ASSET STRATEGY: LEASING ACTIVITIES OF A DEDICATED TEAM THAT LINKS VIGOROUS TENANT DEMAND TO INTERNAL GROWTH

Portfolio Occupancy
(Average during FP)



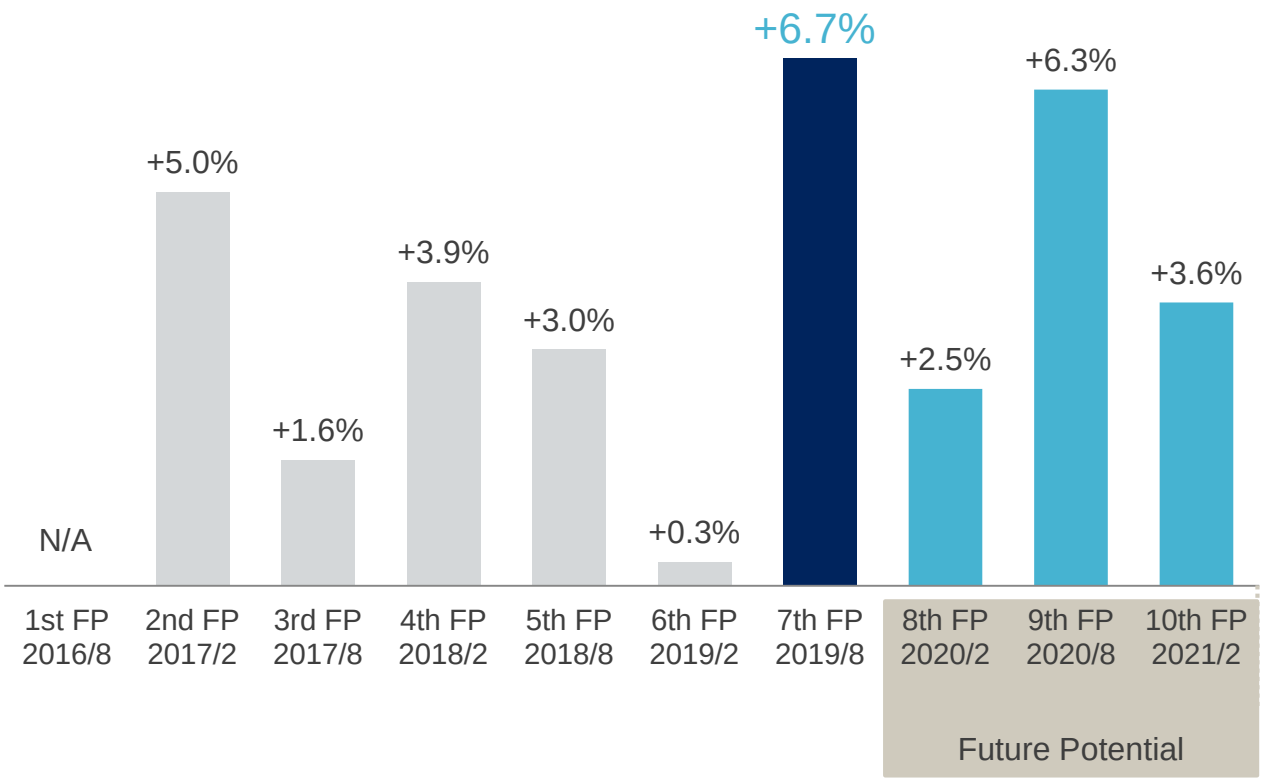
In addition to the need for additional floor space in the building, inquiries from outside are strong, and the warehouse section is almost fully occupied

In the submarkets where LLR's properties are located, market rents (spot rents) continue to rise mainly due to tighter supply-demand balance, mainly in each area along the Route 16 corridor

Steadily closing the rent gap

ASSET STRATEGY: IMPLEMENT FUTURE LEASE RENEWALS AHEAD OF SCHEDULE

Rent revision rate (Fixed Term Lease Properties)
Past achievements and future potential



Target rents were revised upward in the prior FP in response to a tight supply-demand balance. Rent increases are making steady progress

Example of 8th FP rent increases

A Sagamihara 9,000㎡ +5.0%

B Kita Kashiwa 8,000㎡ +11.1%

Example of 9th FP rent increases

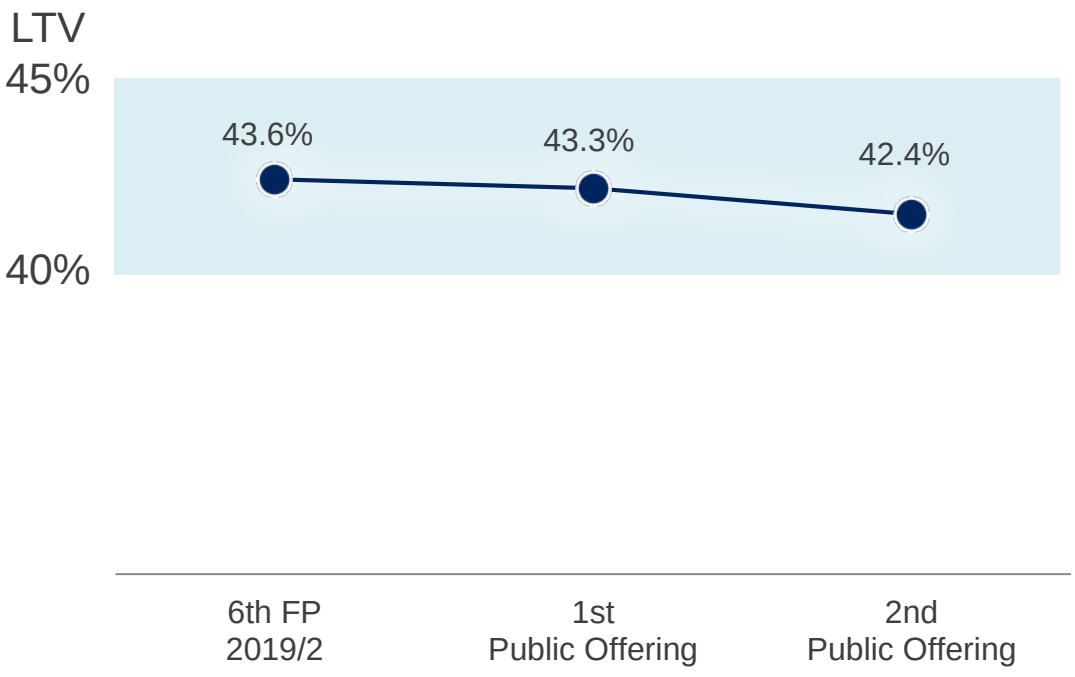
C Kita Kashiwa 18,000㎡ +3.3%

Rent Gap
(Portfolio Average)
Approx. 4 %

Acquisition capacity of 18bn yen through 2 public offerings

FINANCIAL STRATEGY: PROPER CONTROL OF LTV RATIO WITHIN STABILIZED RANGE

LTV Control
Stabilized LTV40%～45%



As both of the two public offerings were decided at an issuance price exceeding the expected investment unit price, the LTV decreased slightly to 42.4% and the acquisition capacity expanded.

12.0 bn
Debt Capacity
LTV45%
+
6.0 bn
Cash on Hand
=
18.0 bn
Dry Powder

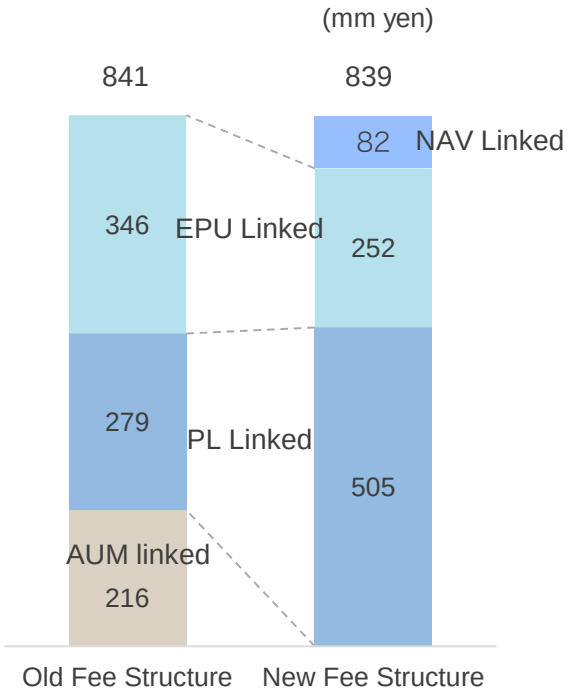
This additional capacity will be allocated toward excess returns investments up to 5% of total assets

Toward a complete results-linked compensation system that encourages the growth of DPU and NAV

GOVERNANCE: AM FEE CHANGE IS PROPOSED AT THE GENERAL UNITHOLDERS MEETING

	Old Fee Structure	New Fee Structure
AUM Linked	AM Fee Ⅰ Total Assets × 0.22%	Stopped ---
PL Linked	AM Fee Ⅱ Ordinary CF (2) × 5.8%	(NOI + Disposition Profit/Loss)(3) × 10%
EPU Linked	(AM Fee Ⅰ + AM Fee Ⅱ) × EPU × 0.026%	Net Income × EPU × 0.002%
NAV Linked	---	New NAV × NAV per unit × 0.6%
Disposition Fee	Transaction Price × 1.0%	Stopped ---

Comparison of Old vs. New
2020/8 (9th FP) Projection



(1) Each rate listed above is the maximum rate
(2) Ordinary Income + Depreciation Expense + Amortization of Deferred Assets - Capital Gain/Loss on Disposed Asset – Valuation Gain/Loss
(3) Operating Revenues (including gain/loss on sale) – business expenses

ESG: Achieving High Scores from External Organizations

LATEST SUSTAINABILITY INITIATIVES

GRESB Real Estate Assessment

Obtained the highest GRESB real estate evaluation with a combination of a 「Green Star」 coupled with a 「5 STAR」 rating

CASBEE Building Evaluation Certfication

Achieved the highest rated S Rank ★★★★★ for 3 of LLR's properties

TCFD Recommendation

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

02

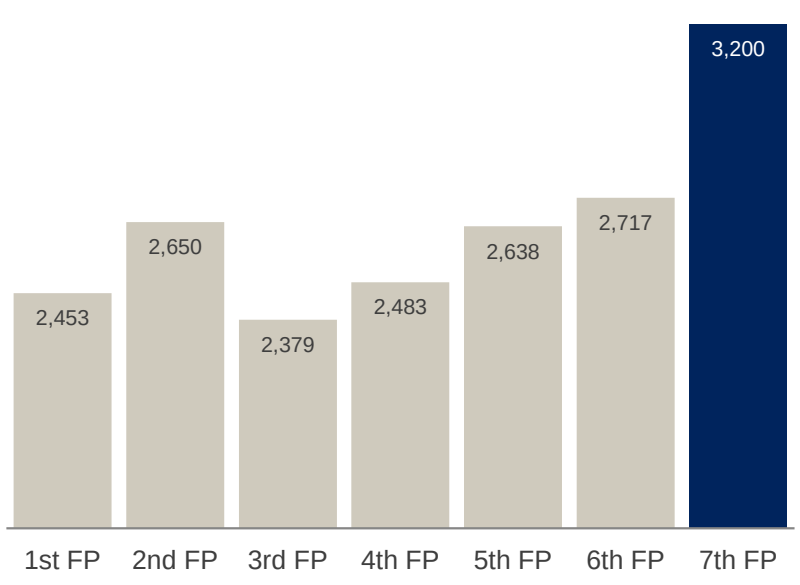
7th FP Financial Results



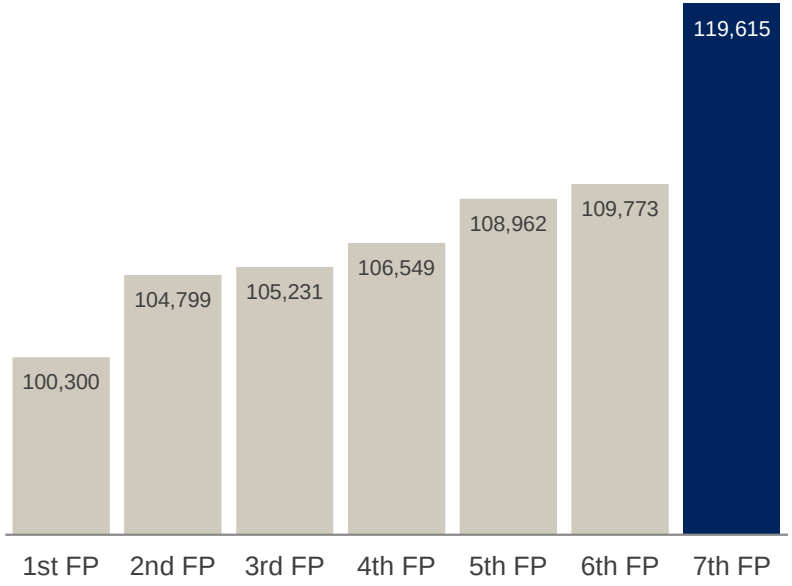
Increasing Investor Value by Accumulating Steady Investment Results

GROWTH IN DPU AND NAV

DPU (yen)



NAV per unit (1) (yen)



(1) (Net assets – planned dividend distribution amount + unrealized capital gains) ÷ # of investment units
6th FP assumes that the asset replacement of Nagareyama A and LP Sakai Chikko Shinmachi is done.
7th FP assumes that the 2nd PO and the acquisitions are completed.

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

	Units: mm yen	7th FP Forecast (a)	7th FP Actual (b)	Difference (b) - (a)	Difference between guidance and actuals
Property Level	Real Estate Leasing Business Total	6,910	6,942	32	
	Rent + CAM + Other Income	5,664	5,674	10	Occupancy Increase (FP Average 98.7%⇒98.8%)
	Reimbursable Utilities Income	311	313	2	
	Real Estate Tax Refund	-	9	9	Reimbursement of previous tax payments due to re-assessment of property valuation
	Disposition Capital Gains	935	945	10	Estimating conservative sales related costs
	Real Estate Operating Expenses	2,022	1,985	-37	
	Outsourced Contract Costs	348	332	-16	Reduce leasing costs associated with lease renewals
	Utilities	304	312	8	
	Repair & Maintenance	120	90	-30	R&M reserved amounts were not used
	Depreciation Expense	731	729	-2	
	Property Taxes	466	477	11	FP Adjusted attributed to disposed properties
	Other Expenses	51	43	-8	
	NOI After Depreciation	4,888	4,957	69	
	NOI	4,684	4,740	56	
Corporate	Asset Management Fees	752	772	20	Increase in performance linked parts
	Interest Expense & Financing Fees	360	353	-7	Decrease in interest due to decreased borrowings
	Investment Unit Issuance Related	26	19	-7	Reserved amounts were not used
	Other P&L Items	101	94	-7	
	One time Expenses	25	29	4	
	Investment Corporation Level Expenses	1,266	1,268	2	
DPU Summary	Net Income	3,621	3,687	66	
	Distributions Per Unit (men)	3,145	3,200	55	
	Earnings Per Units (men)	2,992	3,048	56	
	Dividend in Excess of Earnings (men)	153	152	-1	
	LTV	43.7%	43.5%	-0.2%	Decreased borrowing due to issue price exceeding the expected investment unit price at the time of the PO
	Number of properties at end of FP	17	17	-	

(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) Financing Results Guidance

	Units: mm yen	7th FP Actual (a)	8th FP Guidance (b)	Difference (b) - (a)	Difference between 7th FP Actual vs. 8th FP Guidance
Property Level	Real Estate Leasing Business Total	6,942	8,624	1,682	
	Rent + CAM + Other Income	5,674	6,768	1,094	Full year contribution of assets acquired in 7th FP Impact of assets acquired in 8th FP
	Reimbursable Utilities Income	313	356	43	
	Disposition Capital Gains	945	734	-211	Due to difference in interests on sale
	Dividend Income	-	765	765	TMK preferred securities dividend attributed to sale of Amagasaki
	Real Estate Operating Expenses	1,985	2,446	461	
	Outsourced Contract Costs	332	450	118	Increase in LCs due to aggressive lease renewals. Full year contribution of assets acquired in the 7th FP. Impace of assets acquired in 8th FP. Increase in strategic R&M. Due to the sale of LP Nagareyama A and LP Hiratsuka Shinmachi, taxes and public dues decreased, and the 7th and 8th FP acquired assets do not have property taxes flowing through the P&L yet because those expenses were capitalized up front for 2 FPs.
	Utilities	312	366	54	
	Repair & Maintenance	90	204	114	
	Depreciation Expense	729	923	194	
	Property Taxes	477	449	-28	
	Other Expenses	43	52	9	
	NOI After Depreciation	4,957	6,178	1,221	
	NOI	4,740	5,602	862	
Corporate	Asset Management Fees	772	918	146	Increase in AUM, increase in performance linked parts
	Interest Expense & Financing Fees	353	408	55	Increase in interest bearing debts
	Investment Unit Issuance Related	19	41	22	Attributed to expenses related to the two Pos
	Other P&L Items	94	114	20	
	One time Expenses	29	25	-4	Due to difference in interests on sale
	Investment Corporation Level Expenses	1,268	1,508	240	
DPU Summary	Net Income	3,687	4,668	981	
	Distributions Per Unit (men)	3,200	3,602	402	
	Earnings Per Units (men)	3,048	3,424	376	
	Dividend in Excess of Earnings (men)	152	178	26	
	LTV	43.5%	42.4%	-1.1%	Decreased borrowing due to issue price exceeding the expected investment unit price at the time of the PO
	Number of properties at end of FP	17	17	-	

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

8/31/2020 (9th FP) Financial Results Guidance

	Units: mm yen	8th FP Guidance (a)	9th FP Guidance (b)	Difference (b) - (a)	Difference between 8th FP Guidance vs. 9th FP Guidance
Property Level	Real Estate Leasing Business Total	8,624	7,317	-1,307	
	Rent + CAM + Other Income	6,768	6,949	181	Full year contribution of properties acquired in 8th FP
	Reimbursable Utilities Income	356	368	12	
	Disposition Capital Gains	734	-	-734	Peeling off of one time adjustments
	Dividend Income	765	-	-765	
	Real Estate Operating Expenses	2,446	2,456	10	
	Outsourced Contract Costs	450	353	-97	Peel off of front loaded LCs
	Utilities	366	381	15	
	Repair & Maintenance	204	74	-130	Peel off of front loaded Repair & Maintenance
	Depreciation Expense	923	924	1	
	Property Taxes	449	666	217	Property taxes start to flow through the P&L.
	Other Expenses	52	55	3	
	NOI After Depreciation	6,178	4,861	-1,317	
	NOI	5,602	5,786	184	
Corporate	Asset Management Fees	918	842	-76	Attributed to the performance linked parts.
	Interest Expense & Financing Fees	408	381	-27	Peel off of temporary expenses related to 2nd PO
	Investment Unit Issuance Related	41	7	-34	
	Other P&L Items	114	109	-5	
	One time Expenses	25	-	-25	Peel off of one time adjustments
	Investment Corporation Level Expenses	1,508	1,341	-167	
DPU Summary	Net Income	4,668	3,518	-1,150	
	Distributions Per Unit (men)	3,602	2,784	-818	
	Earnings Per Units (men)	3,424	2,581	-843	
	Dividend in Excess of Earnings (men)	178	203	25	
	LTV	42.4%	42.4%	0.0%	
	Number of properties at end of FP	17	17	-	

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

03

Current Status of the Portfolio



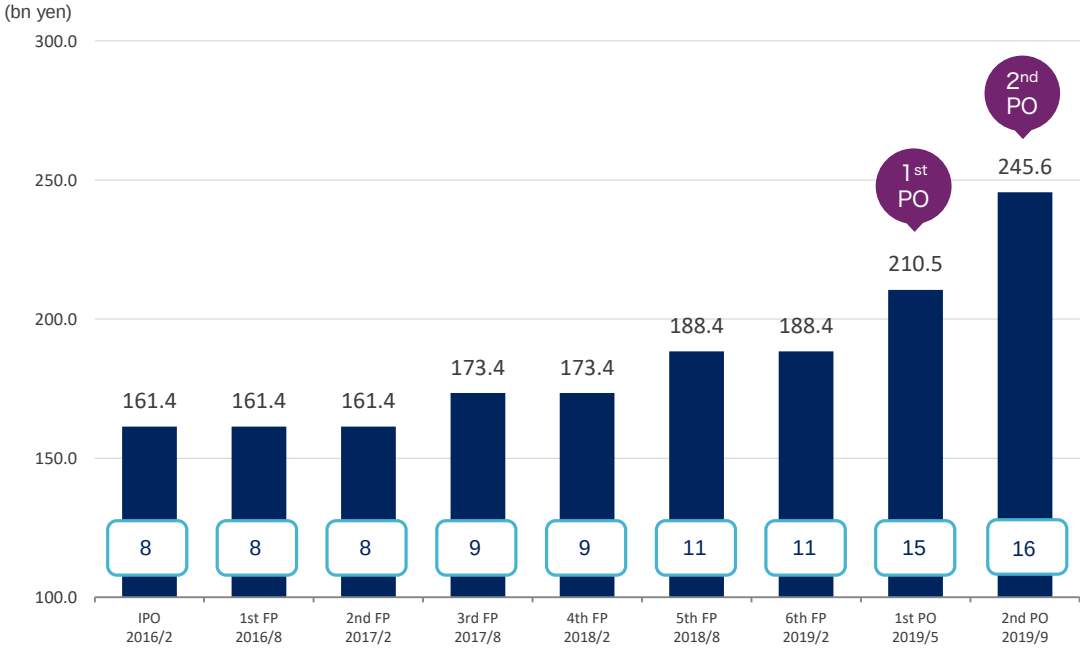
Portfolio Summary

Overview (1)

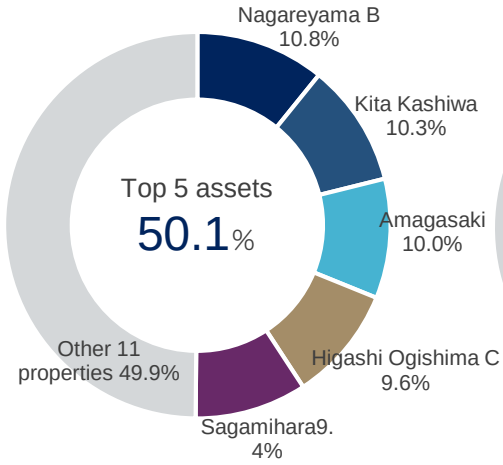
Total Acq. Price	# of properties	Occupancy (4)	LTV (6)
245.6bn	16	98.1% (98.9%)	42.4 %

Appraisal NOI Yield (2)	Total GFA (3)	# of Tenants (5)	Credit Rating
4.9 %	1,460,401㎡	139	AA-

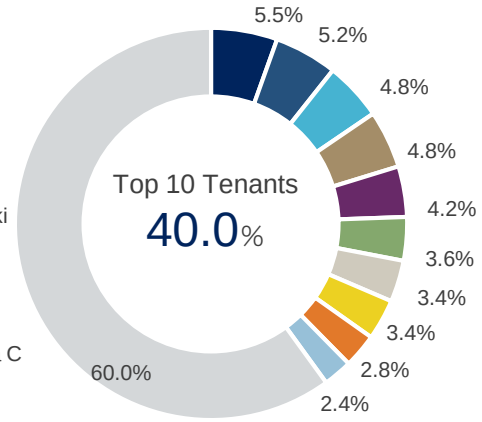
Change in AUM over time



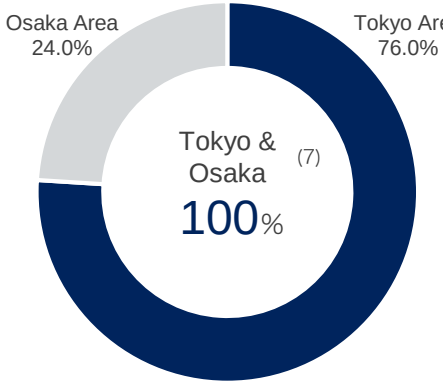
Portfolio Composition (Acq. Price Basis)



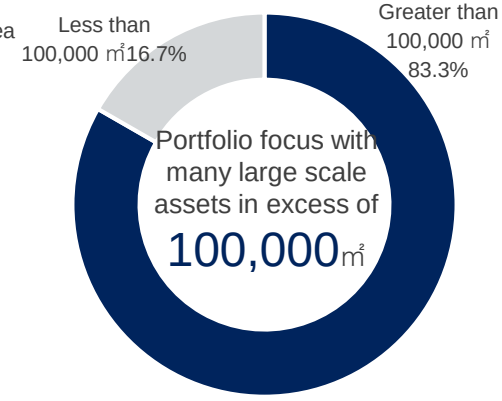
Tenant Diversification (Leased Area Basis)



Location Diversification (Acq. Price Basis)



GFA Diversification (Acq. Price Basis)



(1) 16 properties owned by LLR as of 9/30/2019. Figures are as of 8/31/2019.
(2) Appraisal NOI divided Acquisition Price
(3) 14 properties excluding the 2 leasehold land assets
(4) Calculated using the figures as of 9/30/2019 (the bottom figure includes the area where LP Amagasaki has leases under contract although the space is not yet occupied)
(5) Gross number of tenants (i.e. some tenants lease in several bldgs.). Net number is 127.
(6) LTV level is after the 2nd PO and acquisitions.
(7) "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.

Summary of New Acquisitions

LP Kashiwa Shonan



Acq. Price	9,300mm yen
Appraisal	10,400mm yen
NOI Yield	5.1%
Occupancy	100%
Location	Kashiwa-city, Chiba
Main Tenant	Nippon Express

LP Osaka Taisho (62.5% co-ownership interest)



Acq. Price	17,655mm yen
Appraisal	18,640mm yen
NOI Yield	4.6%
Occupancy	99.9%
Location	Osaka-city, Osaka
Main Tenant	Toshiba Logistics

LP Sayama Hidaka



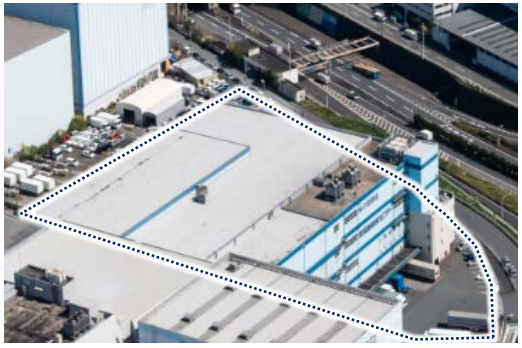
Acq. Price	6,430mm yen
Appraisal	6,560mm yen
NOI Yield	4.6%
Occupancy	100%
Location	Hidaka-city, Saitama
Main Tenant	Japan Total Telemarketing

LP Amagasaki (51.0% co-ownership interest)



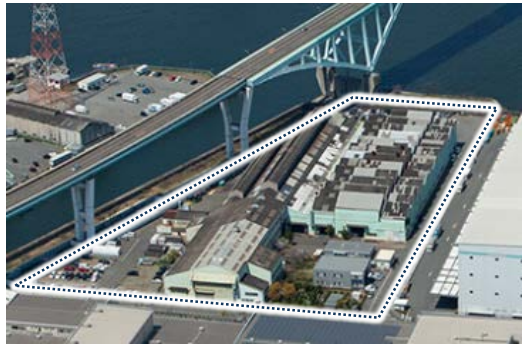
Acq. Price	24,582mm yen
Appraisal	27,600mm yen
NOI Yield	5.3%
Occupancy	90.5% (98.2%)
Location	Amagasaki-city, Hyogo
Main Tenant	KK Kantsu

Higashi Ogishima (Leasehold Land)



Acq. Price	1,189mm yen
Appraisal	1,560mm yen
NOI Yield	3.9%
Occupancy	100%
Location	Kawasaki-city, Kanagawa
Main Tenant	F-Line KK

Suminoe (Leasehold Land)



Acq. Price	4,330mm yen
Appraisal	4,620mm yen
NOI Yield	4.4%
Occupancy	100%
Location	Osaka-city, Osaka
Main Tenant	Mitsui E&S Power Systems

(1) Occupancy is calculated based on the figures as of 9/30/2019 (Figures in parentheses include the number of leases under contract and un-occupied areas for LP Amagasaki)

A series of initiatives including public offerings ①

Overview of Property Transactions and Capital Raising

FP 2/2019 | FP 8/2019 | FP 2/2020

Pref Shares



LP Amagasaki
(Occ. 35.3%)

Buy



LP Sakai Chikko Shinmachi

1st Close 7/1 40% interest
2nd Close 9/3 60% interest

Buy



LP Kashiwa Shonan



LP Sayama Hidaka



LP Osaka Taisho (25%)



Suminoe (Land)



Higashi Ogishima (Land)

Buy



LP Amagasaki (51%)



LP Osaka Taisho (37.5%)

Amendment of Asset Management Guideline
9/19/2018

1 6th FP Earnings Asset Replacement
4/15/2019

2 1st PO Asset Replacement
5/21/2019

3 2nd PO Asset Acquisitions
9/4/2019

Index Inclusion

FTSE EPRA/NAREIT
Global Real Estate Index Inclusion on 9/20

Sell



LP Nagareyama A
1st Close 6/28 40% interest
2nd Close 9/2 60% interest

Sell

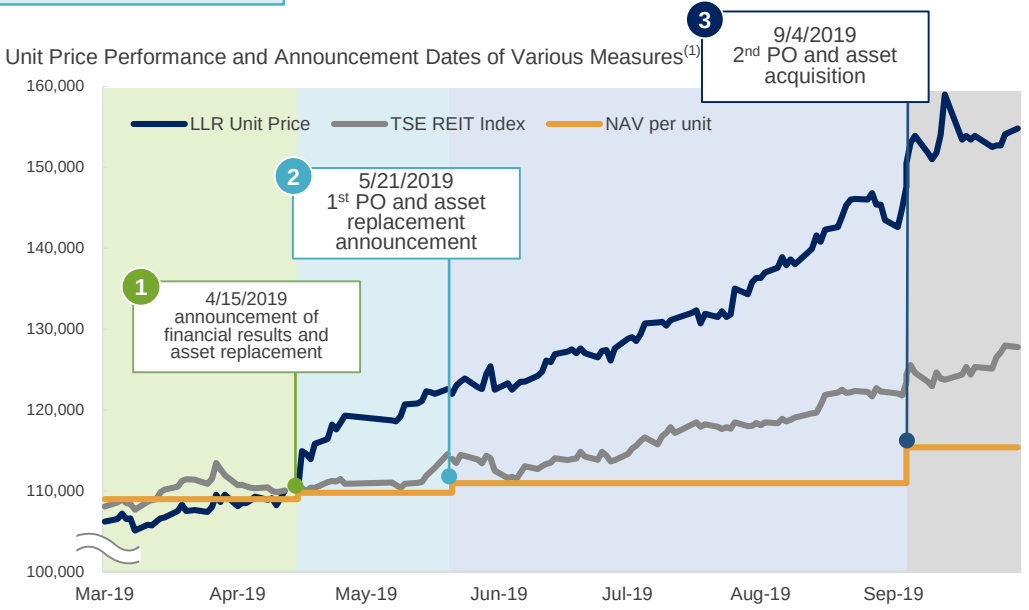


LP Hiratsuka Shinmachi
1st Close 6/28 80% interest
2nd Close 9/2 20% interest

Selection of Financing Method and Timing Taking into Consideration Capital Costs

Operations	Financing Method
Acquisitions of 2 properties **JPY 35.09bn**	3 Debt financing from lender syndicate Equity financing via 2nd public offering
Acquisition of 5 properties **JPY 28.38bn**	2 Debt financing from lender syndicate Equity financing via 1st public offering Financing through disposition of property
Acquisition of 1 property JPY 4.16bn	1 Financed through disposition of a property

Unit Price Performance and Announcement Dates of Various Measures(1)



(1) With respect to the TSE REIT Index, this line chart has been indexed off of the closing price of LLR on 4/15/2019 and charted through the end of September 2019 (LLR price on 4/15/2019 was 109,900)

A series of initiatives including public offerings ②

	As of 2/28/2019 ①	Dispositions	Acquisitions associated with asset replacement announced on 4/15/2019 and 1st public offering		After 1st PO	Acquisitions at 2nd public offering	After 2nd PO ②	②－①
			Land + Bldg	Leasehold Land				
Number of properties	11	2	4	2	15	2	16	+5
Acq. Price (mm yen)	188,440	10,400	27,0303	5,519	210,589	35,097	245,686	+57,246
Appraisal (mm yen)	203,920	11,310	28,680	6,160	227,450	38,800	266,250	+62,330
Unrealized Gain / Gain on Sale (mm yen) (1)	15,818	1,776	1,191	332	16,456	3,266	19,722	+3,904
NOI Yield (2)	4.9%	4.2%	4.9%	－	4.9%	5.1%	4.9%	±0%
After Depr. NOI Yield (3)	4.1%	3.5%	4.0%	4.2%	4.1%	4.1%	4.1%	±0%
Occupancy (4)	98.8%	100%	100%	100%	98.9%	99.7%	99.0%	+0.2%
Avg. Building Age (4)	12.7	5.5	1.4	－	11.6	7.6	11.2	-1.5
LTV	43.6%	－	－	－	43.3%	－	42.4%	-1.2%
NAV per unit (5)	109,773	－	－	－	110,944	－	119,615	＋9,842

(1) “Unrealized gain / Gain on Sale” indicates the transfer difference for the two sold assets; otherwise, unrealized gain (Difference between appraisal value and book value. Applicable properties for the 1st and 2nd PO are calculated by adding various costs to the acquisition price)

(2) “NOI Yield” and “Average Age” are calculated excluding land.

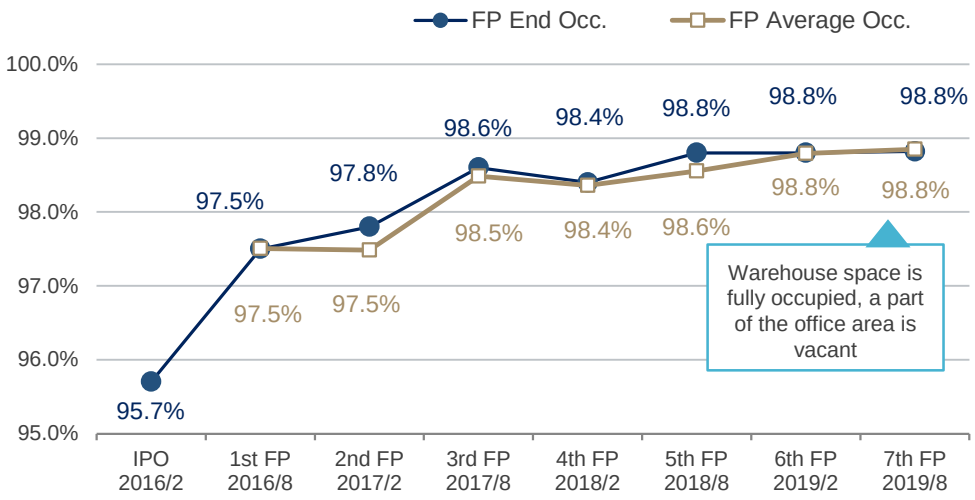
(3) “After Depreciation NOI Yield” is defined as the appraisal value direct capitalization method NOI minus the actual value for depreciation expenses, divided by the acquisition price. (For newly acquired properties, the estimated depreciation expenses calculated by the asset management company)

(4) “Occupancy rate” and “Average Building Age” figures up to the 1st PO are as of 3/31/2019, and for the figures upto the 2nd PO are as of 6/30/2019.

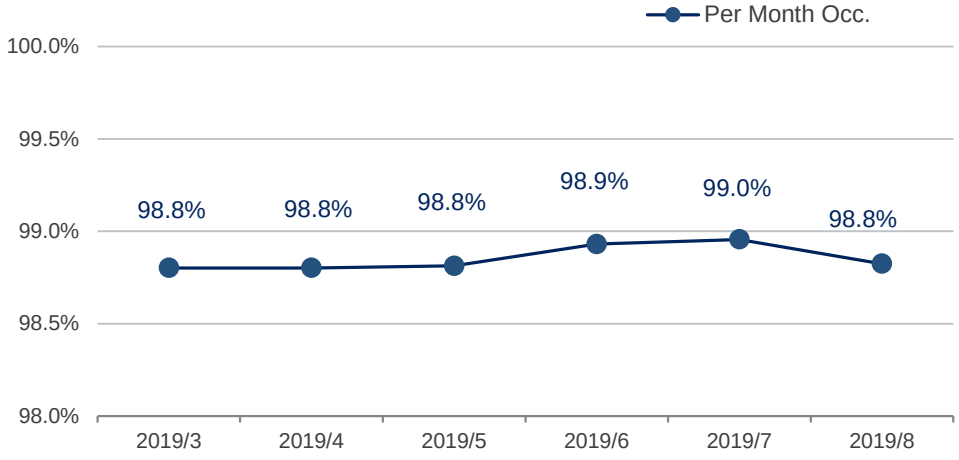
(5) The “NAV per unit” for “After the 1st PO” is calculated after the completion of asset replacement determined on 4/15/2019 based on figures established on 2/28/2019. NAV per unit after the 2nd PO is calculated based on 16 properties owned as of 9/30/2019.

Internal Growth: Property Operations Track Record ①

Changes in Occupancy (1)

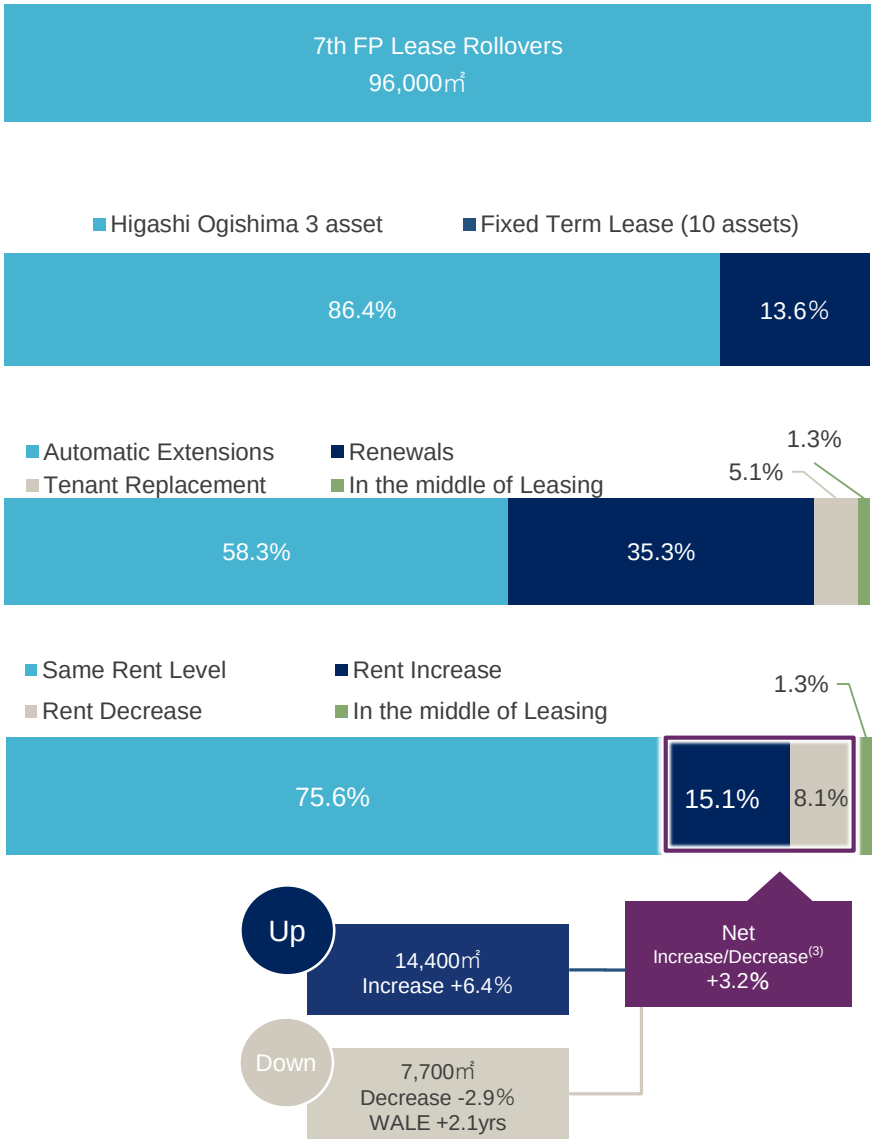


7th FP Monthly Occupancy Rate (1)



Leasing Track Record (2)

96,000㎡ of lease maturities during the 7th FP

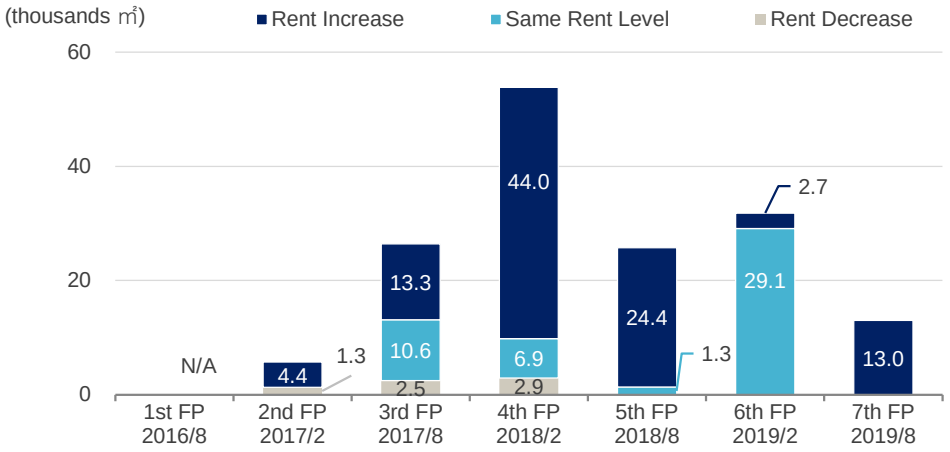


(1) Portfolio Overall (incorporating co-ownership interest %)
(2) The percentages above represent ratios for those leases which came up for maturity during the 7th FP (warehouse only, excluding temporary use)
(3) Increase/Decrease relative to prior lease rent level (warehouse only)

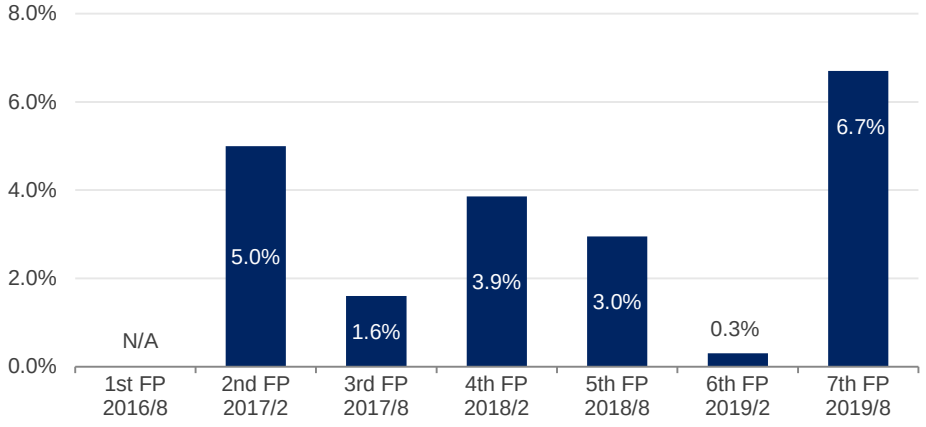
Internal Growth: Property Operations Track Record ②

Fixed Term Lease Properties (10 properties) (1)

Changes in Lease Rental Rates Upon Maturity (2)

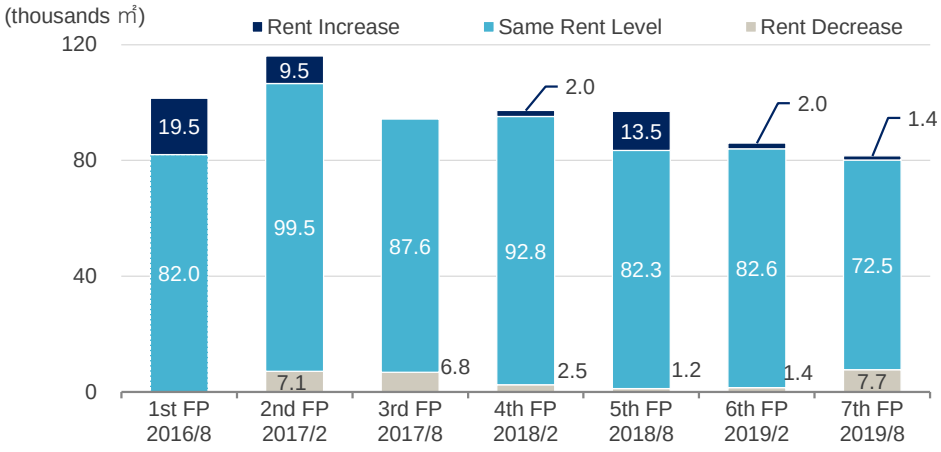


Changes in Lease Rental Rate (3)

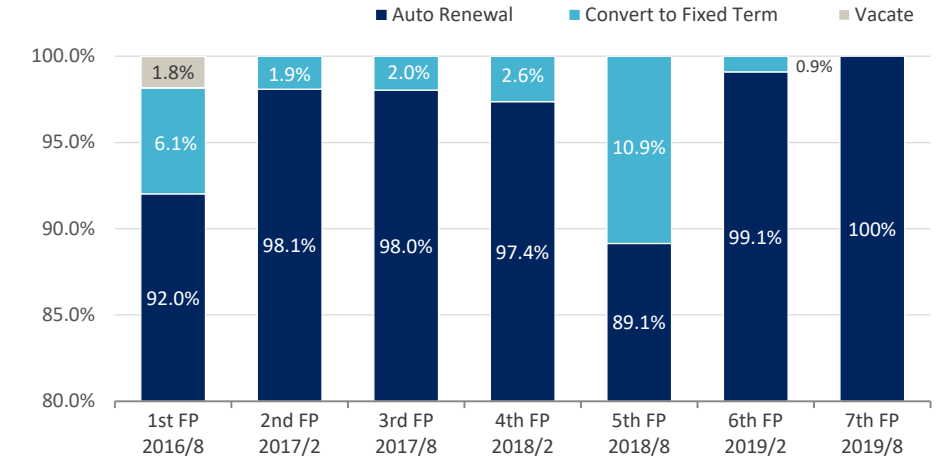


Higashi Ogishima 3 Properties

Changes in Lease Rental Rates Upon Maturity (2)



Lease Renewal Track Record for Standard Leases (2)



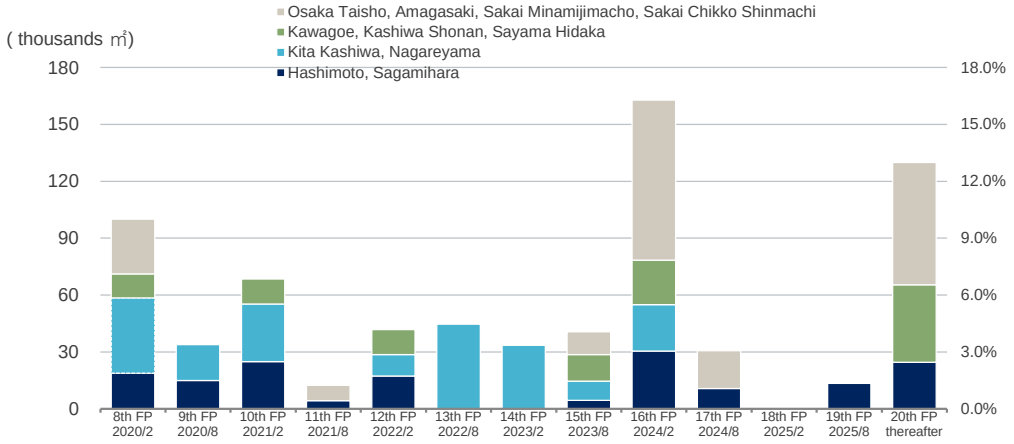
Downtime Days (4)	11	30	22	17	51	12	-

(1) The 10 properties owned as of the end of the 7th FP, excluding 2 land assets and 3 Higashi Ogishima properties
(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 only)

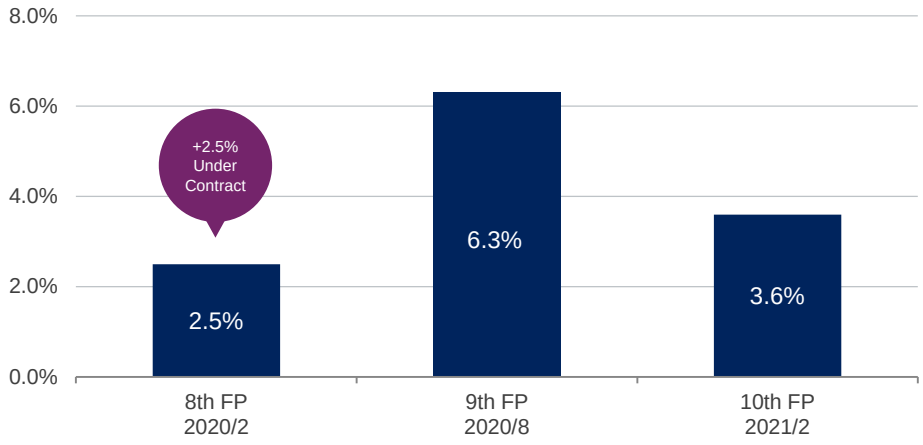
Leasing Strategy Going Forward

Fixed Term Lease Properties [1] (11 assets)

Lease Maturity Schedule

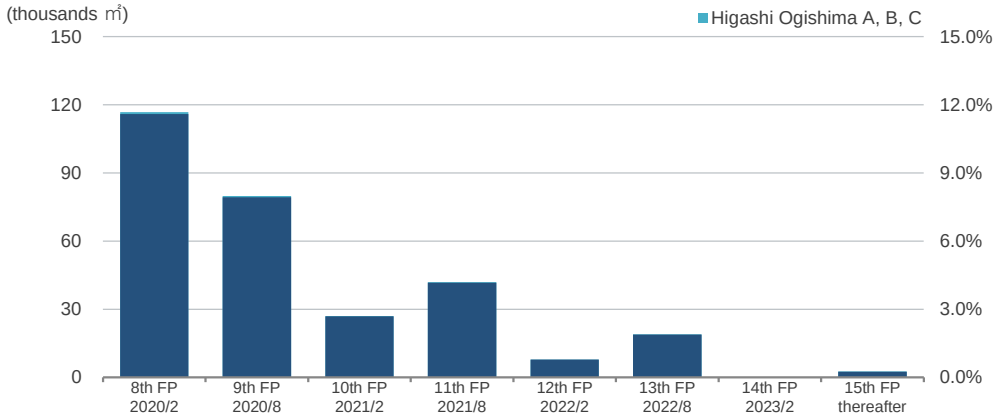


Rent Potential Upside from Expiring Leases [1]

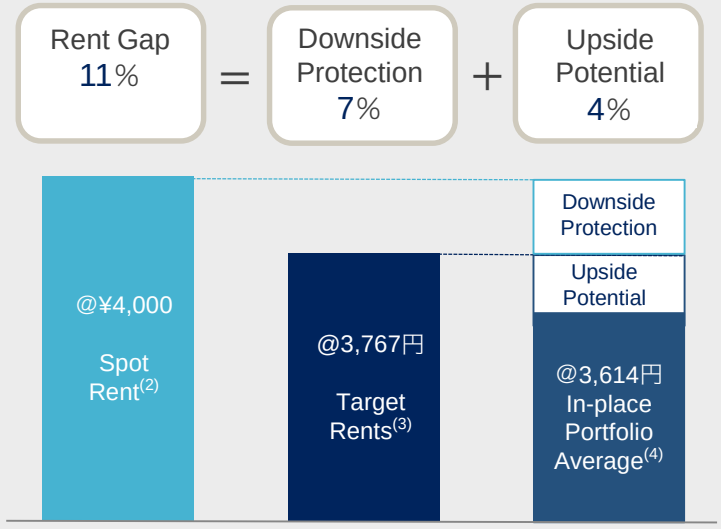


Higashi Ogishima 3 Assets

Lease Maturity Schedule



Rent Gap



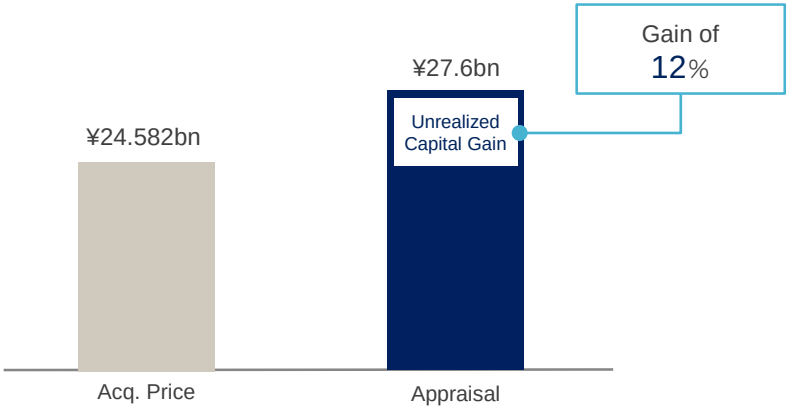
(1) As of 9/30/2019. Based on fixed term lease contracts for 11 warehouses, excluding 2 land assets and 3 Higashi Ogishima assets that have standard leases.
(2) Asking rents for new developments in the vicinity. Warehouse component only.
(3) Based on a market report which were compiled by LRA to define market rent levels.
(4) Rent levels only account for the warehouse area.

Results of Excess Return Investment from LP Amagasaki

Excess Return Strategy

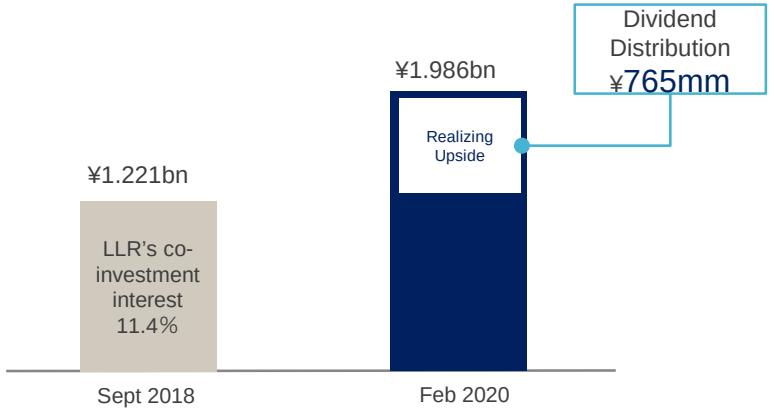
Crystalize Unrealized Capital Gains

LLR was able to enjoy capital gains due to the discounted acquisition price



Realized upside of preferred securities and earned excess earnings

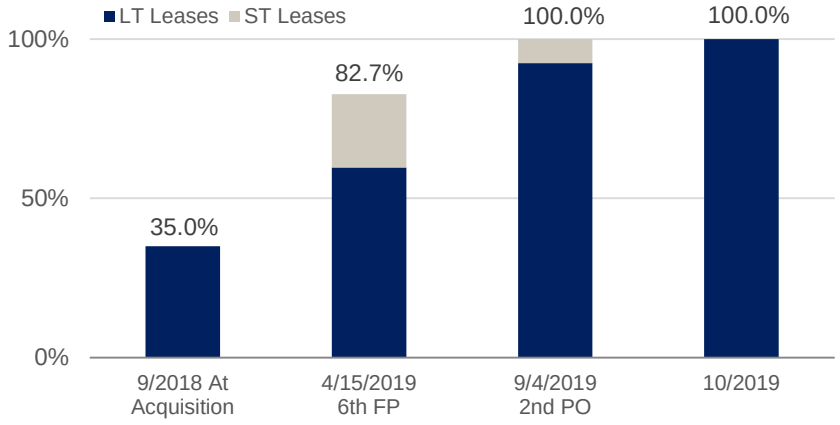
LLR received TMK dividend distributions due to the sale of LP Amagasaki (1)



Asset Strategy

Realized stabilized occupancy within 1 year due to LaSalle Group leasing efforts

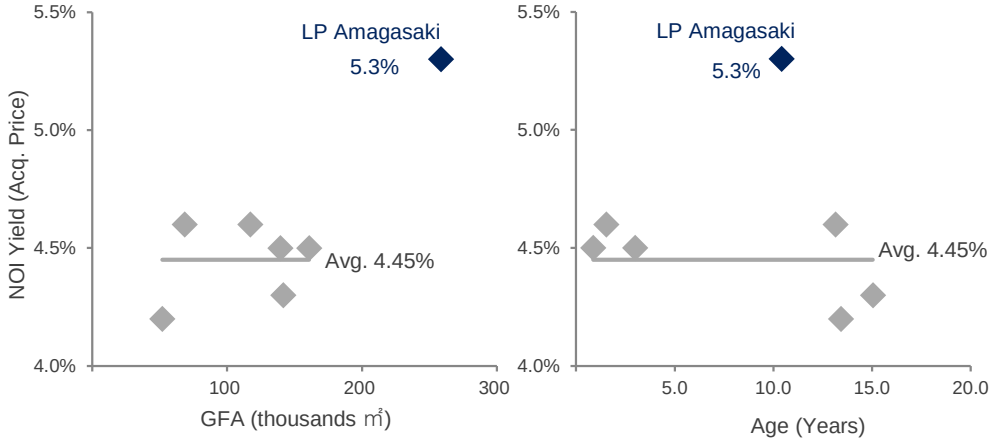
<LP Amagasaki Occupancy Rate over time (2)>



Portfolio Strategy

Strengthening profitability by acquiring at disciplined prices

<Distribution of NOI yields of comparable logistics facilities in Osaka area (3)>



(1) Expected to receive a return of capital of ¥1.221bn and a return on capital of ¥765mm from the TMK co-investment position
(2) LP Amagasaki's lease up rate for the warehouse part only
(3) For properties other than LP Amagasaki, comparable listings are based on REITs that announced acquisitions from Jan 2017 to July 31, 2019 for logistics with GFA greater than 50,000 sqm and with a age less than 20 years, located in the Osaka market

Portfolio Overview (1)

No.	Property Name	Location	GFA (㎡)	Acq. Price (bn yen)	Appraisal (2) (bn yen)	Inv. Ratio (%)	Constructed	NOI Yield(3) (%)	PML(4) (%)
Tokyo-1	LP Hashimoto (5)	Sagamihara-city, Kanagawa	145,801	21.2	23.1	8.6	January 2015	4.6	1.3
Tokyo-2	LP Sagamihara (5)	Sagamihara-city, Kanagawa	200,045	23.0	25.5	9.4	August 2013	4.8	0.5
Tokyo-3	LP Kita Kashiwa	Kashiwa-city, Chiba	104,302	25.3	29.5	10.3	October 2012	4.6	0.9
Tokyo-5	LP Nagareyama B	Nagareyama-city, Chiba	133,414	26.6	29.8	10.8	July 2008	4.8	2.3
Tokyo-6	LP Higashi Ogishima A	Kawasaki-city, Kanagawa	100,235	19.0	19.8	7.7	April 1987	5.0	6.5
Tokyo-7	LP Higashi Ogishima B	Kawasaki-city, Kanagawa	117,546	19.1	21.6	7.8	April 1991	5.6	6.2
Tokyo-8	LP Higashi Ogishima C	Kawasaki-city, Kanagawa	116,997	23.7	25.4	9.6	September 2001	4.9	6.3
Tokyo-9	LP Kawagoe	Kawagoe-city, Saitama	50,742	11.9	12.2	4.9	January 2011	4.7	4.4
Tokyo-11	LP Kashiwa Shonan	Kashiwa-city, Chiba	40,878	9.3	10.4	3.8	July 2018	5.1	1.6
Tokyo-12	LP Sayama Hidaka	Hidaka-city, Saitama	23,570	6.4	6.5	2.6	January 2016	4.6	3.5
Tokyo-13	Higashi Ogishima (Leasehold Land)	Kawasaki-city, Kanagawa	-	1.1	1.5	0.5	-	3.9	-
Osaka-1	LP Sakai Minamijimacho	Sakai-city, Osaka	30,696	8.1	8.5	3.3	October 2016	4.8	6.5
Osaka-2	LP Sakai Chikko Shinmachi	Sakai-city, Osaka	20,428	4.1	4.6	1.7	August 2018	5.3	7.6
Osaka-3	LP Osaka Taisho(5)	Osaka-city, Osaka	117,037	17.6	18.6	7.2	February 2018	4.6	8.4
Osaka-4	Suminoe (Leasehold Land)	Osaka-city, Osaka	-	4.3	4.6	1.8	-	4.4	-
Osaka-5	LP Amagasaki (5)	Amagasaki, Hyogo	258,704	24.5	27.6	10.0	April 2009(6)	5.3	5.7
		Totals / Averages	1,460,401	245.6	269.3	100.0		4.9	2.7

(1) Listed 16 properties which is what LLR owns as of 9/30/2019
(2) Appraisals are as of 8/31/2019 (For those properties acquired during the 2nd PO, appraisals are as of 7/31/2019)
(3) NOI Yield is calculated by taking appraisal NOI divided by the acquisition price.
(4) PML levels are as of August 2019, and based off of Tokyo Marine Nichido's "14 property earthquake risk survey portfolio analysis report"
(5) Acquisition price and appraisal values for LP Hashimoto, LP Sagamihara, LP Osaka Taisho, LP Amagasaki are expressed in relative proportion to LLR's co-ownership interest. The GFA is shown for the entire property.
(6) Conversion of construction work from a plasma TV factory to modern logistics was completed in October 2017.

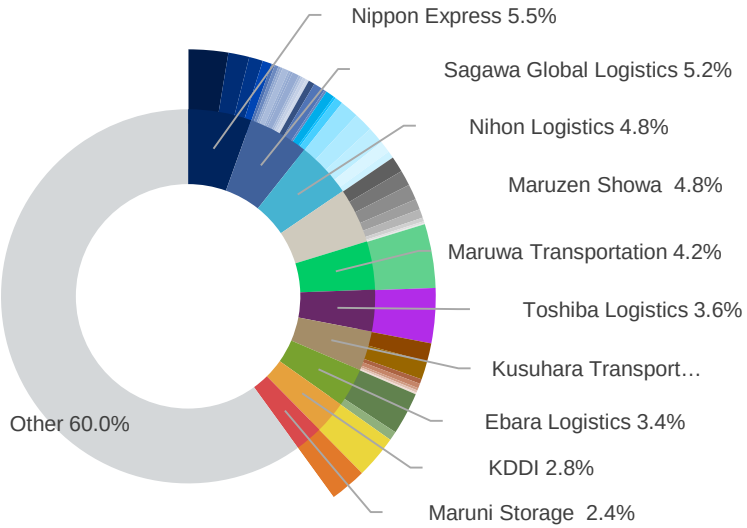
Occupancy Rates, Fixed Term Lease Ratios, Weighted Average Lease Expiries ("WALE")

No.	Property Name	Occupancy				# of tenants [2]	WALE Yrs [2] [3]	Fixed Term Lease Ratios [2] [4]
		3/31/2016	2/28/2019	9/30/2019 [1]	Change relative to 3/31/2016			
Tokyo-1	LP Hashimoto	90.1%	100.0%	99.8%	+9.7 pt	15	3.2	100.0%
Tokyo-2	LP Sagamihara	97.9%	99.7%	99.7%	+1.8 pt	18	3.0	100.0%
Tokyo-3	LP Kita Kashiwa	100.0%	100.0%	100.0%	-	8	2.5	100.0%
Tokyo-5	LP Nagareyama B	99.7%	99.9%	99.9%	+0.2 pt	8	1.9	100.0%
Tokyo-6	LP Higashi Ogishima A	95.5%	96.8%	96.7%	+1.2 pt	22	0.6	36.0%
Tokyo-7	LP Higashi Ogishima B	94.4%	95.2%	95.2%	+0.8 pt	18	0.8	44.0%
Tokyo-8	LP Higashi Ogishima C	95.2%	98.7%	98.9%	+3.7 pt	18	1.2	45.0%
Tokyo-9	LP Kawagoe	-	100.0%	100.0%	-	4	2.0	100.0%
Tokyo-11	LP Kashiwa Shonan	-	-	100.0%	-	1	-[5]	100.0%
Tokyo-12	LP Sayama Hidaka	-	-	100.0%	-	1	-[5]	100.0%
Tokyo-13	Higashi Ogishima (Land)	-	-	100.0%	-	1	-	-
Osaka-1	LP Sakai Minamijimacho	-	100.0%	100.0%	-	1	-[5]	100.0%
Osaka-2	LP Sakai Chikko Shinmachi	-	-	100.0%	-	1	-[5]	100.0%
Osaka-3	LP Osaka Taisho	-	-	99.9%	-	10	4.1	100.0%
Osaka-4	Suminoe (Land)	-	-	100.0%	-	1	-	-
Osaka-5	LP Amagasaki	-	-	98.2%	-	12	3.1	100.0%
Portfolio Totals		96.5%	98.8%	98.9%	+2.4 pt	139[6]	2.8	84.8%

(1) Occupancies are based on levels as of 9/30/2019 (LP Amagasaki includes areas that are under contract but not yet occupied)
(2) # of tenants is based as of 8/31/2019 which encompasses the 16 properties owned by LLR as of the end of 9/30/2019
(3) Based on leased area basis
(4) Based on rental revenues basis
(5) Not able to disclose due to tenant approval not having been obtained
(6) Gross number of tenants which means there are some duplicate tenants at various properties.

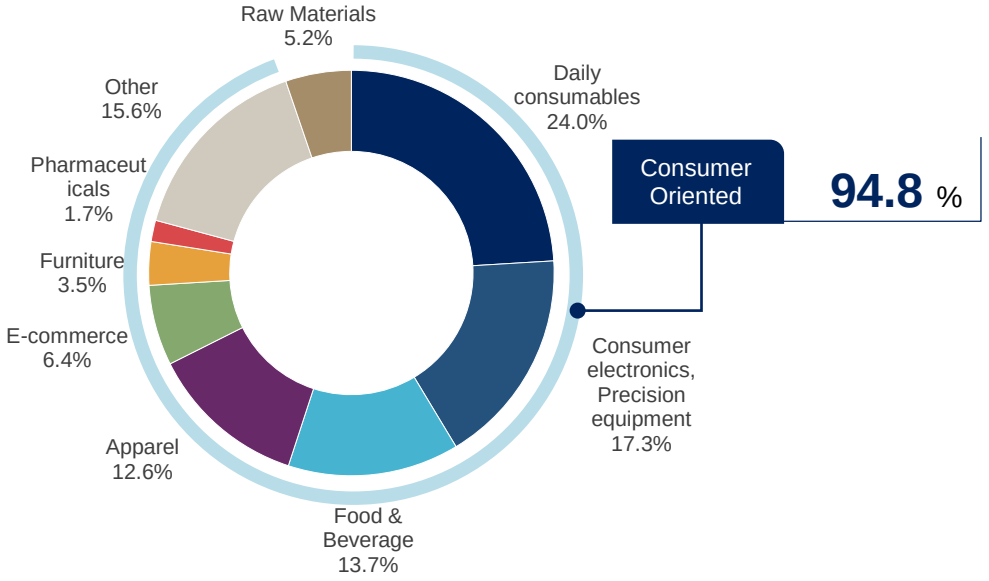
Portfolio with effective tenant diversification

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

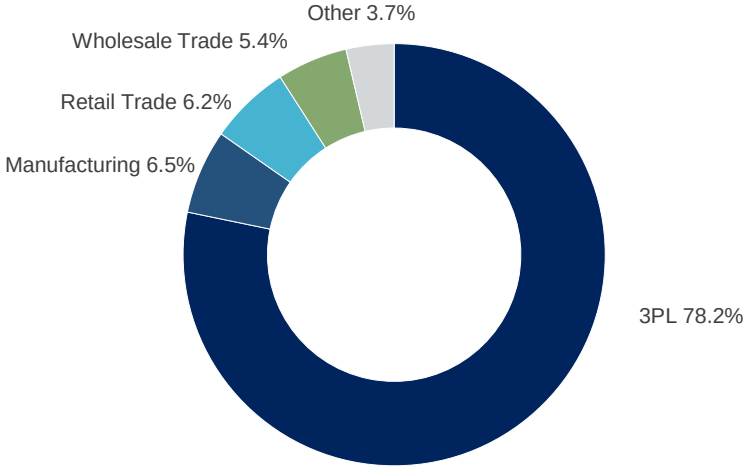


Top 5 Tenants	**24.4** %
Top 10 Tenants	**40.0** %
Total # of Tenants [2]	**139**

End User Industry Type [3]



Tenant Business Ratio [3]



(Note) As of 8/31/2019, 14 properties, excludes leasehold land assets
(1) Calculated based on leased area
(2) Some properties have overlapping tenants. Net number of tenants is 127.
(3) Calculated based on leased area (storage area only)

Financial Management Overview

Built on strong financial management (1)

Total Debt (2)	LTV (2)(3)	Wtd. Avg. Interest	# of Lenders
¥111.2bn	42.4 %	0.55 %	12 banks

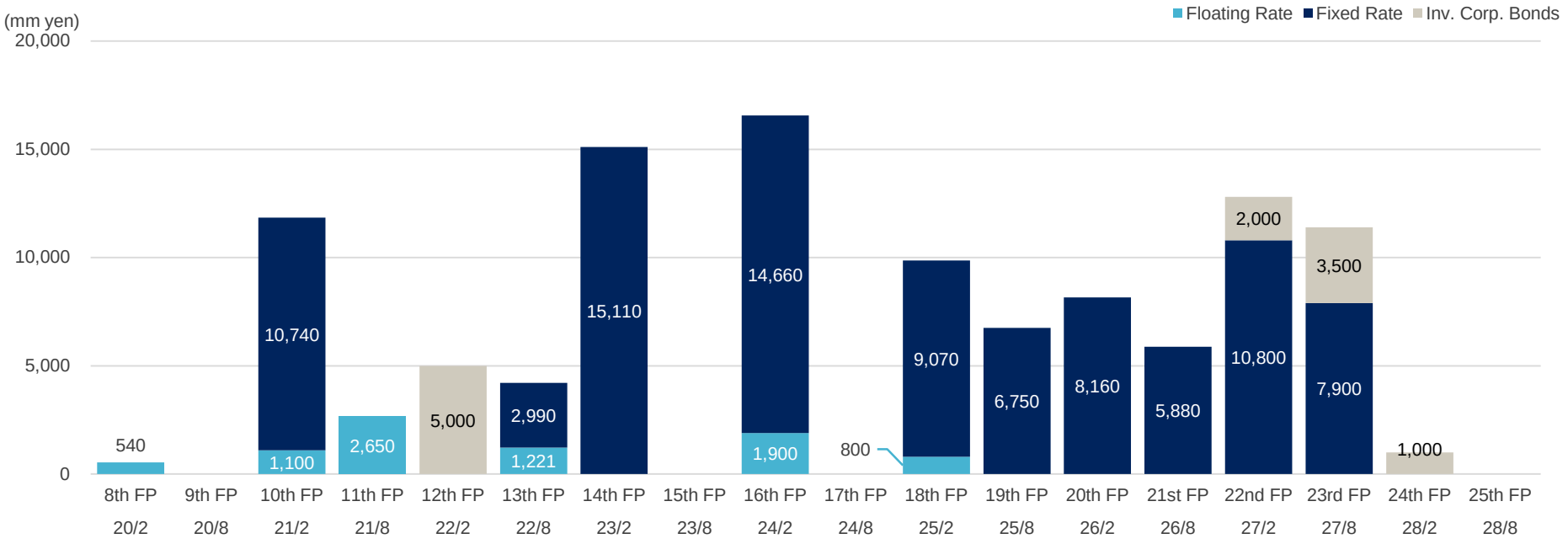
Inv. Corp. Bonds %	Avg. Remaining Debt Term (4)	Avg. Debt Term (4)	Fixed Rate % (5)
10.3 %	4.8 years	7.1 years	92.7 %

Credit Rating

AA-

Rated by Japan Credit Rating (“JCR”)

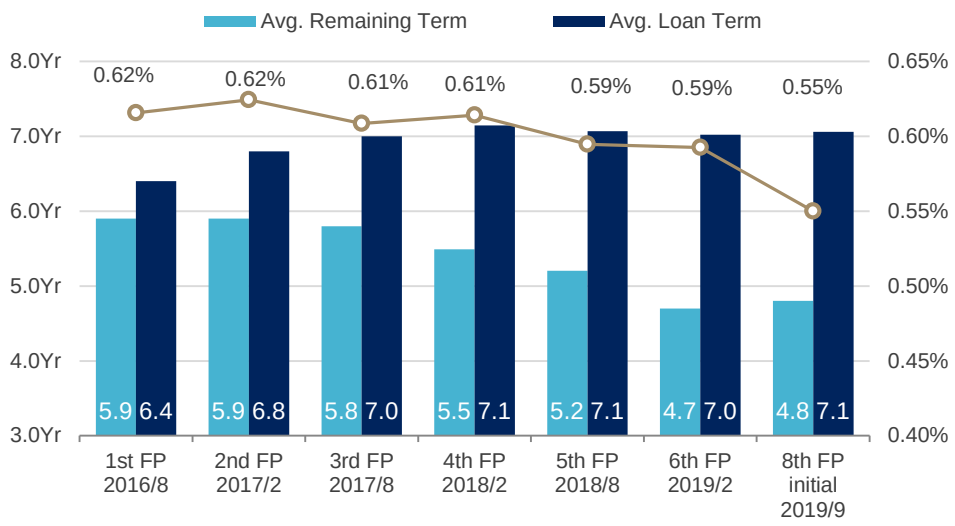
Maturity Ladder (1)



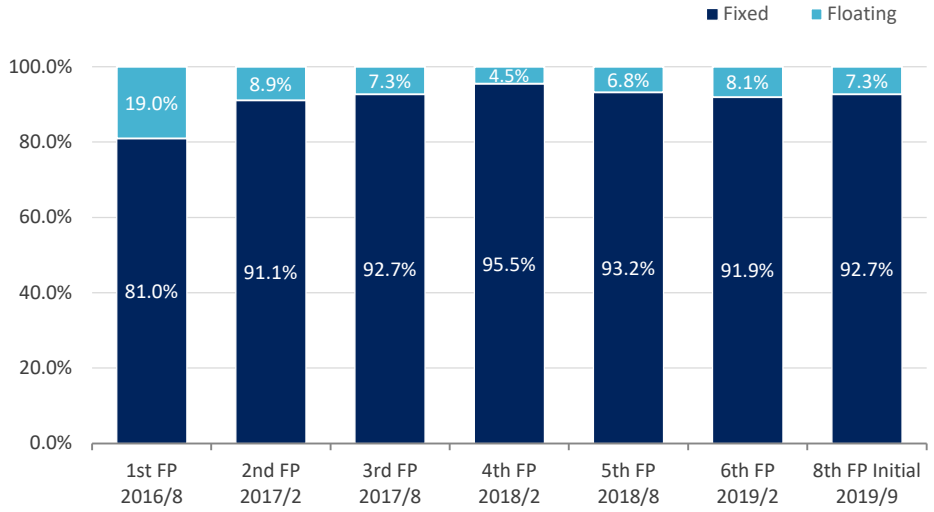
(1) As of 9/30/2019
(2) Statistics after the second public offering, issuance of additional investment units, and completion of property acquisitions
(3) Total Debt Balance ÷ Total Assets
(4) Calculated by combining loans and inv. corp. bond
(5) “Fixed rate ratio %”is defined as fixed rate debt ÷ total debt

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

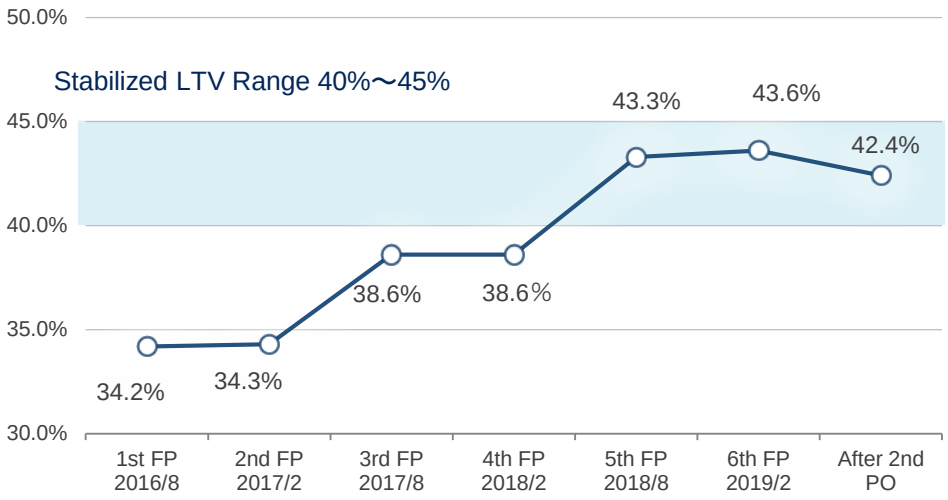
Debt procurement cost controls while lengthening out loan terms



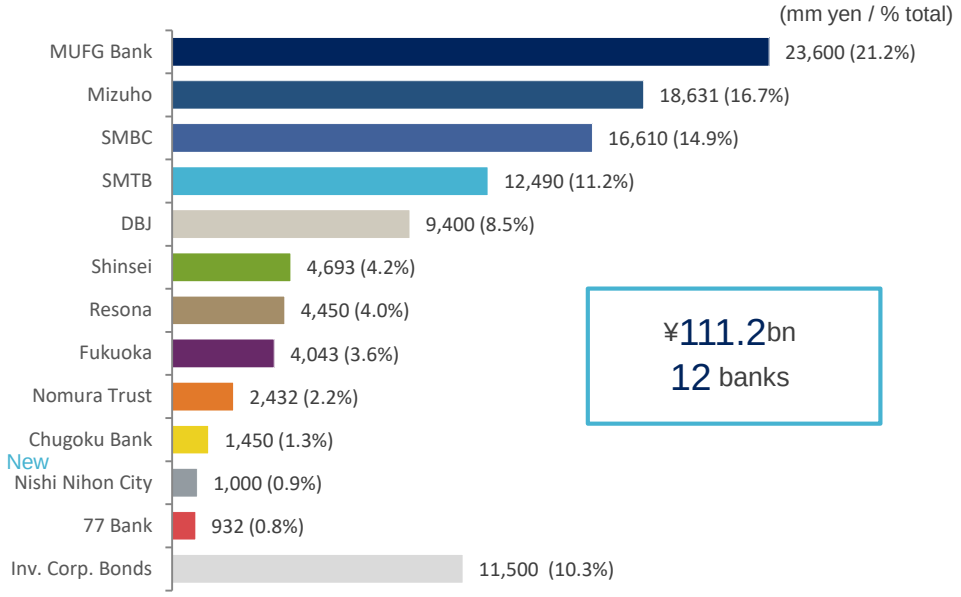
Enhancing the Fixed Rate Ratio



LTV Control



Lender Syndicate Loan Balances



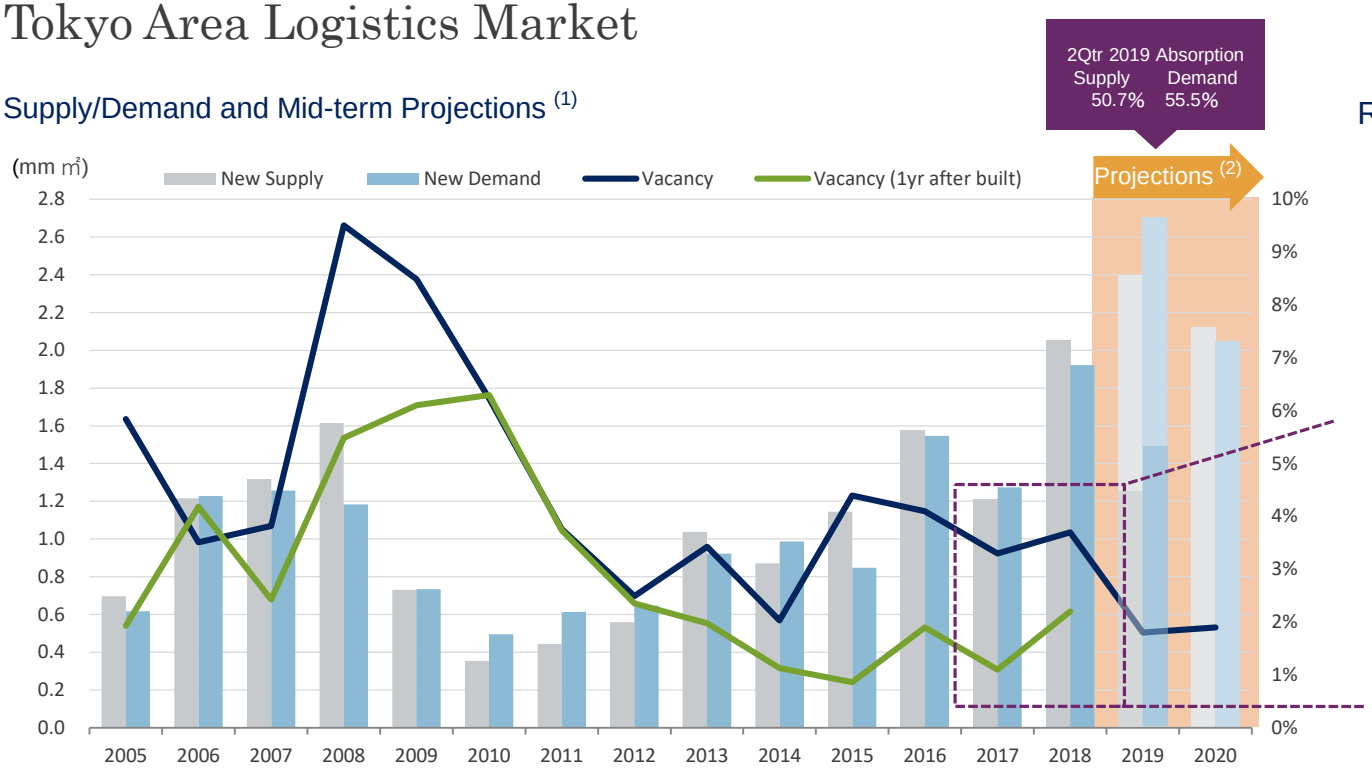
04

Logistics Market Outlook



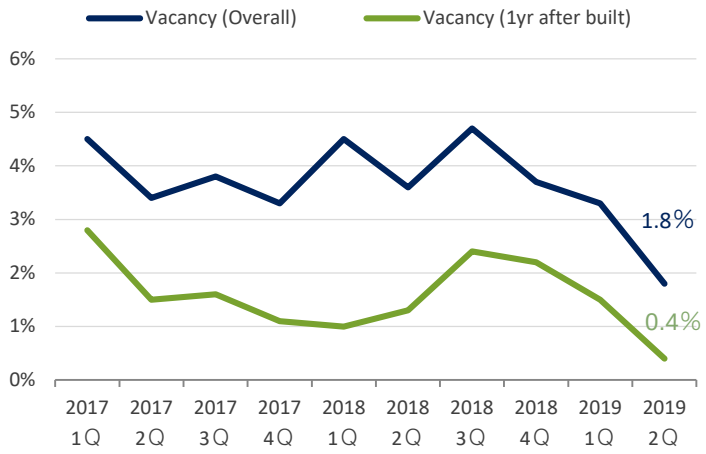
Tokyo Area Logistics Market

Supply/Demand and Mid-term Projections (1)



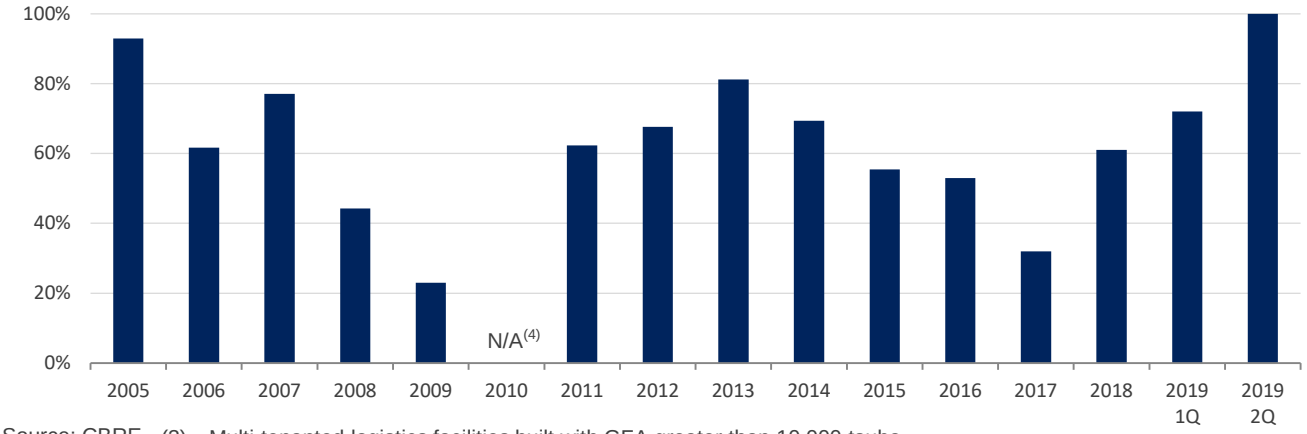
Source: CBRE (1) Logistics facilities with GFA greater than 5,000㎡
(2) Light colored bars represent projections

Recent vacancy rate



Source: CBRE

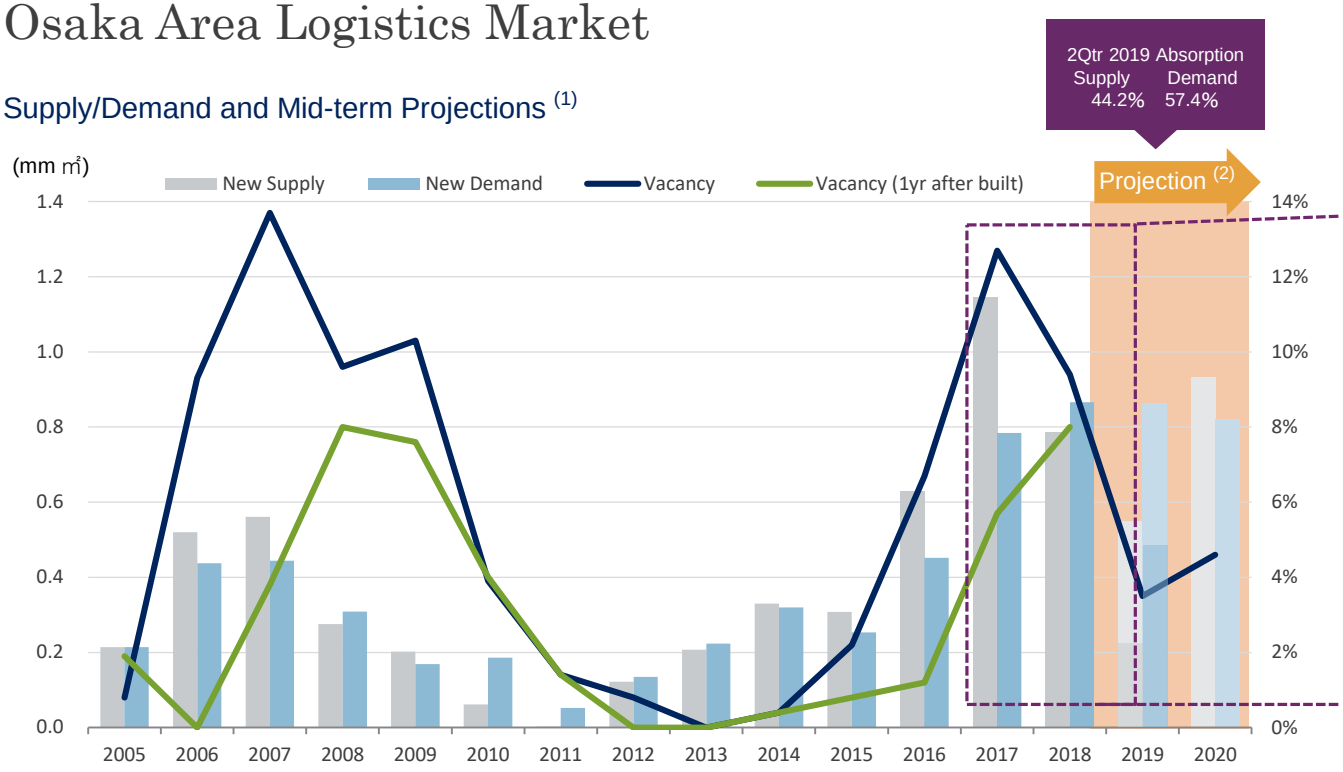
Change in occupancy for large scale multi-tenanted facilities(3) at construction completion



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

Osaka Area Logistics Market

Supply/Demand and Mid-term Projections (1)



Source: CBRE (1) Logistics facilities with GFA greater than 5,000㎡
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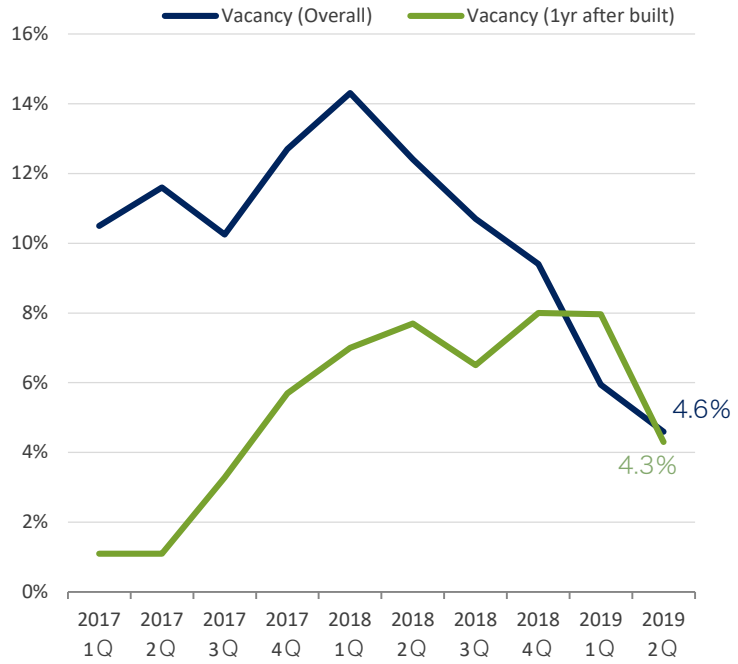
Recent vacancy rate



Source: CBRE

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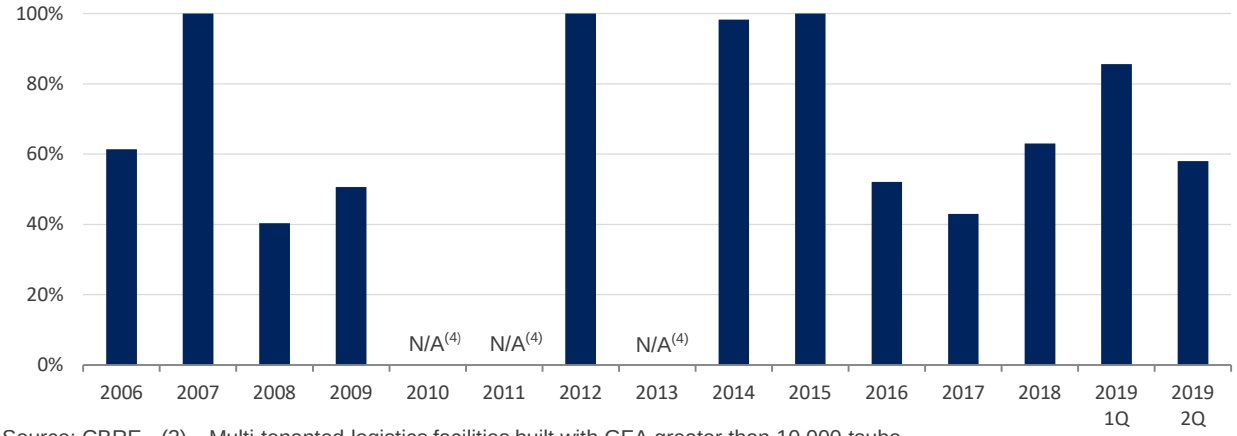
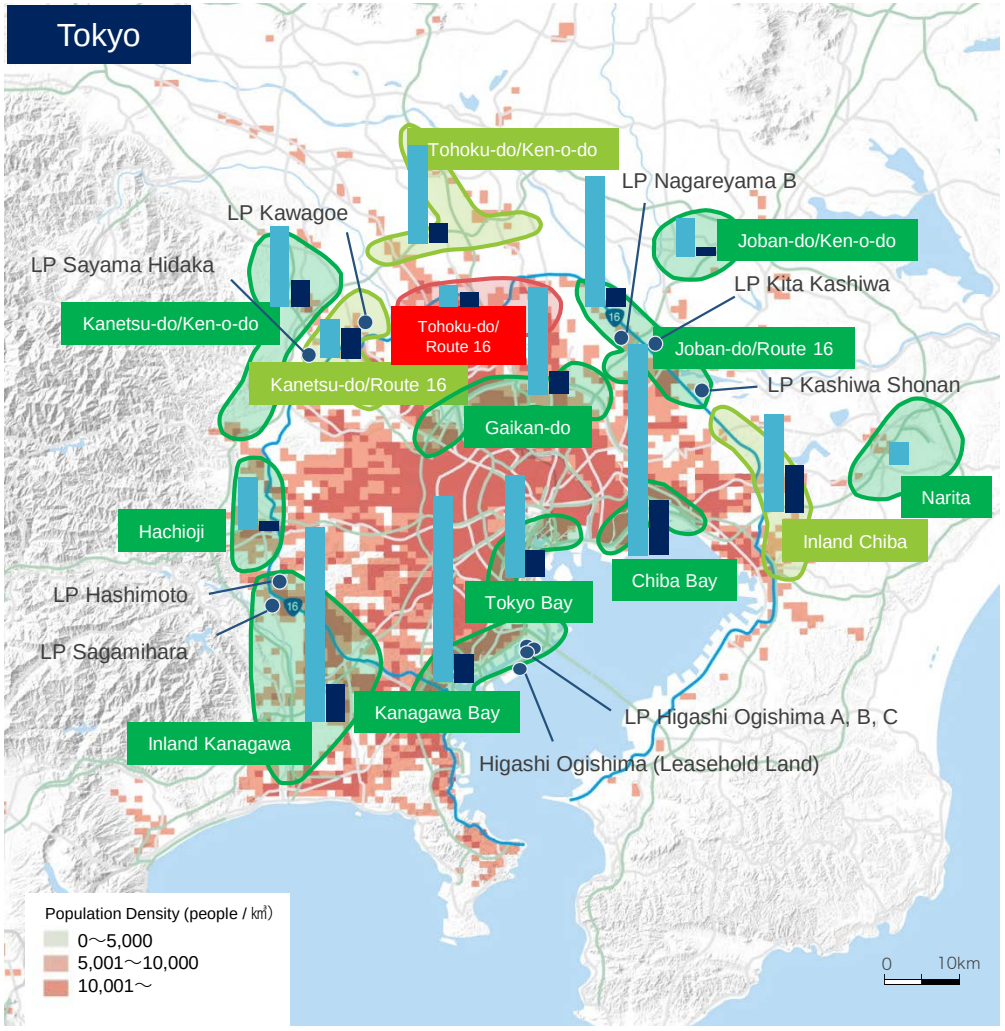
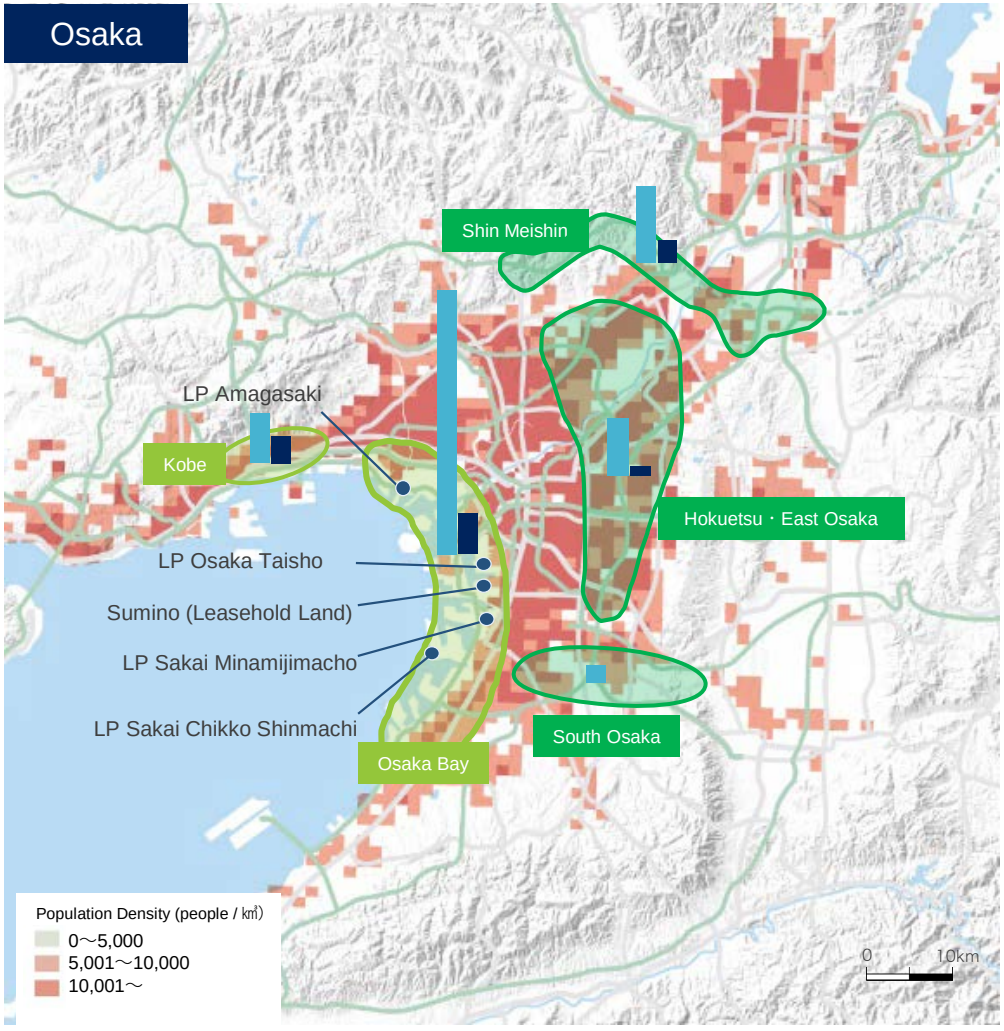


Source: CBRE (3) Multi-tenanted logistics facilities built with GFA greater than 10,000 tsubo
(4) During these years, there were too few examples to be counted

Tokyo / Osaka Area Submarket Vacancy Rate and Supply Outlook





Vacancy (1) (2nd Qtr 2019)	Supply/Demand Environment
0～5%	Supply/Demand is tight
5～10%	Supply/Demand in equilibrium
10～15%	Supply/Demand softening concerns
15%～	Supply/Demand deteriorating

Existing stock as of 2nd Qtr 2019
Project supply for 2019 and 2020

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