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February 15, 2021

To All Concerned Parties

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Notice Concerning LOGIPORT Amagasaki Hazardous Material Warehouse Expansion Project

LaSalle REIT Advisors K.K. (“**LRA**” or “**Asset Manager**”), to which LaSalle LOGIPORT REIT (“**LLR**”) has entrusted the management of its assets, announces that LRA has resolved to construct a hazardous material warehouse (hereinafter referred to as the ‘**Expansion**’) on the premises of LOGIPORT Amagasaki, which is an asset owned by LLR. Details are described below.

1. Expansion Project Overview

- | | |
|---|--|
| (1) Asset name | :LOGIPORT Amagasaki East Hazardous Material Warehouse (the “ Property ” or the “ Intended Acquisition Asset ”) |
| (2) Location (city or ward, prefecture) | : Amagasaki-city, Hyogo |
| (3) Intended Acquisition Price (Note 1) | : 457 million yen |
| (4) Intended acquisition date | : Late September 2021 (Delivery date) |
| (5) NOI Yield (Note 2) | : 13.7% |
| (6) Post-depreciation Yield (Note 3) | : 10.7% |
| (7) Funds for acquisition | : Cash on hand |
| (8) Construction company | : SANWA GENERAL CONTRACTOR Inc. |
| (9) Construction agreement execution date | : February 15, 2021 |

- (10) Construction cost payment date : 10% of the construction cost to be paid during the following month of the construction agreement execution date. 90% of the construction cost to be paid during the following month of the delivery date (intended)

Notes:

1. “Intended Acquisition Price” is derived from the intended acquisition price relating to the Expansion project (the total of construction costs, design fee, and CM fees) rounded down to the nearest million yen. As of today, the construction has not yet commenced, thus, the actual figure for intended acquisition price may differ.
2. “NOI yield” is the estimated rental revenue, less estimated operating expense (excluding depreciation expense) of the Property calculated by the Asset Manager (hereinafter referred to as “NOI”) divided by the intended acquisition price, rounded to the first decimal place.
3. “Post-depreciation Yield” is defined as, the NOI of the Property minus the estimated depreciation expense calculated by the Asset Manager divided by the intended acquisition price, rounded to the first decimal place.

2. Rationale for the Expansion Project

LOGIPORT Amagasaki is a “large-scale and high specification” modern logistics facility located in places suitable for logistics facilities within the Osaka area and meets LLR’s criteria for what is considered to be “Prime Logistics.” As part of LLR’s internal growth strategy, the Asset Manager has decided on the Expansion project based on its judgment that the Intended Acquisition Asset would further improve profitability and increase asset value by utilizing the unused portion of the floor-area ratio.

In addition, the Expansion project was decided based on the judgment that we could respond to the growing demand for hazardous materials warehouses against a backdrop of the growing demand for storage and distribution of alcohol disinfectants and other hazardous materials in recent years.

3. Description of Intended Acquisition Asset

(1) Overview of Intended Acquisition Asset

Tables (2) through (4) below provide an overview of the Intended Acquisition Asset (the “**Individual Property Tables**”). When referring to the Individual Property Tables, please refer to the following explanation for terms used.

In principle, unless otherwise noted, all information included in the tables is as of December 17, 2020.

a. Explanation on the section

- “Use” column indicates the primary building’s type of use stated in the property registry.

b. Explanation on “Overview of specified asset”

- “Type of specified asset” represents the category of the Intended Acquisition Asset upon acquisition that is planned on the date of this press release.
- “Intended acquisition date” represents the planned completion/delivery date of the Intended Acquisition Asset.
- “Intended Acquisition Price” is derived from the intended acquisition price noted in the construction

agreement for the Expansion project (the total of construction costs, design fee, CM fees, and other miscellaneous fees) rounded down to the nearest million yen.

- “Location” of “Land” represents the displayed address of property. If there is no displayed address, the building address in the property registry is shown (If there are multiple addresses shown on the property registry, then one address will be chosen).
- “Land area” of “Land” is based on the description in the land registry, and the land area of some sites may not match the current status.
- “Zoning” of “Land” represents the types of districts listed in Article 8, Paragraph 1, Item 1 of the City Planning Act (as amended).
- “SCR” of “Land” represents the ratio of the building area of buildings to the site area, as depicted in Article 53 of the Building Standards Act (as amended), indicating the upper limit of the site coverage ratio (“SCR”) as determined in city planning in accordance with the zoning.
- “FAR” of “Land” represents the ratio of the total floor area of buildings to the site area, as depicted in Article 52 of the Building Standards Act, indicating the upper limit of the floor area ratio (“FAR”) as determined in city planning in accordance with the zoning.
- “Form of ownership” of “Land” and “Building” represents the type of rights owned by the trustee with respect to the Intended Acquisition Asset.
- “Presence or absence of pledged collateral setting” indicates whether a property is scheduled to be pledged by LLR as collateral after acquisition of corresponding asset and an overview of the collateral if such property is scheduled to be pledged as collateral.
- “Master lessee” represents the companies with which the trustee has entered into or will enter into a master lease agreement for the Intended Acquisition Asset.
- “Type of master lease” represents, in accordance with the terms and conditions of the master lease agreement, “pass-through type” for the pass-through type master lease in which rent received by the lessor is in principle the same amount as the rent received by the master lessee from end-tenants, and “sub-lease type” for the sub-lease type master lease in which rent received by the lessor is fixed even if the rent received by the master lessee from end-tenants change. No Master Lease Agreement has been or is going to be entered into with respect to the Intended Acquisition Asset.
- “Overview of property assessment report” represents the summary of the engineering report of the Intended Acquisition Asset conducted by Tokio Marine & Nichido Risk Consulting Co., Ltd. upon request by LLR. The engineering firm conducted an investigation of the building condition and planning of short-term and long-term repair and maintenance. The engineering report represents a judgment and an opinion of the engineering firm mentioned above only at a certain point in time, and any adequacy and accuracy of the reports are not guaranteed.
- “Structure / No. of floors” and “Type” of the building are based on what is noted in the construction agreement.
- “Completion date” of the building represents the planned date of completion/delivery of the Intended Acquisition Asset. “Gross floor area” of the building is based on what is noted in the construction agreement.
- “Property manager” is the property management company with which the trustee will enter into a

property management agreement in order to manage the Intended Acquisition Asset.

- “Lease” is based on the planned lease agreements for the respective Intended Acquisition Asset.
- “Number of tenants” is based on the number of buildings described in the planned lease agreements for each trust property. Should master lease agreements be entered into or are going to be entered into, this figure represents the total number of end-tenants. However, tenants who have entered into multiple lease agreements are counted as one tenant.

c. Explanation on “Remarks”

“Remarks” indicate items believed to be materially important in terms of the relationship of rights and use of acquired assets as well as items believed to be materially important in consideration of their impact on appraisal value, profitability, and possibility of disposal regarding a given acquired asset based on the information as of the day of this press release date, and includes the following items:

- Major restrictions or regulations under laws and other rules
- Major encumbrances or restrictions related to rights and duties
- Major matters concerning lease terms agreed with tenants or end tenants, or major status, etc. of property use by tenants or end tenants
- Major matters when there are structures or other physical elements that cross abutting real estate boundary lines, or when there are problems in confirming real estate adjacent boundaries

d. Explanation of “Outline of leasing”

- “Outline of leasing” represents the terms and conditions of lease agreements with the top two tenants based on the leased area occupied space for each trust property. In cases where a master lease agreement is entered into, it represents lease agreements between the end tenants and the master lessee.
- “Leased area” means the leased area of the building stipulated in the respective lease agreement and the figures are rounded down to the nearest whole number.
- “Net rentable area” refers to the area available for lease with respect to the entrusted real estate’s total area that can be leased based on a lease contract (or building blueprint) rounded down to the nearest whole number.
- “Annual rent” is calculated by multiplying by twelve the monthly rent (including common area maintenance fees but excluding national and local consumption taxes; if the property has multiple tenants, the total of all monthly rents) for the building stipulated in each lease agreement of the respective Intended Acquisition Asset. Figures are rounded down to the nearest million yen.
- “Security deposit” represents the outstanding balance of tenant leasehold and security deposit from the respective end-tenants set forth in the corresponding lease agreements. Figures are rounded down to the nearest million yen.

e. Explanation of the “Outline of the appraisal report”

- “Outline of the appraisal report” describes the summary of the appraisal report for the Intended Acquisition Asset prepared by the appraisers upon LLR’s request. Such appraisal reports represent a

judgment and an opinion of the appraiser as an evaluator at a certain point in time, and any adequacy, accuracy of the report or feasibility of a transaction at such appraisal value are not guaranteed. In this item, figures are rounded down to the nearest unit and ratios are rounded to the first decimal place.

(2) Overview of the specified asset

Asset name	LOGIPORT Amagasaki East Hazardous Material Warehouse	
Use	Warehouse (Note 1)	
Type of specified asset	Trust beneficiary interest in real property (Note 2)	
Planned acquisition date	Late September 2021	
Intended acquisition price	457 million yen	
Land (Note 3)	Location	20 Ogimachi, Amagasaki-city, Hyogo
	Land area	124,169.55 m ²
	Zoning	Exclusive industrial zone
	SCR	60%
	FAR	200%
	Form of ownership	Ownership, Leasehold
Presence or absence of pledged collateral setting	None	
Master lessee	-	
Type of master lease	-	
Appraisal value (Date of Valuation)	58,900 million yen (Note 4) (as of January 31, 2021)	
Real estate appraiser	Tanizawa Sogo Appraisal Co., Ltd.	
Overview of engineering report	Appraiser	Tokio Marine & Nichido Risk Consulting Co., Ltd.
	Appraisal date	January 2021
	Emergency repair cost	-
	Short-term repair cost	-
	Long-term repair cost	11,096 thousand yen / 12 years (annual average: 924 thousand yen)
Building	Structure / No. of floors	①Steel-framed alloy plating and steel plates, 1 floor above ground ②Steel-framed alloy plating and steel plates, 1 floor above ground
	Completion date	Late September 2021 (intended)
	Gross floor area	①998.40 m ² ②998.40 m ²
	Type (Note 1)	①Warehouse ②Warehouse
	Form of ownership	Freehold
Property manager	XYMAX KANSAI Corporation	
Lease	Number of tenants	1

	Annual rent	Undisclosed (Note 5)
	Security deposit	Undisclosed (Note 5)
	Leased area	1,996.80 m ²
	Net Rentable area	1,996.80 m ²
	Occupancy rate	100.0%
Remarks		None

Notes:

1. The specified use is the use described in the property registry for the existing building.
2. The Intended Acquisition Asset will be an entrusted asset along with the existing building in the existing real estate trust beneficiary interest.
3. Regarding the land, the description covers LOGIPORT Amagasaki in its entirety.
4. The appraisal value (value date: January 31, 2021) is based on LOGIPORT Amagasaki in its entirety. For details of the appraisal report, please refer to “(4) Outline of the appraisal report after assuming the completion of the Expansion project” as noted below.
5. Not disclosed because approval has not been obtained from the tenant.

(3) Outline of leasing

Outline of leasing			
Tenant	Leased area	Annual rent (excluding national and local consumption taxes)	Security deposit
NIPPON EXPRESS CO., LTD.	1,996.80 m ²	Undisclosed (Note)	Undisclosed (Note)
Contract type: Fixed-term lease agreement			
Rent revision: Undisclosed (Note)			
Early termination: Undisclosed (Note)			

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

(4) Outline of the appraisal report after assuming the completion of the Expansion project

Outline of appraisal report (Note)		
Item	Details (million yen)	Outline
Appraisal value	58,900	58,900 million yen
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.
Appraisal date		January 31, 2021
Income approach value	58,900	Assessed by correlating the price based on the discounted cash flow method with verification by the direct

			capitalization method.
	Direct capitalization method	59,600	
	Operating revenues	3,293	
	Total potential revenue	3,417	Assessed based on the revenue from rent and common area maintenance that could be procured on a consistent basis for a mid-to-long term.
	Loss such as vacancy	124	Assessed based on the standard vacancy rate that could be procured on a consistent basis for a mid-to-long term.
	Operating expenses	686	
	Maintenance costs	104	Assessed based on the previous year's actuals and current contract terms and conditions.
	Utility costs	131	Assessed based on the previous year's actuals
	Repair costs	26	Assessed based on the repair and renewal expenses described in the engineering report.
	Property management fees	7	Assessed based on current terms and conditions.
	Tenant solicitation expenses	25	Assessed based on tenant lease rollover assumptions.
	Property taxes	367	Assessed based on previous year's actual amount.
	Non-life insurance premiums	7	Assessed based on insurance related documents and similar cases.
	Other expenses	16	Assessed based on previous year's actuals and compared against comparable real estate.
	Net operating income	2,606	
	One-time investment gains	7	The investment yield is assessed as 1.0%.
	Capital expenditure	53	Assessed based on the repair and renewal expenses described in the engineering report.
	Net income	2,560	
	Capitalization rate	4.3%	Assessed based on examples of comparable real estate transactions while taking into account particular factors specific to the real estate.
	Discounted cash flow method	58,600	
	Discount rate	4.4%	Assessed based on yield premiums relative to other financial assets while considering the individual characteristics of the real estate.
	Terminal capitalization rate	4.5%	Assessed based on the capitalization rate coupled with reflecting uncertainties about the future and other market trend risks.

Cost method value	54,100	
Proportion of land	64.3%	
Proportion of building	35.7%	
Other points to be noted for the determination of appraisal value		None

Note: The table above is an outline of the appraisal report for LOGIPORT Amagasaki in its entirety (including the existing asset as well as the Intended Acquisition Asset).

4. Transactions with Related Parties

Not being acquired from or disposed to any related parties with LLR or LRA.

5. Settlement Method and Acquisition Schedule

(1) Settlement Method

10% of the construction cost to be paid during the following month of the construction agreement execution date. 90% of the cosntructin cost to be paid during the following month of the delivery date (intended).

(2) Acquisition Schedule

The Intended Acquisition Asset will be acquired based on the following schedule

February 15, 2021	Execution of the construction agreement and planned lease agreement
Early April 2021	Construction starts (intended)
Late September 2021	Completion and transfer of the Property (intended)

6. Broker Summary

There is no brokerage firm involved in this Acquisition.

7. Future Outlook

The Expansion project is scheduled to be delivered in September 2021, and there are no changes in the operational condition to LLR and its distributions forecast, relative to what was announced on October 15, 2020 for the fiscal periods ending in February 2021 and August 2021.

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

<Attachments>

Exhibit-1: Exterior image (the Intended Acquisition Asset)

Exhibit-1: Exterior image (the Intended Acquisition Asset)



(Note) The illustration above is a rendering as of today and may differ from the actual building after completion. .