

For informational purpose only. The Japanese press release should be referred to as the original.

March 16, 2023

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: Taira Jigami, Head of Fund Management

TEL: +81-3-6367-5800

**Notice regarding an additional acquisition of an asset
(TK equity interest of LRF2 Properties GK)**

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 Additional Acquisition”) the following additional *tokumei kumiai* equity interest (hereinafter referred to as the “Newly Acquired Asset” or the “Subject TK Equity Interest”).

1. Overview of the acquisition

- | | |
|---------------------------------|---|
| (1) Newly Acquired Asset | : TK Equity Interest with trust beneficiary rights investing in real estate assets (Subject TK Equity) (Note 1) |
| (2) Asset name | : TK equity interest of LRF2 Properties GK |
| (3) Acquisition price | : 330 million yen
(This represents approximately 11% of the total additional TK equity) |
| (4) Scheduled acquisition date | : March 31, 2023 |
| (5) Acquiring entity | : Not applicable due to new investment |
| (6) Underlying real estate | : LOGIPORT Kazo
(referred to as the “Subject Property”) (Note 3) |
| (7) Source of acquisition funds | : Cash on hand |
| (8) Broker involved | : Not applicable |

Note :

1. The Subject TK Equity Interest is a silent partnership equity interest pertaining to a silent partnership with LRF2 Properties GK (“Subject GK”) (Note 2) as the operator. For details on the Subject TK Equity Interest, please refer to “3.Details of the Subject Additional Acquisition / (1) Overview of the silent partnership in which the investment is made”.
2. For details about LRF2 Properties GK, please refer to “3.Details of the Subject Additional Acquisition / (1) Overview of the silent partnership in which the investment is made ” and “3. Details of the Subject Additional Acquisition / (3) Summary about the operator of TK Equity” below.

3. Details about the Subject Property are described in “3. Details of the Subject Additional Acquisition / (2) Subject Property Summary” below.

2. Reasons for acquisition

In accordance with the asset management targets and policies stipulated in the Articles of Incorporation of LLR, LLR will acquire long-term preferential negotiating rights (the “**Preferential Negotiating Rights**”) for the acquisition of real estate trust beneficiary interests through the investment in the TK equity interest. The decision for the Subject Additional Acquisition was made in order to secure opportunities for external growth through future expansion of asset size at a timing that LLR deems appropriate. This point is the same as what was announced in “2. Reasons for acquisition” of “Notice regarding Acquisition of Asset (TK Equity Interest of LRF2 Properties GK)” dated December 13, 2022, and “Notice regarding Acquisition of Asset (TK Equity Interest of LRF2 Properties GK)” dated March 9, 2023.

In addition to the existing six properties, the Subject GK plans to acquire the Subject Property in connection with LLR’s plans to invest 330 million yen (TK equity interest represents approximately 11% of the total additional TK equity) which is a part of the total additional TK equity for the acquisition of Subject Property. LLR will consider the acquisition of the Subject Property by exercising the Preferential Negotiating Rights at an appropriate timing based on capital market conditions as well as the occupancy status of the Subject Property (for some properties, the timing when the rent-free period has passed and rent income will be generated, etc.).

Furthermore, by executing the Subject Additional Acquisition as part of LLR’s external growth strategy involving the Excess Returns Strategy (Note), this acquisition creates opportunities to obtain excess earnings by receiving profit distributions, etc. from the Subject GK, which will be funded by rental income, etc.

Note :

“Excess Returns Strategy” refers to LLR’s 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.

In addition, when acquiring the Subject TK Equity Interest, LLR will invest based on a comprehensive judgment, taking into consideration the portfolio investment criteria and due diligence criteria stipulated in its investment guidelines, as well as points to be considered when investing in real estate backed securities. As of today, no decision has been made by LLR to acquire the Subject Property or the Subject Trust Beneficiary Interest, etc., and there is no guarantee that LLR will be able to acquire the Subject Property or the Subject Trust Beneficiary Interest, etc., in the future.

3. Details of the Subject Additional Acquisition

(1) Overview of the silent partnership in which the investment is made

Operator name	LRF2 Properties <i>Godo Kaisha</i>
Total amount of TK Equity	6,750 million yen (Total expected capital contribution as of March 16, 2023)
Effective period of TK equity	Until December 15, 2027. Provided, however, if the operator's debt is not paid off, the period will be automatically extended

agreement	until the day following the day on which the debt is paid in full.				
Overview of TK equity agreement	<p>The following is an overview of the TK equity agreement. (Note 1)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center; padding: 5px;">LRF2 Properties GK</th> </tr> </thead> <tbody> <tr> <td style="width: 50%; vertical-align: top; padding: 10px;">Subject Trust Beneficiary Interest (Note 2) 73,204 million yen</td><td style="width: 50%; vertical-align: top; padding: 10px; text-align: right;"> Non-recourse loan (senior) 42,354 million yen Non-recourse loan (mezzanine) 11,700 million yen Preferred bonds 12,400 million yen TK equity 6,750 million yen (Note 3) </td></tr> </tbody> </table> <p>Note 1 : 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 six properties including the Subject Property as its underlying asset.</p> <p>Note 3 : Of the total amount of the TK equity, LLR intends to acquire JPY330 million through this additional acquisition, for a total of JPY750 million (or approximately 11% of the total TK equity).</p> <p>Calculation period :</p> <p>Each period runs from December 1 to the end of May and from June 1 to the end of November each year. However, the first calculation period is from the business day prior to the date of initial investment to the last day of November 2023.</p> <p>Profit and Loss Allocation :</p> <p>Investors will be allocated profits for each calculation period in proportion to their investment ratio. If a loss is incurred during each calculation period, it will be allocated in proportion to the investment ratio up to the amount of the balance of the investment in the TK equity.</p>	LRF2 Properties GK		Subject Trust Beneficiary Interest (Note 2) 73,204 million yen	Non-recourse loan (senior) 42,354 million yen Non-recourse loan (mezzanine) 11,700 million yen Preferred bonds 12,400 million yen TK equity 6,750 million yen (Note 3)
LRF2 Properties GK					
Subject Trust Beneficiary Interest (Note 2) 73,204 million yen	Non-recourse loan (senior) 42,354 million yen Non-recourse loan (mezzanine) 11,700 million yen Preferred bonds 12,400 million yen TK equity 6,750 million yen (Note 3)				
Overview of the Preferential Negotiating Rights	<ul style="list-style-type: none"> ① Until the termination of the Preferential Negotiating Rights Agreement, the Subject GK shall not sell or otherwise negotiate or engage in contractual activities for the disposition or disposal of the Subject Property or the Subject Trust Beneficiary Interest, etc. with any third party other than the Asset Manager or the preferential negotiation rights holder (i.e. a third party other than the LLR designated by LLR or the Asset Manager. The same shall apply hereinafter). ② Neither LLR nor Subject GK is under any legal obligation to buy the Subject Property or the Subject Trust Beneficiary Interest . ③ As conditions precedent 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>*As of today, no decision has been made by LLR to acquire the Subject Property or the Subject Trust Beneficiary Interest, and there is no guarantee that LLR will be able to acquire the Subject Property or the Subject Trust Beneficiary Interest in the future. 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>				

(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 GK later on are based on information provided by the Subject GK as of today, and for those items where dates are not specified, the information can be assumed to be based as of March 16, 2023. In the future, should LLR carry out the Subject Additional Acquisition, certain information of the Subject Property 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 main 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 GK at the time of the acquisition.
- “Overview of trust beneficiary interest” lists the trust establishment date, trustee, and trust expiration date at the time of acquisition by the Subject GK.
- 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 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.
- The “ownership type” of land and building describes the type of rights held by the trustee.
- “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.
- “Structure / No. of floors” and “Type” of the building are based on the property registry.
- “Completion date” of the building represents the date of completion as described in the property registry.
- “Gross floor area” of the building is based on the property registry
- The “Number of tenants”, “Annual rent”, “Security deposit”, “Leased area”, “Net rentable area”, and “Occupancy rate” in the lease details are based on information provided by the Subject GK.
- “Property manager” is the property management company with which the trustee will enter into a property management agreement in order to manage 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 or 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.

LOGIPORT Kazo

Property name		LOGIPORT Kazo
Property use		Warehouse
Type of specified asset		Trust beneficiary interest in real property
Overview of trust beneficiary interest (Intended)	Entrustment date	March 31, 2023
	Trustee	Mitsubishi UFJ Trust and Banking Corporation
	Trust maturity date	March 31, 2033
Land	Location	1-317-6 Toyonodai, Kazo, Saitama
	Area	53,016.59 m ²
	Usage area	Exclusive industrial zone
	Site coverage ratio	70% (Note)
	Floor area ratio	200%
	Ownership type	Freehold
Presence or absence of pledged collateral setting		A pledge will be established on the trust beneficiary interests with the pledgee being the lender of the non-recourse loan to the operator.
Appraisal value		No acquisition
Real estate appraiser		-
Building	Structure / No. of floors	<ol style="list-style-type: none"> 1. Steel-framed, alloy-plated steel sheet roofing, 4 floors 2. Light-weight steel-framed structure, alloy-plated steel sheet roofing, single floor 3. Light-weight steel-framed structure, alloy-plated steel sheet roofing, single floor
	Construction date	July, 2021
	Gross floor area	<ol style="list-style-type: none"> 1. 115,542.48 m² 2. 4.15 m² 3. 4.15 m²
	Type	<ol style="list-style-type: none"> 1. Warehouse 2. Guard station 3. Guard station
	Ownership type	Freehold
Lease	Number of tenants	13

	Annual rent	1,372 million yen
	Security deposit	363 million yen
	Leased area	101,212.03 m ²
	Net rentable area	101,742.41 m ²
	Occupancy rate	99.5%
Property manager	K.K. XYMAX	
Special notes	None	

Note : The site coverage ratio was originally 60%, but due to the corner location of this land parcel, the ratio was eased to 70%.

(3) Summary about the operator of TK Equity

Name of entity	LRF2 Properties GK
Address	Within TOKYO UNITED GROUP 2-9-15 Yotsuya, Shinjuku-ku, Tokyo
Representative	Representative member : LRF2Holdings <i>Ippan Shadan Hojin</i> Person to execute duties : Takuya Ikeda
Main business	1. Acquisition, holding, management and disposal of securities and trust beneficiary rights. 2. Acquisition, holding, management and disposal of real estate. 3. Acquisition, holding and disposal of monetary claims. 4. Other incidental business related to 1. 2.3.above.
Capital	JPY 100,000 (as of March 16, 2023)
Total asset	Undisclosed (Note)
Net asset	Undisclosed (Note)
Establishment date	March 23, 2022
TK equity investors	Undisclosed (Note)
Relationship with LLR or Asset Manager	
Capital ties	LLR intends to acquire approximately 11% of the total amount of TK equity of the Subject GK. Except for the above, there are no significant capital relationships with LLR or LRA.
Human relationships	Nothing noteworthy
Transactional relationships	Nothing noteworthy
Related parties	Not a related to party to either LLR or LRA

Note : Not disclosed as consent for disclosure has not been obtained.

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, but have obtained an valuation report from a third party with respect to the Subject TK Equity Interest, and have examined the appropriateness of the investment based on the evaluation of the Subject TK Equity Interest.

5. Acquisition schedule, etc.

The Newly Acquired Asset will be acquired based on the following schedule. Full payment is scheduled to be made on the following date of the equity investment in TK equity.

March 16, 2023	Conclusion of Subject Additional Acquisition
March 31, 2023	Equity investment in TK equity (intended)

6. Summary about brokers

No brokers were used to conduct this acquisition.

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

Not applicable.

8. Outlook going forward

The effect of this Subject Additional Acquisition upon LLR's financial earnings as of the end of the fiscal period ending in August 2023 (3/1/2023 ~ 8/31/2023) is expected to be insignificant. Thus, there are no changes in the operational situation to LLR, relative to what was announced on October 14, 2022 as it pertains to the fiscal period ending in August 2023.

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

This notice is an English translation of the Japanese announcement dated March 16, 2023. No assurance or warranties are made regarding the completeness or accuracy of this English translation. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.