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September 4, 2019

To All Concerned Parties

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Notice Concerning Acquisition and Leasing of Domestic Real Estate Trust Beneficiary Interests and Refund of Preferred Shares of Amagasaki Property TMK

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 acquire and lease two assets (the “**Acquisition**”) as outlined below under “1. Acquisition and Refund Overview” (the “**Intended Acquisition Assets**”) and will receive a refund (the “**Refund**”) of the preferred Shares (the “**Preferred Shares**”) in Amagasaki Property TMK (the “**TMK**”) of which the underlying principle asset is LOGIPORT Amagasaki as described below.

1. Acquisition and Refund Overview

(1) Acquisition Overview

Area	Property number	Asset name	Location (city or ward, prefecture)	Seller	Intended Acquisition Price (million yen) (Note 3)	Appraisal Value (million yen) (Note 4)	NOI Yield (%) (Note 5)	Post-depreciation Yield (%) (Note 6)
Osaka area	Osaka-3	LOGIPORT Osaka Taisho (Note 1)	Osaka-city, Osaka	OTL1 GK	10,515	11,200	4.6	3.8
Osaka area	Osaka-5	LOGIPORT Amagasaki (Note 1) (Note 2)	Amagasaki -city, Hyogo	Amagasaki Property TMK	24,582	27,600	5.3	4.3
Total/Average					35,097	38,800	5.1	4.1

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- (1) Purchase & Sale : September 4, 2019
agreement date
- (2) Intended acquisition : September 25, 2019 (delivery and settlement date)
date
- (3) Seller : Please refer to “4. Seller Profile” below
- (4) Funds for acquisition : Net proceeds from the issuance of new investment units as resolved at LLR’s board of directors meeting held on September 4, 2019, borrowings (Note 8) and cash on hand
- (5) Settlement method : To be paid in a lump sum on the acquisition date (see (2) above)

Notes:

1. Figures expressed above for the intended acquisition prices and appraisal values related to LOGIPORT Osaka Taisho and LOGIPORT Amagasaki represent a 37.5% and 51.0% joint co-ownership portion in the real estate trust beneficiary interests to be owned by LLR, respectively.
2. As of today, LLR has obtained a preferential right of first negotiation for the remaining joint co-ownership portion in the real estate trust beneficiary interest (49.0%) attributable to LOGIPORT Amagasaki from Amagasaki Logistics Godo Kaisha, which is not a part of this Acquisition.
3. “Intended Acquisition Price” is the price to be paid for each Intended Acquisition Asset pursuant to their relevant Joint Co-ownership Interest Purchase & Sale Agreement for Trust Beneficiary Interests (excluding national and local consumption taxes, and expenses such as transaction fees, and is rounded down to the nearest million yen).
4. With respect to the appraisal evaluation of each property, Tanizawa Sogo Appraisal Co., Ltd. was commissioned to appraise the value of each Intended Acquisition Asset. “Appraisal value” is based on the appraisal values from the relevant appraisal reports as of July 31, 2019.
5. “NOI Yield” is the ratio of Appraisal NOI (Note 7) divided by the acquisition price of the Intended Acquisition Asset, rounded to the first decimal place.
6. “Post-depreciation Yield” is defined as, the net operating income shown under the direct capitalization method within the appraisal report entrusted to and appraised by Tanizawa Sogo Appraisal Co., Ltd., minus the depreciation expense calculated by the Asset Manager, divided by the intended acquisition price, rounded to the first decimal place.
7. “Appraisal NOI” is the stabilized net operating income (an amount with operating expenses deducted from operating income) based on a direct capitalization analysis contained in the relevant appraisal report appraised by Tanizawa Sogo Appraisal Co., Ltd. which represents revenue before deducting depreciation expense. Appraisal NOI is different from NCF (net cash flow), to which interest derived from security deposits, etc. were added back, and from which capital expenditures are deducted.
8. LLR will make an announcement regarding the borrowing of funds as soon as financing decisions are made.

(2) Refund Overview

In conjunction with the press release announced today titled “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” coupled with the acquisition of the joint co-ownership portion (51.0%) in the real estate trust beneficiary interests in LOGIPORT Amagasaki via exercising LLR’s preferential right of first negotiation, LLR will receive a full refund attributed to the Preferred Shares (1,221 million yen) and the TMK is scheduled to be liquidated (Note 1). LOGIPORT Amagasaki is a deal which will realize upside from this TMK, by way of real estate value created through the lease up of the property with the support of the LaSalle

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Group. Moreover, through the disposition of LOGIPORT Amagasaki by the TMK, LLR intends to realize 765 million yen in dividends received from the Preferred Shares in the fiscal period ending February 29, 2020.

Notes:

1. Refund of the Preferred Shares is scheduled to take place by the end of the fiscal period ending February 29, 2020.
2. Regarding the Preferred Shares, please refer to the press release titled “Notice Concerning Acquisition of Asset (Preferred Shares in Amagasaki Property TMK)” dated September 19, 2018 for further details.

As of today, LLR has obtained a preferential right of first negotiation for the remaining joint co-ownership portion in the real estate trust beneficiary interests (49.0%) in LOGIPORT Amagasaki, which is not a part of this Acquisition.

2. Rationale for the Acquisition

The Intended Acquisition Assets are “large-scale and high specification” modern logistics facilities located in a “logistics suitable site” within the Osaka area, and are properties that meet LLR’s criteria for what is considered to be “Prime Logistics.” The Asset Manager has decided to acquire the properties based on its judgment that the Intended Acquisition Assets would generate stable mid- to long-term revenues.

By fulfilling the acquisition of the Intended Acquisition Assets, LLR will continue to expand its asset size by acquiring high quality properties to further diversify its portfolio, and through the acquisition of LOGIPORT Amagasaki at an attractive acquisition price, owing to the early lease-up of the property as part of LLR’s first value-add strategy project which is LLR’s unique strategy to earn excess returns, LLR expects that it will strengthen its portfolio’s profitability, which will contribute towards the enhancement of unitholders’ value.

LLR had obtained a preferential right of first negotiation from the TMK at the point in time when LOGIPORT Amagasaki was in a state of low occupancy. By exercising its preferential right of first negotiation to acquire LOGIPORT Amagasaki from the TMK, LLR was able to acquire the property at a competitive cap rate when compared to other J-REIT acquisitions in the Keihanshin area consisting of Kyoto Prefecture, Osaka Prefecture and Hyogo Prefecture. LLR believes that this acquisition will further strengthen its portfolio profitability.

LLR believes that the underlying reasons for it to be able to acquire the property at a competitive cap rate was due to a successful execution in its value-add investment strategy; it obtained a preferential right of first negotiation from the TMK when the occupancy of the property was low and the full value of the property was not visible, and that it exercises the preferential right of first negotiation and acquires LOGIPORT Amagasaki at an attractive NOI yield owing to the early lease-up of the property.

In addition, LLR selected tenants based on LLR’s tenant selection criteria guideline (please refer to the “Report on management systems of issuers of real estate investment trust securities” dated May 20, 2019), and based on these guidelines all of the tenants meet the necessary standards.

Further details related to the features of the Intended Acquisition Assets are as follows.

Osaka-3 LOGIPORT Osaka Taisho

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- ① Located in Taisho-ku, Osaka-city, Osaka, within a 5km radius from the Namba / Shinsaibashi area and a 10km radius from the Umeda area. The property is located in a favorable location which contributes to efficient and optimized logistics, by streamlining coverage of the large consumption area in the Greater Kansai Area along with expeditious distribution to the Central Osaka Area
- ② Able to secure workforce as it is located near a residential area and is accessible from several bus routes from the nearest station, Taisho Station on the JR Osaka Loop Line and Osaka Metro Nagahori Tsurumiryokuchi Line
- ③ Advantageous logistics facility with over 110,000m² in GFA and with double ramp-way access. Equipped with modern logistics specifications such as column-to-column widths of approx. 11m×10m, ceiling heights of 5.5m and floor loading capacity of 1.5t/m²

Osaka-5 LOGIPORT Amagasaki

- ① Close proximity to major expressways as the property is located near the Amagasaki Suehiro interchange on Route 5 Bayshore Line and is roughly 2.5km from the Amagasaki Nishi interchange on Route 3 Kobe Line
- ② Good access to the ports of Osaka and Kobe offering a wide coverage area in terms of freight transport. Close proximity to urban areas of Osaka, a concentrated area of high consumption. Good access to major arterial roads and convenient in terms of transportation
- ③ Given the high concentration of factories and warehouses in the Amagasaki Rinkai area, the property is zoned for 24 hour operations and frequent delivery of freight
- ④ Large logistics facility with over 250,000 m² in GFA. Specifications include ramp-way accessible from all floors, common amenity functions and annex warehouse for hazardous materials etc., and the property is suitable for various cargo

3. Description of Intended Acquisition Assets

(1) Overview of Intended Acquisition Assets

Tables (2) through (4) below show an overview of the Intended Acquisition Assets (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 June 30, 2019.

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 assets”

- “Type of specified asset” represents the category of each Intended Acquisition Asset upon acquisition that is planned on the date of this press release.
- “Planned acquisition date” represents the purchase date of joint co-ownership interest in trust beneficiary interests of the Intended Acquisition Asset, as shown in the relevant Joint Co-ownership Interest Purchase & Sale Agreement.
- “Intended Acquisition Price” represents the summary of joint co-ownership interest in trust beneficiary interests of the Intended Acquisition Assets, as shown in the relevant Joint Co-ownership

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Interest Purchase & Sale Agreement for Trust Beneficiary Interests (excluding national and local consumption taxes, and expenses such as transaction fees, and is rounded down to the nearest million yen).

- “Overview of trust beneficiary interest” includes the entrustment date, trustee and trust maturity date of each Intended Acquisition Asset upon acquisition that is planned on the date of this press release.
- “Location” of “Land” represents the displayed address of each 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 Assets.
- “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 Assets.
- “Overview of property assessment report” represents the summary of the engineering reports of the Intended Acquisition Assets conducted by Earth-Appraisal Co., Ltd. and Tokio Marine & Nichido Risk Consulting Co., Ltd. upon request by LLR. The engineering firms conducted an investigation of building deterioration conditions, planning of short-term and long-term repair and maintenance, an investigation of building code compliance, and an environmental assessment with respect to hazardous substances. The engineering reports represent a judgment and an opinion of the engineering firms 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 the property registry.

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- “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.
- “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 lease agreements for the respective Intended Acquisition Asset.
- “Number of tenants” is based on the number of buildings described in the 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 (as of the date of this press release), 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 of each property and the figures are 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 Assets. 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 each Intended

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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 nearest first decimal place.

(2) Overview of specified assets

Osaka-3 LOGIPORT Osaka Taisho

Asset name		LOGIPORT Osaka Taisho
Use		Warehouse
Type of specified asset		37.5% joint co-ownership interest in trust beneficiary interest in real property
Planned acquisition date		September 25, 2019
Intended acquisition price		10,515 million yen (Note 1)
Overview of trust beneficiary interest	Entrustment date	December 21, 2018
	Trustee	Sumitomo Mitsui Trust Bank, Limited
	Trust maturity date	December 21, 2028
Land	Location	1-2-21 Funamachi, Taisho-ku, Osaka-city, Osaka
	Land area	55,929.57 m ²
	Zoning	Exclusive industrial zone
	SCR	70% (Note 2)
	FAR	200%
	Form of ownership	Ownership
Presence or absence of pledged collateral setting		None
Master lessee		—
Type of master lease		—
Appraisal value (Date of Valuation)		11,200 million yen (Note 1) (as of July 31, 2019)
Real estate appraiser		Tanizawa Sogo Appraisal Co., Ltd.
Overview of engineering	Appraiser	Tokio Marine & Nichido Risk Consulting Co., Ltd.
	Appraisal date	August, 2019
	Emergency repair cost	—
	Short-term repair cost	—
	Long-term repair cost	86,513 thousand yen / 12 years (annual average: 7,209 thousand yen) (Note 1)
Building (Note 3)	Structure / No. of floors	① RC aluminum-zinc alloy coated steel roofing, 4-story ② Lightweight steel structure aluminum-zinc alloy plated steel roofing, single story

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		③ Lightweight steel structure aluminum-zinc alloy plated steel roofing, single story
	Completion date	February 16, 2018
	Gross floor area	① 117,037.14 m ² ② 3.95 m ² ③ 3.95 m ²
	Type	① Warehouse, office ② Guard station ③ Guard station
	Form of ownership	Ownership
Property manager		XYMAX KANSAI Corporation
Lease	Number of tenants	10
	Annual rent	970 million yen (Note 1)
	Security deposit	217 million yen (Note 1)
	Leased area	106,830.31 m ²
	Net Rentable area	106,929.98 m ²
	Occupancy rate	99.9%
Remarks	<p>1. The Joint Co-ownership Agreement</p> <p>Upon acquiring the property, LLR succeeded the position, rights, and obligations of the seller under a joint co-ownership agreement among the joint co-owners of the trust beneficiary interests, with the following main conditions:</p> <p>① Special provisions prohibiting partitioning of the trust beneficiary interests (applicable for 5 years from December 21, 2018. Unless a beneficiary indicates its intention to the other party to refuse renewal of the provisions, these provisions will be renewed).</p> <p>② If a co-owner wishes to sell its joint co-ownership interests to a third party, the co-owner must notify the other co-owners and anyone who has a preferential right of first negotiation under the agreement (the “preferential negotiating rights holder”) of the asking price and primary terms and conditions of the sale of the joint co-ownership interests in advance. The preferential negotiating rights holder could purchase the joint co-ownership interests under the same terms and conditions if the preferential negotiating rights holder gives notice of its wish to purchase under the same terms and conditions.</p> <p>③ If a co-owner wishes to sell its joint co-ownership interests to a third party except for the preferential negotiating rights holder, and in case that the other co-owner wishes to sell its joint co-ownership interests under the same terms and conditions, the offeror must sell its joint co-</p>	

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	<p>ownership interests with the other joint co-owner's interests to the third party.</p> <p>④ If a co-owner wishes to sell a part of its joint co-ownership interests to the party who is designated in the agreement, unless the co-owner obtains the consent of the other co-owner, the offeror must not sell the interests by subdividing the joint co-ownership interests into less than 10 percent of the trust beneficiary interests. It is agreed that, without the other joint co-owner's consent, it is prohibited for a co-owner to transfer a part of its joint co-ownership interests to a third party except for those certain third parties designated in the joint co-ownership agreement.</p> <p>⑤ The limitation regarding the transfer of a joint co-ownership interests in ② through ④ above is not applicable when collateral is established by a co-owner against its own co-ownership rights and collateral execution is made, and when a secured creditor with that collateral executes the compulsory disposal. In addition, if a lender or a bondholder of a co-owner exercises the power to sell an ownership interest of trust property corresponding to joint co-ownership interests of the trust beneficiary interests, the other joint co-owner's consent is not required.</p> <p>2. Osaka city's repurchase agreement</p> <p>If the land is used for activities by anti-social elements that threaten the lives of local residents, then the former land owner, Osaka-city, will be able to repurchase the land.</p>
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Notes:

- Figures shown in the table correspond to the 37.5% joint co-ownership portion of the trust beneficiary interests in real property owned by LLR. Other than this, the above figures represent the entire site and building.
- The original site coverage ratio of this property under the respective land-use zone is 60%. However, as the property is on a corner plot of land, 10% was added to the maximum site coverage ratio as a relaxation.
- Buildings ② and ③ described in "Building" are registered as annexes attached to Building ①.

Osaka-5 LOGIPORT Amagasaki

Asset name		LOGIPORT Amagasaki
Use		Warehouse (Note 1)
Type of specified asset		51.0% joint co-ownership interest in trust beneficiary interest in real property
Planned acquisition date		September 25, 2019
Intended acquisition price		24,582 million yen (Note 2)
Overview of trust beneficiary interest	Entrustment date	October 20, 2015
	Trustee	Mitsubishi UFJ Trust and Banking Corporation
	Trust maturity date	September 30, 2033

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Land	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)		27,600 million yen (Note 2) (as of July 31, 2019)
Real estate appraiser		Tanizawa Sogo Appraisal Co., Ltd.
Overview of engineering	Appraiser	Earth-Appraisal Co., Ltd.
	Appraisal date	July 29, 2019
	Emergency repair cost	—
	Short-term repair cost	—
	Long-term repair cost	397,746 thousand yen / 12 years (annual average: 33,145 thousand yen) (Note 2)
Building (Note 3)	Structure / No. of floors	①Steel-framed alloy plating and steel plates, 7 floor above ground ②Steel structure aluminum-zinc alloy coated steel roofing, 2-story ③Steel structure aluminum-zinc alloy coated steel roofing, single story ④Steel structure aluminum-zinc alloy coated steel roofing, 2-story ⑤Steel structure aluminum-zinc alloy coated steel roofing, single story ⑥RC • Steel structure aluminum-zinc alloy coated steel roofing, single story ⑦Steel structure aluminum-zinc alloy coated steel roofing, single story
	Completion date	April 15, 2009
	Gross floor area	①258,704.56 m ² ②180.08 m ² ③6.20 m ² ④144.00 m ² ⑤16.92 m ² ⑥300.00 m ² ⑦270.00 m ²
	Type (Note 1)	①Warehouse ②Connecting corridor ③Guard station ④Guard station ⑤Guard station

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		⑥Warehouse ⑦Inspection office
	Form of ownership	Ownership
Property manager		XYMAX KANSAI Corporation
Lease	Number of tenants	13
	Annual rent	1,718 million yen (Note 2)
	Security deposit	440 million yen (Note 2)
	Leased area	215,535.31 m ²
	Net Rentable area	216,458.08 m ²
	Occupancy rate	99.6%
Remarks		<p>• The Joint Co-ownership Agreement</p> <p>Upon acquiring the property, LLR executes a joint co-ownership agreement among the joint co-owners of the trust beneficiary interests and trustee, which includes the following terms and conditions:</p> <p>① Special provisions prohibiting partitioning of the trust beneficiary interests (applicable for 5 years from date of the execution of the joint co-ownership agreement). Unless a beneficiary indicates its intention to the other party to refuse renewal of the provisions, these provisions will be renewed).</p> <p>② If a co-owner wishes to sell its joint co-ownership interests to a third party, the co-owner must notify the other co-owners and anyone who has a preferential right of first negotiation under the agreement (the “preferential negotiating rights holder”) of the asking price and primary terms and conditions of the sale of the joint co-ownership interests in advance. The preferential negotiating rights holder could purchase the joint co-ownership interests under the same terms and conditions if the preferential negotiating rights holder gives notice of its wish to purchase under the same terms and conditions and agrees to such terms and conditions.</p> <p>③ If a co-owner wishes to sell its joint co-ownership interests to a third party except for the preferential negotiating rights holder, and in case that the other co-owner wishes to sell its joint co-ownership interests under the same terms and conditions, the offeror must sell its joint co-ownership interests with the other joint co-owner's interests to the third party.</p> <p>④ If a co-owner wishes to sell a part of its joint co-ownership interests to the party who is designated in the agreement, unless the co-owner obtains a prior written consent of the other co-owner, the offeror must not sell the interests by subdividing the joint co-ownership interests into</p>

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	<p>less than 10 percent of the trust beneficiary interests. It is agreed that, without the other joint co-owner's consent, it is prohibited for a co-owner to transfer a part of its joint co-ownership interests to a third party except for those certain third parties designated in the joint co-ownership agreement.</p> <p>⑤ The limitation regarding the transfer of a joint co-ownership interests in ② through ④ above is not applicable when collateral is established by a co-owner against its own co-ownership rights and collateral execution is made, and when a secured creditor with that collateral executes the compulsory disposal.</p>
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Notes:

1. Converted from "factory" to "warehouse" on October 13, 2017 upon completion of the construction to change the factory to a logistics facility.
2. Figure shown in the table corresponds to the 51.0% joint co-ownership portion of the trust beneficiary interests in real property owned by LLR. Other than this, the above figure represents the entire site and building.
3. Buildings ② to ⑦ described in "Building" are registered as annexes attached to Building ①.

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(3) Outline of leasing

Osaka-3 LOGIPORT Osaka Taisho

Outline of leasing			
Tenant	Leased area	Annual rent (excluding national and local consumption taxes)	Security deposit
Toshiba Logistics Corporation	54,279 m ²	Undisclosed(Note)	Undisclosed (Note)
Contract type: Fixed-term lease agreement Rent revision: Undisclosed (Note) Early termination: Undisclosed (Note)			
Higashi Twenty One Co., Ltd.	13,093 m ²	Undisclosed(Note)	Undisclosed (Note)
Contract type: Undisclosed (Note) Rent revision: Undisclosed (Note) Early termination: Undisclosed (Note)			

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

Osaka-5 LOGIPORT Amagasaki

Outline of leasing			
Tenant	Leased area	Annual rent (excluding national and local consumption tax)	Security deposit
Kantsu Co., Ltd.	Undisclosed (Note)	Undisclosed (Note)	Undisclosed (Note)
Contract type: Undisclosed (Note) Rent revision: Undisclosed (Note) Early termination: Undisclosed (Note)			
B-LINK Co., Ltd.	33,569 m ²	Undisclosed (Note)	Undisclosed (Note)
Contract type: Undisclosed (Note) Rent revision: Undisclosed (Note) Early termination: Undisclosed (Note)			

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

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(4) Outline of appraisal reports

Osaka-3 LOGIPORT Osaka Taisho

Outline of appraisal report		
Appraisal value	11,200 million yen	
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.	
Appraisal date	July 31, 2019	
Item	Details (million yen)	Outline
Income approach value	11,200	Assessed by correlating the price based on the DCF method with verification by the direct capitalization method
Direct capitalization method	11,500	
Operating revenues	1,598	
Total potential revenue	1,651	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	53	Assessed based on the standard vacancy rate that could be procured on a consistent basis for a mid-to-long term.
Operating expenses	298	
Maintenance costs	59	Assessed based on previous year's actuals and current contract terms and conditions and also assessed based on maintenance fee levels of comparable real estate
Utility costs	19	Assessed based on the levels of comparable properties and past results of the property
Repair costs	11	Assessed based on the repair and renewal expenses described in the engineering report and verified against other comparable real estate
Property management fees	7	Assessed based on current terms and conditions
Tenant solicitation expenses	12	Assessed based on tenant lease rollover assumptions
Property taxes	178	Assessed based on previous year's actual amount
Non-life insurance premiums	5	Assessed based on similar cases
Other expenses	3	Assessed based on previous year's actuals and compared against comparable real estate
Net operating income	1,300	
One-time investment gains	3	The investment yield is assessed as 1.0%

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	Capital expenditure	17	Assessed based on the repair and renewal expenses described in the engineering report and verified against other comparable real estate
	Net income	1,286	
	Capitalization rate	4.2%	Assessed based on examples of comparable real estate transactions while taking into account particular factors specific to the real estate
	Discounted cash flow method	11,000	
	Discount rate	4.3%	Assessed based on examples of comparable real estate transactions while also taking into account additional yield premium relative to other financial assets in consideration of particular factors specific to the real estate
	Terminal capitalization rate	4.4%	Assessed based on the capitalization rate coupled with reflecting uncertainties about the future and other market trend risks
	Cost method value	10,800	
	Proportion of land	55.0%	
	Proportion of building	45.0%	
	Other points to be noted for the determination of appraisal value		None

Note: The amounts are based on the pro-rata portion of the joint co-ownership interest in the trust beneficiary interests (37.5%).

Osaka-5 LOGIPORT Amagasaki

Outline of appraisal report		
Appraisal value	27,600 million yen	
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.	
Appraisal date	July 31, 2019	
Item	Details (million yen)	Outline
Income approach value	27,600	Assessed by correlating the price based on the DCF method with verification by the direct capitalization method
Direct capitalization method	28,200	
Operating revenues	3,201	
Total potential revenue	3,328	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	127	Assessed based on the standard vacancy rate that could be procured on a consistent basis for a mid-to-long term.

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	Operating expenses	667	
	Maintenance costs	103	Assessed based on previous year's actuals and current contract terms and conditions and also assessed based on maintenance fee levels of comparable real estate
	Utility costs	116	Assessed based on the levels of comparable properties and past results of the property
	Repair costs	26	Assessed based on the repair and renewal expenses described in the engineering report and verified against other comparable real estate
	Property management fees	7	Assessed based on current terms and conditions
	Tenant solicitation expenses	24	Assessed based on tenant lease rollover assumptions
	Property taxes	366	Assessed based on previous year's actual amount
	Non-life insurance premiums	13	Assessed based on similar cases
	Other expenses	9	Assessed based on previous year's actuals and compared against comparable real estate
	Net operating income	2,533	
	One-time investment gains	7	The investment yield is assessed as 1.0%
	Capital expenditure	52	Assessed based on the repair and renewal expenses described in the engineering report and verified against other comparable real estate
	Net income	2,488	
	Capitalization rate	4.5%	Assessed based on examples of comparable real estate transactions while taking into account particular factors specific to the real estate
	Discounted cash flow method	27,400	
	Discount rate	4.6%	Assessed based on examples of comparable real estate transactions while also taking into account additional yield premium relative to other financial assets in consideration of particular factors specific to the real estate
	Terminal capitalization rate	4.7%	Assessed based on the capitalization rate coupled with reflecting uncertainties about the future and other market trend risks
	Cost method value	27,300	
	Proportion of land	63.4%	

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Proportion of building	36.6%	
Other points to be noted for the determination of appraisal value	None	

Note: The amounts are based on the pro-rata portion of the joint co-ownership interest in the trust beneficiary interests (51.0%).

4. Seller Profile

LOGIPORT Osaka Taisho

Name	OTL1 Godokaisha
Address	1-4-1 Nihonbashi, Chuo-ku, Tokyo, Nihonbashi 1-chome Building
Representative	MJ Logistics Fund Ippan Shadan Houjin Functional Manager Takanori Mishina
Line of business	1. Acquisition, disposition and management of trust beneficiary interests of entrusted properties 2. Acquisition, disposition, leasing, and management of real estate 3. All other business incidental or related to the preceding items above
Capital	100,000 yen
Relationship with LLR and LaSalle REIT Advisors K.K.	
Capital ties	There are no noteworthy capital relationships.
Personal relations	There are no significant personal relationships.
Business relationship	There are no significant business relationships.
Applicable situation to related parties	The company does not fall under the category of a related party to LLR or LRA. In addition, none of the related parties and affiliated companies of this company fall under the category of a related party to LLR or LRA.

LOGIPORT Amagasaki

Name	Amagasaki Property TMK
Address	2-1-1 Marunouchi, Chiyoda-ku, Tokyo
Representative	Takeshi Miyazato
Line of 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. All other business incidental or related to the business regarding liquidation of specified assets above.
Specified Contribution Amount	100,000 yen (as of August 31, 2019)
Amount of Preferred Shares Investment	10,735 million yen (as of August 31, 2019)
Establishment Date	September 2018
Relationship with LLR and LaSalle REIT Advisors K.K.	
Capital ties	LLR holds approximately 11.4% of the total amount of preferred shares of the TMK. Except for the above, there are no significant capital relationships with LLR or LRA.

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Personal relations	There are no significant personal relationships.
Business relationship	There are no significant business relationships.
Applicable situation to related parties	The TMK does not fall under the category of a related party of LLR and LRA. In addition, since the TMK has entered into an investment advisory agreement with LRA's sponsor, the TMK falls under the category of the related party under the Related Party Transaction Rules of LRA.

5. Transactions with Related Parties

Osaka-3 LOGIPORT Osaka Taisho

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

Osaka-5 LOGIPORT Amagasaki

Since the seller falls under the category of being deemed as a related party under the Related Party Transaction Rules of LRA, necessary deliberations and resolutions have been conducted in accordance with the rules on transactions with related parties and other internal rules.

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6. Status of parties concerned

Osaka-3 LOGIPORT Osaka Taisho

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

Osaka-5 LOGIPORT Amagasaki

In the table below, ① indicates company name and ② indicates the relation between related party etc.

Asset Name (Location)	Prior Owner	Second Prior Owner
	①、②	②
	Purchase (Transfer) Price	Purchase (Transfer) Price
	Purchase (Transfer) Date	Purchase (Transfer) Date
LOGIPORT Amagasaki (Amagasaki-city, Hyogo)	① Amagasaki Property TMK ② This is a TMK that has executed an asset management agreement (investment advisory contract) with the Asset Management Company's Sponsor.	② Non-related party
	40,800 million yen (Note)	—
	September 2018	—

(Note) This amount is the purchase price for the entire property.

7. Future Outlook

For further details on future projections, please refer to the “Notice Concerning Upward Revisions to the Forecasts for Financial Results and DPU for the Fiscal Period Ending February 29, 2020 and the Forecasts for Financial Results and DPU for the Fiscal Period Ending August 31, 2020” released on September 4, 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/>

<Attachments>

Exhibit-1: Overview of Intended Acquisition Assets

Exhibit-2: Outline of appraisal reports

Exhibit-3: Overview of the report on research on conditions of buildings and analysis of seismic risk

Exhibit-4: List of portfolio assets after the Acquisition

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Exhibit-1: Overview of Intended Acquisition Assets

Osaka-3 LOGIPORT Osaka Taisho



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Osaka-5 LOGIPORT Amagasaki



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Exhibit-2: Outline of appraisal reports

Property number	Property name	Appraiser	Appraisal date	Appraisal value (yen in millions)	Cost method value (yen in millions)	Income approach value (yen in millions)				
						Direct capitalization method value		DCF method valuation		
						Estimated value	Cap rate (%)	Estimated value	Discount rate (%)	Terminal cap rate (%)
Existing assets										
Tokyo-1	LOGIPORT Hashimoto (Note 1)	Tanizawa Sogo Appraisal Co., Ltd.	Feb 28, 2019	22,900	20,400	23,500	4.1	22,700	4.2	4.3
Tokyo-2	LOGIPORT Sagamihara (Note 2)	Tanizawa Sogo Appraisal Co., Ltd.	Feb 28, 2019	25,300	23,100	25,900	4.2	25,100	4.3	4.4
Tokyo-3	LOGIPORT Kitakashiwa	CBRE K.K.	Feb 28, 2019	28,800	23,400	29,100	4.0	28,800	3.8	4.1
Tokyo-5	LOGIPORT Nagareyama B	CBRE K.K.	Feb 28, 2019	29,100	21,500	28,900	4.3	29,100	4.0	4.3
Tokyo-6	LOGIPORT Higashi Ogishima A	Tanizawa Sogo Appraisal Co., Ltd.	Feb 28, 2019	19,500	19,000	19,500	4.6	19,500	4.6	4.7
Tokyo-7	LOGIPORT Higashi Ogishima B	Tanizawa Sogo Appraisal Co., Ltd.	Feb 28, 2019	21,300	20,100	21,700	4.6	21,100	4.6	4.7
Tokyo-8	LOGIPORT Higashi Ogishima C	Tanizawa Sogo Appraisal Co., Ltd.	Feb 28, 2019	25,000	24,300	25,000	4.5	25,000	4.5	4.6
Tokyo-9	LOGIPORT Kawagoe	Tanizawa Sogo Appraisal Co., Ltd.	Feb 28, 2019	12,200	11,300	12,500	4.4	12,100	4.5	4.6
Tokyo-11	LOGIPORT Kashiwa Shonan	Tanizawa Sogo Appraisal Co., Ltd.	Mar 31, 2019	10,200	10,100	10,500	4.4	10,100	4.3 (Note 3)	4.6
Tokyo-12	LOGIPORT Sayama Hidaka	Tanizawa Sogo Appraisal Co., Ltd.	Mar 31, 2019	6,530	6,470	6,680	4.4	6,470	4.3 (Note 4)	4.6
Tokyo-13	Higashi Ogishima (leasehold land)	Tanizawa Sogo Appraisal Co., Ltd.	Mar 31, 2019	1,540	-	-	-	1,540	3.7 (Note 5)	3.8
Osaka-1	LOGIPORT Sakai Minamijimacho	Japan Real Estate Institute	Feb 28, 2019	8,510	5,940	8,610	4.5	8,400	4.2	4.6
Osaka-2	LOGIPORT Sakai Chikko Shinmachi	Tanizawa Sogo Appraisal Co., Ltd.	Mar 31, 2019	4,560	4,490	4,730	4.6	4,480	4.5 (Note 6)	4.8
Osaka-4	Suminoe (leasehold)	Tanizawa Sogo	Mar 31, 2019	4,620	-	-	-	4,620	4.0	-

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	land)	Appraisal Co., Ltd.								
Intended Acquisition Assets										
Osaka-3	LOGIPORT Osaka Taisho (Note 7)	Tanizawa Sogo Appraisal Co., Ltd.	Jul 31, 2019	18,590	17,980	19,150	4.2	18,280	4.3	4.4
Osaka-5	LOGIPORT Amagasaki (Note 8)	Tanizawa Sogo Appraisal Co., Ltd.	Jul 31, 2019	27,600	27,300	28,200	4.5	27,400	4.6	4.7
Total				266,250	235,380	263,970		264,690		

Notes:

1. The appraisal value, cost method value, estimated value of direct capitalization method and estimated value of DCF method of LOGIPORT Hashimoto describe pro-rated portion of the joint co-ownership interest in the trust beneficiary interests (55.0%).
2. The appraisal value, cost method value, estimated value of direct capitalization method and estimated value of DCF method of LOGIPORT Sagami-hara describe our pro-rata portion of the joint co-ownership interest in the trust beneficiary interests (51.0%).
3. Discount rate for LOGIPORT Kashiwa Shonan is from the 1st fiscal year to the 5th fiscal year.
4. Discount rate for LOGIPORT Sayama Hidaka is from the 1st fiscal year to the 5th fiscal year.
5. Discount rate for Higashi Ogishima (leasehold land) is from the 1st fiscal year to the 5th fiscal year.
6. Discount rate for LOGIPORT Sakai Chikko Shinmachi is from the 1st fiscal year to the 8th fiscal year.
7. The appraisal value, cost method value, estimated value of direct capitalization method and estimated value of DCF method of LOGIPORT Osaka Taisho describe our pro-rata portion of the joint co-ownership interest in the trust beneficiary interests (to be) acquired (62.5%).
8. The appraisal value, cost method value, estimated value of direct capitalization method and estimated value of DCF method of LOGIPORT Amagasaki describe our pro-rata portion of the joint co-ownership interest in the trust beneficiary interests (51.0%).

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Exhibit-3: Overview of the report on research on conditions of buildings and analysis of seismic risk

Property number	Property name	Engineering report				Seismic review report		
		Engineering firm	Report date	Emergency and short-term repair costs (thousand yen) (Notes 1 and 2)	Medium-to-long term repair costs (thousand yen) (Notes 1 and 3)	Engineering firm	Report date	PML (%) (Note 1)
Existing Assets								
Tokyo -1	LOGIPORT Hashimoto (Note 4)	Earth-Appraisal Co., Ltd.	Nov 6, 2015	—	206,901	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Oct 2015	1.3
Tokyo -2	LOGIPORT Sagamihara (Note 5)	Earth-Appraisal Co., Ltd.	Nov 6, 2015	—	289,248	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Oct 2015	0.5
Tokyo -3	LOGIPORT Kitakashiwa	Earth-Appraisal Co., Ltd.	Nov 6, 2015	—	238,851	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Oct 2015	0.9
Tokyo -5	LOGIPORT Nagareyama B	Earth-Appraisal Co., Ltd.	Nov 6, 2015	—	666,525	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Oct 2015	2.3
Tokyo -6	LOGIPORT Higashi-Ogishima A	Earth-Appraisal Co., Ltd.	Oct 31, 2018	100	1,021,194	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Oct 2015	6.5
Tokyo -7	LOGIPORT Higashi-Ogishima B	Earth-Appraisal Co., Ltd.	Oct 31, 2018	—	1,215,861	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Oct 2015	6.2
Tokyo -8	LOGIPORT Higashi-Ogishima C	Earth-Appraisal Co., Ltd.	Nov 6, 2015	—	817,104	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Oct 2015	6.3
Tokyo -9	LOGIPORT Kawagoe	Earth-Appraisal Co., Ltd.	Feb 7, 2017	—	118,057	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Feb 2017	4.4
Tokyo -11	LOGIPORT Kashiwa Shonan	Earth-Appraisal Co., Ltd.	Apr 9, 2019	—	98,015	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Apr 2019	1.6
Tokyo-12	LOGIPORT Sayama Hidaka	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Apr, 2019	—	50,045	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Apr 2019	3.5
Tokyo-13	Higashi Ogishima (leasehold land)	—	—	—	—	—	—	—
Osaka-1	LOGIPORT Sakai-minamijimacho	Earth-Appraisal Co., Ltd.	Jan 19, 2018	—	29,950	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Feb 2018	6.5
Osaka-2	LOGIPORT Sakai Chikko Shinmachi	Earth-Appraisal Co., Ltd.	Apr 6, 2019	—	48,172	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Apr 2019	7.6
Osaka-4	Suminoe (leasehold land)	—	—	—	—	—	—	—
Intended Acquisition Assets								
Osaka-3	LOGIPORT Osaka Taisho (Note 6)	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Aug, 2019	—	144,188	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Jul 2019	8.4
Osaka-5	LOGIPORT	Earth-Appraisal	Jul 29, 2019	—	397,746	Tokio Marine &	Jul 2019	5.7

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	Amagasaki (Note 7)	Co., Ltd.				Nichido Risk Consulting Co., Ltd.		
Portfolio PML (Note 8)								2.7

Notes:

1. “Emergency and short-term repair costs” and “Medium-to-long-term repair costs” are indicated in the “Engineering reports”, and “PML” are indicated in “Seismic review report”.
2. “Emergency and short-term repair costs” are the repair costs which are expected to be required within 12 months from the date of the relevant report.
3. “Medium-to-long-term repair costs” are the repair costs which are expected to be required within 12 years from the date of the relevant report.
4. “Emergency and short-term repair costs” and “Medium-to-long-term repair costs” of LOGIPORT Hashimoto show the pro-rated portion of the joint co-ownership interest in the trust beneficiary interests held (55.0%), which is rounded down to the nearest thousand yen.
5. “Emergency and short-term repair costs” and “Medium-to-long-term repair costs” of LOGIPORT Sagami-hara show the pro-rated portion of the joint co-ownership interest in the trust beneficiary interests held (51.0%), which is rounded down to the nearest thousand yen.
6. “Emergency and short-term repair costs” and “Medium-to-long-term repair costs” of LOGIPORT Osaka Taisho show pro-rated portion of the joint co-ownership interest in the trust beneficiary interests (62.5%) under LLR ownership and scheduled to be additionally acquired by LLR rounded down to the nearest thousand yen.
7. “Emergency and short-term repair costs” and “Medium-to-long-term repair costs” of LOGIPORT Amagasaki show the pro-rated portion of the joint co-ownership interest in the trust beneficiary interests scheduled to be acquired (51.0 %), which is rounded down to the nearest thousand yen.
8. “Portfolio PML” is indicated based on the “Portfolio Seismic review report of 14 properties” dated August 2019.

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Exhibit-4: List of portfolio assets after the Acquisition

Area	Property number	Property name	(Intended) Acquisition price (million yen)	Appraisal value (million yen)	Investment ratio (%) (Note 1)
Existing Assets					
Tokyo area	Tokyo-1	LOGIPORT Hashimoto (Note 2)	21,200	22,900	8.6
	Tokyo -2	LOGIPORT Sagamihara (Note 3)	23,020	25,300	9.4
	Tokyo -3	LOGIPORT Kitakashiwa	25,300	28,800	10.3
	Tokyo -5	LOGIPORT Nagareyama B	26,600	29,100	10.8
	Tokyo -6	LOGIPORT Higashi Ogishima A	19,000	19,500	7.7
	Tokyo -7	LOGIPORT Higashi Ogishima B	19,120	21,300	7.8
	Tokyo -8	LOGIPORT Higashi Ogishima C	23,700	25,000	9.6
	Tokyo -9	LOGIPORT Kawagoe	11,950	12,200	4.9
	Tokyo-11	LOGIPORT Kashiwa Shonan	9,300	10,200	3.8
	Tokyo-12	LOGIPORT Sayama Hidaka	6,430	6,530	2.6
	Tokyo-13	Higashi Ogishima (leasehold land)	1,189	1,540	0.5
	Sub-total		203,449	220,060	82.8
Osaka area	Osaka-1	LOGIPORT Sakai Minamijimacho	8,150	8,510	3.3
	Osaka-2	LOGIPORT Sakai Chikko Shinmachi	4,160	4,560	1.7
	Osaka-4	Suminoe (leasehold land)	4,330	4,620	1.8
Sub-total			203,449	220,060	82.8
Intended Acquisition Assets					
Osaka area	Osaka-3	LOGIPORT Osaka Taisho (Note 4)	17,655	18,590	7.2
	Osaka-5	LOGIPORT Amagasaki (Note 5)	24,582	27,600	10.0
Sub-total			42,237	46,190	17.2
Portfolio total			245,686	266,250	100.0

Notes:

1. “Investment ratio” is the ratio of the (intended) acquisition price of the property to the total (intended) acquisition price, rounded to the nearest tenth. Therefore, the sum of the investment ratio of each property may differ from the subtotal or the total investment ratio.
2. The acquisition price, appraisal value and investment ratio of LOGIPORT Hashimoto describe our pro-rata portion of the joint co-ownership interest in the trust beneficiary interests (55.0%) under LLR ownership.
3. The acquisition price, appraisal value and investment ratio of LOGIPORT Sagamihara describe our pro-rata portion of the joint co-ownership interest in the trust beneficiary interests (51.0%) under LLR ownership.
4. The (intended) acquisition price, appraisal value and investment ratio of LOGIPORT Osaka Taisho describe our pro-rata portion of the joint co-ownership interest in the trust beneficiary interests (62.5%) under LLR ownership and scheduled to be

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additionally acquired by LLR.

5. The intended acquisition price, appraisal value and investment ratio of LOGIPORT Amagasaki describe our pro-rata portion of the joint co-ownership interest in the trust beneficiary interests scheduled to be acquired (51.0%).

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