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September 19, 2018

To All Concerned Parties

REIT Issuer:

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Asset Manager:

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### **Notice regarding Acquisition of Asset (Preferred Shares of Amagasaki Property TMK)**

LaSalle LOGIPORT REIT (hereinafter referred to as “**LLR**”) who has entrusted the management of its assets to LaSalle REIT Advisors K.K. (“**LRA**” or the “**Asset Manager**”), announces that it has decided to acquire (the “**Subject Acquisition**”) the following preferred shares (hereinafter referred to as the “**Newly Acquired Asset**” or “**Preferred Securities**”).

Since the acquiring party of the Preferred Securities falls under a category as a related party transaction rules (“**Related Party Transactions Rules**”) of the Asset Manager, it is necessary for this Subject Acquisition to be in compliance with regulations and other internal procedures, and as such, the Subject Acquisition has undergone those proper procedures, deliberations, and resolutions.

#### 1. Overview of the Subject Acquisition

- |                                |  |
|--------------------------------|--|
| (1) Newly Acquired Asset       | : Amagasaki Property TMK’s (“ <b>Amagasaki TMK</b> ”) (Note 1) Preferred Securities (Note 2)                     |
| (2) Acquisition Price          | : 1,221 million yen (representing approximately 11.4% of the total Preferred Securities issued by Amagasaki TMK) |
| (3) Scheduled Acquisition Date | : September 27, 2018   |
| (4) Acquiring Entity           | : Amagasaki TMK  |
| (5) Underlying Real Estate     | : LOGIPORT Amagasaki (the “ <b>Subject Property</b> ”) (Note 3)  |
| (6) Acquisition Funds          | : New Borrowings (Note 4)  |

Note :

1. For details about Amagasaki TMK, please refer to “3.Details of the Subject Acquisition / (1) Outline of the Preferred Securities” below.
2. The underlying real estate that secures Amagasaki TMK’s Preferred Securities is “LOGIPORT Amagasaki”, and LLR assumes the Preferred Securities on the above “3. Scheduled Acquisition Date”. On the same date that the underwriting agreement of the Preferred Securities is executed, a preferential negotiation right agreement (“**Preferential Negotiation Rights Agreement**”) between Amagasaki TMK will be granted such that the trust beneficiary interest (the “**Subject Trust Beneficiary Interest**”) of

the Subject Property would be able to be acquired by LLR. Details of this preferential negotiation right (the “**Peferential Negotiation Right**”) is described in “3. Details of the Acquisition / (1) Outline of the Preferred Securities / Other” below.

3. Details about the Subject Property are described in “3. Details of the Subject Acquisition / (2) Outline of the Subject Property” below. While the name of the Subject Property as of today is “HUB Amagasaki”, after LLR acquires the Preferred Securities, the management name of the Subject Property will be changed too “LOGIPOINT Amagasaki.” The same applies below.
4. With respect to details around the new borrowings, please refer to the press release titled “Notice on Borrowing of Funds” published on this date.

## 2. Reasons for acquisition

The Subject Property is “large scale, high specification” logistics facility located in a “suitable logistics site” in the Osaka area, and it is property that meets the standards of “Prime Logistics” (Note 1). In connection with the Subject Acquisition, LLR will obtain a preferential negotiation right, so it will have the opportunity to acquire the Subject Property that is expected to generate stable earnings over the medium to long term. In addition, this acquisition creates opportunities to receive additional dividends (Note 2) through the Preferred Securities. Based one these above characteristics, we decided to proceed with this Subject Acquisition.

At present, the Subject Property’s occupancy rate is 35.3% (Note 3). If LLR were to acquire the Subject Property as is, it would be dilutive to LLR’s shareholders / LLR’s net asset value per unit. In order to prevent such dilution while still seeking a way to invest in this Subject Property, LLR consulted with its sponsor, LaSalle Investment Management Japan K.K. (“**LaSalle KK**” or the “**Sponsor**”), and as a result of this consultation, LLR decided to acquire the Preferred Securities of Amagasaki TMK, while also obtaining the Preferential Negotiation Rights of the Subject Property for future acquisitions opportunities.

Going forward, Amagasaki TMK’s asset manaer will be the Sponsor, and LaSalle KK will concentrate eon leasing activities to improve the occupancy rate of the Subject Property. Based on the occupancy rate of the Subject Property, LLR will consider the appropriate timing as to when to proceed with acquiring the Subject Property.

(Note 1) LLR has defined “prime logistics” as those properties which are “large-scale, high specification” logistics facilities located in “suitable logistics sites.”

(Note2) Dividends from the Preferred Securities are anticipated to be generated once the Subject Property’s occupancy rate gets above a certain amount.

(Note 3) With regards to the Subject Property, the previous owner carried out extensive renovation work, converting the propeprtry from a factory to a warehouse, and the renovations were completed on October 13, 2017. As a result of the leasing activities conducted by the previous owner, the occupancy rate rose from 0% (at completion of the renovation) to the current 35.3% rate.

## 3. Details of the Subject Acquisition

### (1) Overview of the Preferred Securities

Name of the issuing company of the Preferred Securities	Amagasaki Property <i>Tokutei Mokuteki Kaisha</i>
Intended Acquisition Price	JPY 1,221 million yen
Overview	① The Preferred Securities are to be issued by Amagasaki TMK for the purposes of conducting the following business.

	<p>(i) asset securitization plan based on the asset liquidation law (Act No. 105, 1998, including subsequent revisions, hereinafter referred to as the “Asset Liquidation Act”) (hereinafter referred to as the “Liquidation Plan”) and the business related to the management and disposal of the specified asset</p> <p>(ii) Any business incidental to (i) above</p> <p>② (Intended) Summary of Amagasaki TMK (Note 1)</p> <table border="1" data-bbox="552 465 1386 631"> <thead> <tr> <th colspan="3">Amagasaki Property TMK</th> </tr> </thead> <tbody> <tr> <td>Subject Trust Beneficiary Interest (Note 2)</td> <td>Debt</td> <td>33,392 million yen</td> </tr> <tr> <td rowspan="2">JPY44,127 million yen</td> <td>Preferred Securities</td> <td>10,735 million yen (Note 3)</td> </tr> <tr> <td>Common Securities</td> <td>JPY100,000</td> </tr> </tbody> </table> <p>(Note 1) With respect to the expressed amount, the estimated value as of September 28, 2018 is stated. In addition, the amounts are rounded down to the nearest unit, thus, even if the listed amounts are added, it may not match the total value.</p> <p>(Note 2) The “Subject Trust Beneficiary Interest” is primarily secured by the Subject Property as its underlying asset.</p> <p>(Note 3) Of the total amount of the Preferred Shares, LLR intends to acquire JPY1,221 million (or approximately 11.4% of the total).</p> <p>③ Amagasaki TMK’s fiscal year is from June 1 – November 30, and December 1 – May 31, and is thus comprised of two fiscal periods. The distribution of profits and distribution of residual assets are as follows:</p> <p>(Profit Distribution)</p> <p>a) With respect to distribution of profits, priority members are entitled to receive a dividend based on an amount determined at the general meeting of members and has preference over specified members within a range of distributable earnings calculated in accordance with the asset liquidation plan in each fiscal year. In addition, certain specified members have previously waived their right to receive distribution of profits in accordance with the asset liquidation plan.</p> <p>b) Dividends of the Preferred Securities will be distributed in accordance to the total amount available for distribution divided evenly by the number of preferred securities outstanding.</p> <p>(Distribution of residual assets)</p> <p>Since specified members have waived their right to receive distributions of residual assets in advance of the asset liquidation plan, distribution of residual assets to specified members will not be carried out, and only distribution of residual assets to preferred members will be conducted.</p> <p>With respect to the method of distributing residual assets, pursuant to the provisions set forth in Article 502 of the Companies Act of the Asset Liquidation Act (Act. No. 86 of 2005, including subsequent amendments), payment of obligations etc. of Amagasaki TMK or the distributable residual assets after retaining fundings necessary for repayment have the right to received distribution according to the number of preferred securities owners.</p>	Amagasaki Property TMK			Subject Trust Beneficiary Interest (Note 2)	Debt	33,392 million yen	JPY44,127 million yen	Preferred Securities	10,735 million yen (Note 3)	Common Securities	JPY100,000
Amagasaki Property TMK												
Subject Trust Beneficiary Interest (Note 2)	Debt	33,392 million yen										
JPY44,127 million yen	Preferred Securities	10,735 million yen (Note 3)										
	Common Securities	JPY100,000										
Other	<p>Overview of the preferential negotiation rights granted in connection with the acquisition of the Preferred Securities</p> <table border="1" data-bbox="528 1933 1386 1968"> <tr> <td>① Amagasaki TMK may not enter into negotiations or contract actions relating to the sale</td> </tr> </table>	① Amagasaki TMK may not enter into negotiations or contract actions relating to the sale										
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	<p>or other disposition of the Subject Property or the Subject Trust Beneficiary Interest (hereinafter referred to as the “Assets”) with a third party until the end of the Preferential Negotiation Rights Agreement is concluded with a decision determined by either LRA or the preferential negotiation rights holder (i.e. LLR or LLR’s designated third party. The same shall apply hereinafter).</p> <p>②Neither LLR nor Amagasaki TMK assume any legal obligation to buy or sell the Assets.</p> <p>③As a conditions precent to signing a purchase and sale agreement by the preferential negotiation rights holder, LRA or the preferential rights holder will conduct its own due diligence (“DD”) comprised of an appraisal, engineering report, environmental analysis, building code compliance analysis, contractual agreements, and diligence of other agreements, and provided that it is satisfied with its DD, then and only then will it move forward.</p> <p>*As of today, there are no guarantees that LLR will make a decision to acquire the Asset, and this it can always be acquired. LLR will make the necessary determinations after performing the necessary DD, and in accordance with LRA’s in-house regulations. Additionally, upon obtaining a preferential negotiation right, neither LLR nor LRA will pay any compensation to the contract signing party.</p>
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(2) Subject Property Summary

The following table summarizes the outline of the property (hereinafter referred to as "Individual Property List"). Terms used in referring to such individual property list are as follows. Please refer to the individual property table together with explanation of such terms.

The outline of the Subject Property and the information described about Amagasaki TMK later on are based on information provided by this Specified Purpose Company as of today, and for those items where dates are not specified, as of September 19, 2018. In the future, should LLR carry out its acquisition of the Subject Property, the property metrics at the time of acquisition in the future may differ from this information.

a. Explanation of classification

- “Property Use” is determined by the stated type of use recorded on the property registry.

b. Explanation of what is shown in the column listed as “Summary of Specified Asset”

- “Type of Specified Asset” indicates the type of trust beneficiary interest acquired by Amagasaki TMK at the time of the acquisition.
- “Outline of Trust Beneficiary Interest” lists the trust establishment date, trustee, and trust expiration date at the time of acquisition by Amagasaki TMK
- The “location” of the land describes the address of the site, and for those sites without one, it indicates the location of the building above (if there are multiple buildings, then one will be picked).
- The “area” of the land is based on the description on the property registry and may not be consistent with the current situation.
- The “usage area” of the land describes the allowable uses of the a given site baseeed on Article 8, Paragraph 1, Item 1 of the Urban Planning Act (Law No. 100 of 1964, including subsequent revisions)
- The “site coverage ratio” of the land is the ratio of building area of the building relative to the

site area, as stipulated in Article 53 of the Building Standards Law, and it describes the upper limit to what may be built per site in accordance with the zoning in the area.

- The “floor area ratio” of the land is the ratio of the total area of the building relative to the site area, as stipulated in Article 52 of the Building Standards Law (Law No 201 of 1954, including subsequent revisions), and it describes the upper limit of the volume allowable per zoning in accordance with urban planning in the area.
  - The “ownership type” of land and building describes the type of rights held by the trustee.
  - The “structure and floor number” and “type “ of building is based on what is described in the property registry.
  - The “construction period” describes the date to when the construction of the building was completed based on what is noted on the property registry.
  - The “gross floor area” is based on what is noted on the property registry.
  - With respect to “tenant details” pertaining to “tenant number”, “annual rent”, “security deposits and guarantees”, “leased area”, “potential leasable area”, and “occupancy”, these figures were obtained from Amagasaki TMK.
  - “PM” refers to the property management company intended to be contracted for the Subject Property.
- c. Explanation about the “Special Notes” column
- Under “Special Notes”, consideration is given to those aspects of the deal that may influence property rights, property utilization, safety, etc. of real estate of entrusted real estate, at the date of this press release including but not limited to the following items.
    - Major constraints or restrictions based on laws and regulations
    - Burdens or encumbrances placed on rights relationships
    - Main items such as agreements with tenants or end tenants, relating to the lease or usage status of tenants or end tenants
    - Structure that cross a boundary crossing or when there are issues with boundary confirmations, etc.

Proerty Name		LOGIPORT Amagasaki
Property Use		Warehouse (Note 1)
Type of Specified Asset		Real Estate Trust Beneficiary Interest
Outline of Trust Beneficiary Interest	Trust Establishment Date	October 20, 2015
	Trustee	MUFJ Trust K.K.
	Trust Expiration Date	September 30, 2033
Land	Location	Hyogo-prefecture, Amagasaki-city, Ougi-machi No. 22
	Area	124,169.55 m <sup>2</sup> (Note 2)
	Useage area	Industrial Zoning
	Site Coverage Ratio	60%
	Floor Area Ratio	200%

	Ownership Type	Fee simple and Leasehold
Building	structure and floor number	Steel-framed alloy plating and steel plates, 7 floor above ground
	construction period	April 15, 2009
	GFA	258,704.56 m <sup>2</sup>
	Type	Warehouse
Tenant Details	Number of tenants	6
	Annual Rent	Not available (Note 3)
	Security Deposits / Guarantees	Not available (Note 3)
	Leased Area	76,365.36 m <sup>2</sup>
	Potential Leaseable Area	216,500.74 m <sup>2</sup>
	Occupancy	35.3%
PM		KK Xymax Kansai (Intended)
Special Notes		None

(Note 1) Converted on October 13, 2017, portion of the building was demolished (use type was converted from a “factory” to “warehouse”)

(Note 2) Part of the land is on a ground lease and the “Area” noted above includes the area that is leased. The ground leased area is 3,028.00 m<sup>2</sup>.

(Note 3) Due to the fact that disclosure of rents have not received approval from tenants, this information is not able to be disclosed.

### (3) Summary about Amagasaki TMK

Name of entity	Amagasaki Property TMK	
Address	2-1-1 Marunouchi, Chiyoda-ku, Tokyo	
Representative	Director Takeshi Miyazato	
Main Business	1.Assignment of specified assets in accordance with an asset liquidation plan based on the Asset Securitization Law and business related to the management and disposition of said assets. 2.Other incidental business related to 1. above	
Specified Contribution Amount	JPY 100,000 (as of September 6, 2018)	
Amount of Preferred Equity Investment	JPY 10,735 million yen (as of September 27, 2018)	
Establishment Date	September 2018	
Specified Investor	Irohazaka <i>Ippan Shadan Hojin</i>	
	Capital ties	LLR intends to acquire approximately 11.4% of the total amount of preferred equity of Amagasaki TMK. Except for the above, there are no significant capital relationships with LLR or LRA.
	Human relationships	None
	Transactional	None

relationships	
Related Parties	Irohazaka ISH is not a related to party to either LLR or LRA In addition, since Amagasaki TMK has concluded an asset management agreement with the Sponsor, LaSalle KK, which is the parent company of LRA, this deal falls under a internal rule of being a related party transaction,

4. Outline of Appraisal etc. of the Subject Property

Since an appraisal is will be obtained at that point in time in the future when LRA begins consideration for acquiring the Subject Property, at present, neight LLR not LRA have obtained an appraisal for the valuation of the Subject Property or the Trust Beneficiary Interest.

5. Summary of third party evaluation reports of the Preferred Securities

With respect to the Preferred Securites, LRA has obtained an evaluation report from a third party. The outline of the report is as follows:

Subject Preferred Securities

Reference valuation (Note): JPY 1,447 million yen (scheduled issue price JPY 1,221 million yen)

Author: KK Tanizawa Sogo Appraisal

(Note) The above value is an approximate price calculated based on an appraisal report obtained by Amagasaki TMK (taking into consideration the future increase in occupancy rate) and based on materials provided by LRA.

6. Related Party Transactions

Since the acquisition of the Preferred Securities falls under the category as a Related Party Transaction Rules of the Asset Maneger, the transaction has undergone necessary deliberation and resolution based on regulations and other internal rules of LRA

7. Settlement Method and Acquisition Schedule

(1) Settlement Method

On September 26, 2018, all amounts are expected to be paid.

(2) Acquisition Schedule

The Newly Acquired Assets will be acquired based on the following schedule

9/19/2018	Conclusion of determination to acquire, execution of underwriting agreement concerning the acquisition of Preferred Securities
9/26/2018	Funding of equity contribution amounts (intended)
9/27/2018	Acquisition of Preferred Securities (intended)

8. Summary about brokers

No brokers were used to conduct this acquisition.

9. Outlook going forward

The effect of this Subject Acquisition upon LLR's financial earnings as of the end of the fiscal period ending in February 2019 (9/1/2018 ~ 2/28/2019) is expected to be insignificant. Thus there are no changes in the operational situation to LLR, relative to what was announced on April 13, 2018

as it pertains to the fiscal period ending in February 2019 (9/1/2018 ~ 2/28/2019).

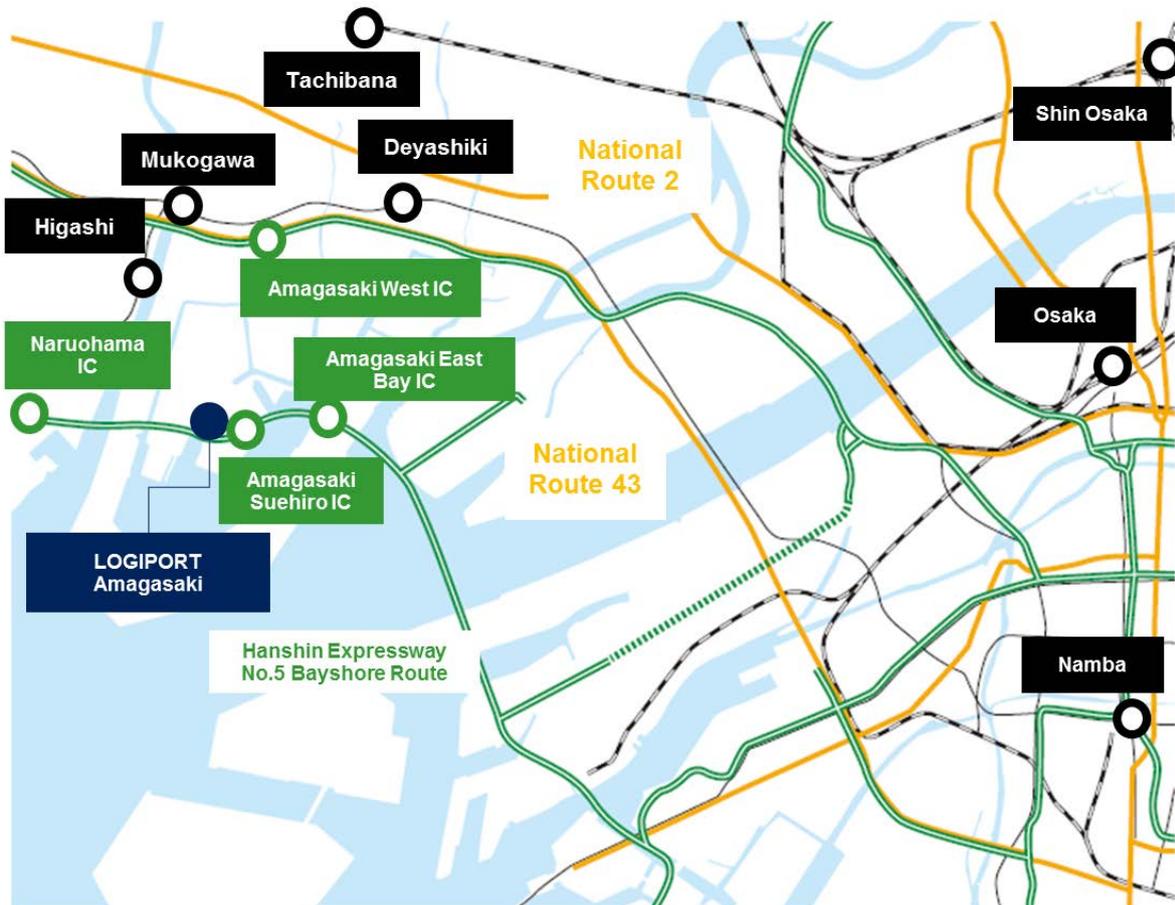
\* Recipients of this notice: the Kabuto Club, the press club of the Ministry of Land, Infrastructure, Transport and Tourism, and the press club for construction industry newspapers at the Ministry of Land, Infrastructure, Transport and Tourism

\* LLR's website: <http://lasalle-logiport.com/english/>

Exhibit 1: Features of the LOGIPORT Amagasaki

The Subject Property is “large scale, high specification” logistics facility located in a “suitable logistics site” in the Osaka area, and it is property that meets the standards of “Prime Logistics”





Logistics Suitable Site

- ① Excellent access to high consumption areas (population aggregation)  
Good access to Osaka city which is a large consumer market
- ② Close proximity to major arterial roads (interchanges)  
Access to the expressway is good where the Subject Property is within 0.2km of the Amagasaki Suehiro interchange
- ③ 24 hour operations within an industrial use area  
Located in an industrially zoned area which affords 24-hour operations
- ④ Access to public transportation within walking distance  
Subject Property is located 10 minutes by bus from the Fudanji station so securing employees with relative ease can be expected. Bicycle access is also possible given the location is about 2.2km from Togaruo Station and about 2.5km from Mukogawa Station.



#### Large scale

- ① GFA 85,000+ tsubo, 1 floor consists of leasable area in excess of 10,000 tsubo

#### High Specifications

- ① Effective floor to ceiling heights of 6.0+ meters, floor loads of 1.5t/sqm (1st floor), 0.8t/sqm (floors 2-6), and column-to-column spacing approximately 16m × 16m
- ② Upper floor truck access via rampway
- ③ Freight elevators with a loading capacity of 3.5 tons. Vertical conveyors throughout.
- ④ Compatible with multi-tenant specifications affording flexible partitioning design (1 floor may be partitioned up to 6 bays)
- ⑤ Truck berths are set up on both sides of the first floor and via a central large corridor on the upper floors
- ⑥ Ample office space with air conditioning