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To All Concerned Parties

REIT Issuer:

LaSalle LOGIPORT REIT

1-11-1, Marunouchi, Chiyoda-ku, Tokyo

Representative: Toshimitsu Fujiwara, Executive Director
(Securities Identification Code: 3466)

Asset Manager:

LaSalle REIT Advisors K.K.

Representative: Toshimitsu Fujiwara, President and CEO

Contact: Daisuke Ishida, Director, General Manager of
Finance & Management Department

TEL: +81-3-6367-5600

Notice regarding Acquisition of Asset (Preferred Shares of Kansai 1 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 Shares**”).

Since the acquiring party of the Preferred Shares falls under a category of being a related party transaction, based on the rules set forth in LRA’s related party transaction rules (“**Related Party Transactions Rules**”), 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 | : Preferred Shares (Note 2) of Kansai 1 Property TMK (“ Subject TMK ”)
(Note 1) |
| (2) Acquisition Price | : 1st Preferred Shares 201 million yen
: 2nd Preferred Shares 300 million yen (upper limit) (Note 2)
(The 1 st Preferred Shares represents approximately 4% of the total Preferred Shares. The total amount of the preferred shares noted above (501 million yen) represents approximately 11% of the total preferred shares to be issued by the Subject TMK) (Note 3) |
| (3) Scheduled Acquisition Date | : 1st Preferred Shares: 201 million yen
March 18, 2021
: 2nd Preferred Shares: 300 million yen (upper limit) (Note 2)
Late November 2021 (Note 2) |
| (4) Acquiring Entity | : Subject TMK |
| (5) Underlying Real Estate | : (tentative name) LOGIPORT Kansai 1 (the “ Subject Property ”) (Note 4) |
| (6) Acquisition Funds | : Cash on hand |

Note :

1. For details about Kansai 1 Property TMK, please refer to “3.Details of the Subject Acquisition / (1) Overview of the Preferred Shares” below.
2. The Preferred Shares are issued by the Subject TMK that will develop "LOGIPORT Kansai 1" (tentative name). Along with the LLR's acquisition of the 1st Preferred Shares, LLR will enter into an agreement with the Subject TMK concerning the granting of a preferential negotiation right (hereinafter referred to as the "Preferential Negotiation Right") through a preferential negotiation right agreement (hereinafter referred to as the "Preferential Negotiation Rights Agreement") on the same date as the execution of the underwriting agreement for the 1st Preferred Shares. Details of this Preferential Negotiation Right is as described in the section "3. Details of the Subject Acquisition / (1) Overview of the Preferred Shares / Other" below. Also, in relation to the issuance of the 2nd Preferred Shares (Scheduled to be issued in late November 2021 as of the date of this press release but this issuance has not been concluded yet. If it is to be issued, the timing may differ from the above.), it will be set forth in the first underwriting agreement for the Preferred Shares that LLR and the Subject TMK will negotiate the issuance amount (which is not to exceed the above noted upper limit), and that LLR is not obliged to subscribe for the 2nd Preferred Shares. The same applies hereinafter.
3. If the 2nd Preferred Shares will be issued, LLR will negotiate with the Subject TMK regarding the underwriting and the issuance amount of the 2nd Preferred Shares (the amount noted above is expected to be the upper limit as of the date of this press release) which is subject to change. The same applies hereinafter.
4. Details about the Subject Property are described in “3. Details of the Subject Acquisition / (2) Subject Property Summary” below.

2. Reasons for acquisition

The Subject Property is scheduled to be developed as a “large scale, high specification” logistics facility located in a “suitable logistics site” in the Osaka Area (Note 1), and is to be a property that meets the criteria of "Prime Logistics" (Note 2) set forth by LLR. In connection with the Subject Acquisition, LLR will secure a Preferential Negotiation Right for the Subject Property which is expected to generate stable earnings over the medium to long term. In addition, by executing this acquisition as part of LLR's Excess Returns Strategy (Note 3), this acquisition creates opportunities to receive additional dividends (Note 4) through the Preferred Shares. The Subject Acquisition has been carefully decided on based on the information above.

Since the Subject Property is currently land with plans to be developed in the future, the LLR has decided to indirectly invest in this property by acquiring Preferred Shares with its own funds. If LLR were to acquire the Subject Property directly by raising funds through the issuance of new investment units and debt, LLR will face greater risks which may lead to the dilution of DPU and NAV per unit. Accordingly, LLR has decided to acquire the Preferred Shares with its own funds while securing an acquisition opportunity for this property in the future by acquiring a Preferential Negotiation Right. The Subject Property is currently in the planning stage of development and the schedule may be delayed, modified or cancelled. In addition, we expect to earn revenues from this Subject Property beginning in 2023 (planned), which is the post-completion timing of this property. In order to reduce the risks incurred in connection with the development plan, LLR shall negotiate the preconditions for the issuance of the 2nd Preferred Shares (hereinafter referred to as the "**Additional Capital Contribution**") given that the development plan has progressed as anticipated.

Going forward, the Subject TMK's asset manager will be LaSalle Investment Management K.K. (the "**Sponsor**"). The Sponsor will concentrate on development and leasing activities to monetize

the Subject Property. Based upon the prevailing occupancy rate (Note 5) situation, LLR will consider the appropriate timing as to when to proceed with acquiring the Subject Property directly.

Note :

1. "Osaka Area" is defined as the area that is within a 45km radius from JR Osaka station.
2. LLR has defined "prime logistics" as those properties, which are "large-scale, high specification" and located in "suitable logistics sites."
3. "Excess Returns Strategy" refers to LLR's unique strategy aimed at obtaining excess returns from Excess Returns Investments. "Excess Returns Investments" are not a simple acquisition of a stabilized property, but rather are investments in a property prior to stable operations where leasing activities have not been completed, or where a targeted property has room for redevelopment or building expansion. An investment strategy that creates added value through asset management by LLR or its Sponsor, whereby the aim is to procure "excess returns." This includes, for example, profits obtained by LLR earning dividends on the preferred investment securities, or by leasing up properties prior to stable operation and increasing their real estate value.
4. Dividends from the Preferred Shares are anticipated to be generated once the Subject Property's occupancy rate gets above a certain amount after completion and when a gain on sale of the TMK's Preferred Shares are generated.
5. Currently, an agreement has not been executed with a tenant.

3. Details of the Subject Acquisition

(1) Overview of the Preferred Shares

Name of the issuing company of the Preferred Shares	Kansai 1 Property <i>Tokutei Mokuteki Kaisha</i>
Intended Acquisition Price	1st Preferred Shares 201 million yen 2nd Preferred Shares 300 million yen (upper limit) The total amount above represents approximately 11% of the total preferred shares
Overview	<p>① The Preferred Shares represents a part of the total preferred shares to be issued by the Subject TMK for the purposes of conducting the following business.</p> <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 The Subject TMK's fiscal year is from December 1 – November 30 of the following year, and is thus comprised of one fiscal period. 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 Shares will be distributed in accordance to the total amount available for distribution divided evenly by the number of Preferred Shares 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), holders of Preferred Shares shall be entitled to receive distribution of distributable residual assets after repaying the obligations, etc. of the Subject TMK or by retaining funds necessary for repayment based on the number of units owned.</p>
Other	<p>Overview of the preferential negotiation rights granted in connection with the acquisition of the Preferred Shares</p> <div style="border: 1px solid black; padding: 5px;"> <p>① Subject TMK may not enter into negotiations or contract actions relating to the sale 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>② Neither LLR nor Subject TMK assume any legal obligation to buy or sell the Assets.</p> <p>③ As 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 Subject Property, and there is no guarantee that it will acquire the Subject Property. 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> </div>

(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 the Subject 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, the information can be assumed to be based as of March 10, 2021. 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 the Subject 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 the Subject TMK.
 - The “Usage area” of the land describes the allowable uses of the a given site based 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.
 - “Presence or absence of pledged collateral” indicates whether a property is scheduled to be pledged by LLR as collateral after acquisition of an underlying asset and an overview of the collateral if such property is scheduled to be pledged as collateral.
 - The details related to the property described is based on the current plan and it may change in the future.
- 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.

Property Name		(tentative name) LOGIPORT Kansai 1
Property Use		Warehouse
Type of Specified Asset		Real Estate Trust Beneficiary Interest
Outline of Trust Beneficiary Interest	Trust Establishment Date	June 11, 2019
	Trustee	Sumitomo Mitsui Trust Bank, Limited
	Trust Expiration Date	September 30, 2029
Land	Location	Osaka Area

	Area	Approximately 25,000 m ²
	Usage area	Exclusive industrial zone
	Site Coverage Ratio	60%
	Floor Area Ratio	200%
	Ownership Type	Freehold
Presence or absence of pledged collateral setting		Present
Building (intended)	Construction period	Second half of 2021 Construction starts First half of 2023 Completion
	Gross Floor Area	Approximately 50,000 m ²
	Type	Warehouse
Special Notes		None

(3) Summary about the Subject TMK

Name of entity	Kansai 1 Property TMK	
Address	1-11-1 Marunouchi, Chiyoda-ku, Tokyo	
Representative	Director Matsuzawa Kazuhiro	
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 March 10, 2021)	
Amount of Preferred Equity Investment	4,400 million yen (Estimated maximum amount at the time of the acquisition of the 2 nd Preferred Shares)	
Establishment Date	February 19, 2021	
Specified Investor	Irohazaka <i>Ippan Shadan Hojin</i>	
	Capital ties	LLR intends to acquire approximately 11% of the total amount of preferred equity of the Subject TMK. Except for the above, there are no significant capital relationships with LLR or LRA.
	Human relationships	None
	Transactional relationships	None
	Related Parties	Irohazaka ISH is not a related to party to either LLR or LRA In addition, since the Subject TMK has concluded an asset management agreement with the Sponsor, LaSalle KK, which is the parent company of LRA, this deal falls under an internal rule of being a related party transaction,

4. Outline of Appraisal etc. of the Subject Property

Since an appraisal will be obtained at that point in time in the future when LRA begins consideration for acquiring the Subject Property, at present, neither LLR nor LRA have obtained an appraisal for the valuation of the Subject Property or the Trust Beneficiary Interest.

5. Related Party Transactions

Since the acquisition of the Preferred Shares falls under the category as a Related Party Transaction of LRA, the transaction has undergone necessary deliberation and resolution that the intended acquisition price (upper limit) is lower than the reference valuation described in the Preferred Shares valuation report prepared by an independent third party, based on regulations and other internal rules of LRA.

6. Settlement Method and Acquisition Schedule

The Subject Property will be acquired based on the following schedule. As for the settlement method, the full amount is expected to be funded on the acquisition date (intended) of each of the following preferred shares.

March 10, 2021	Conclusion of determination to acquire and execution of underwriting agreement concerning the acquisition of Preferred Shares
March 18, 2021	1st acquisition of Preferred Shares (intended)
Late November 2021	2nd acquisition of Preferred Shares and the conclusion of the acquisition of Preferred Shares (intended)
First half of 2023	(tentative name) LOGIPORT Kansai 1 construction completes (intended)

7. Summary about brokers

No brokers were used to conduct this acquisition.

8. Financial impacts on LLR in the event of failure to fulfill forward commitment

With respect to the Additional Capital Contribution, under the Underwriting Agreement pertaining to the 1st Preferred Shares, if the 2nd Preferred Shares are to be issued, LLR shall negotiate the underwriting of the 2nd Preferred Shares. Therefore, LLR shall treat the Additional Capital Contributions as a forward commitment, etc. (Note). The first underwriting agreement for Preferred Shares does not stipulate penalties for damages, etc. incurred by other parties arising out of or in connection with the breach of the obligations of such underwriting contract. LLR intends to allocate its own funds for the Additional Capital Contribution, and as of today, it has secured monies in excess of the amount of the Additional Capital Contribution. Therefore, it is extremely unlikely that funds will not be raised and that forward commitments will not be fulfilled.

(Note) Forward commitment, etc. refers to a future purchase/sale that promises settlement and delivery more than one month after the date of the execution of a contract.

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 August 2021 (3/1/2021 ~ 8/31/2021) are expected to be insignificant. Thus there are no changes in the operational situation to LLR, relative to what was announced on October 15, 2020 as it pertains to the fiscal period ending in August 2021 (3/1/2021 ~ 8/31/2021).

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