



LASALLE
INVESTMENT ADVISORS™

Real estate experience. Investment expertise.

Investor
Presentation
of
LaSalle Japan REIT
for April 2008 (5th)
period

LASALLE
JAPAN REIT INC®

Overview of LaSalle Japan REIT Inc. (LJR)

JREIT name	LaSalle Japan REIT Inc. (former eAsset Investment Corporation, changed its name on Jan 16, 2008)
Exchange	Listed on TSE REIT Section on Sep 7, 2005
Ticker code	8974
Asset manager	LaSalle Investment Advisors K.K.
Shareholder of asset manager	LaSalle Investment Management Inc.
# of properties	21 properties (10 office properties, 5 retail properties, 6 residential properties) (Apr 30, 2008)
Total acquisition costs	JPY119.9bn (Apr 30, 2008)
# of units outstanding	120,500units (Apr 30, 2008)
Market cap	JPY41.9bn (Apr 30, 2008)

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**Appendix LaSalle Investment Management Global Real Estate
Market Strategy**



1 5th period
investment
highlights

5th period investment highlights

External growth	<ul style="list-style-type: none">▪ Acquisition of Aeon Mall Musashi Murayama Mu (JPY38.4bn)▪ Acquisition of Aeon Mall Kobe Kita (JPY19.2bn)
Internal growth	<ul style="list-style-type: none">▪ Increase in monthly rent revenue by c. JPY5.1mn through rent increase at contract renewal and managing tenant mix▪ 98.8% occupancy (up 3.5% yoy) at end of Period▪ Value-up construction work worth JPY190mn
Financial performance	<ul style="list-style-type: none">▪ Capital increase through third party allotment worth JPY22.8bn (completed on Nov. 19, 2007)▪ Bank borrowings JPY36.2bn (settlement on Nov. 20, 2007)▪ Acquisition of A-(R & I) issuer rating (obtained on Mar. 14, 2008)
Dividends	<ul style="list-style-type: none">▪ Dividends for the 5th Period JPY13,807 (up JPY+707 from estimates at start of the 5th Period)

5th period financial performance and forecast

5th period results and forecasts

Item	5 th period results			Forecast	
	Apr. 2008 period (Actual)	Apr. 2008 period (Forecast)	Variance (%)	Oct. 2008 period (6 th Period)	Apr. 2009 period (7 th Period)
Operating revenue	JPY3,951mn	JPY3,844mn	JPY107mn (+2.8%)	JPY3,794mn	JPY3,784mn
Operating income	JPY2,287mn	JPY2,215mn	JPY72mn (+3.3%)	JPY1,943mn	JPY1,954mn
Ordinary profit	JPY1,664mn	JPY1,580mn	JPY84mn (+5.3%)	JPY1,266mn	JPY1,025mn
Net income	JPY1,663mn	JPY1,579mn	JPY84mn (+5.3%)	JPY1,265mn	JPY1,024mn
Dividend per unit	JPY13,807	JPY13,100	JPY707 (+5.4%)	JPY10,500	JPY8,500
FFO per unit	JPY20,195	JPY19,341	JPY854 (+4.4%)	JPY16,493	JPY14,562

Key financial statements

Item	Oct. 2007 (4 th period)	Apr. 2008 (5 th Period)	Gain/loss
Total assets (JPYmn)	70,674	130,568	59,894
# of properties	20	21	1
Interest bearing debt (JPYmn)	36,500	70,200	33,700
NAV (JPYmn)	31,357	54,920	23,563
Units outstanding (units)	63,500	120,500	57,000
NAV per unit (JPY)	493,823	455,768	-38,055
NOI (JPYmn)	1,769	3,144	1,375
DSCR (x)	9.1	6.5	-2.6
FFO payout ratio (%)	69.9	68.4	-1.5
LTV (%)	51.6	53.8	2.2

Background leading to the acquisition of 2 Retail facilities

Environment for retail facilities

- **Sluggish consumer spending**
- **Changes in consumer's selection behavior**
 - "quantity/goods" "quality/events" + "product line-up/consistency with the facility"
- **Struggling general stores (GMS, department stores) vs. strong performance of specialty superstores**
- **Selective investment by investors according to type of facility**
 - Attractiveness to shoppers depends on type of facility

Acquisition criteria of LJR

- **No1 store in the region**
 - Being the No1 store in the region critical for securing the facility's competitive advantage
- **Limited potential opening of new stores by competitors**
 - Greatest risk to the competitive advantage of the No1 store in the region is a new larger store opened in its neighborhood
- **New building that is expected to provide stable long-term revenues**

- Increased selection by consumers makes it increasingly difficult to comply with the needs of customers by expanding product line-up, but a large shopping center with a specialty stores zone is expected to be able to satisfy such needs
- The 3 Laws on town development makes it very difficult to open new large stores going forward, but on the other hand, provides great advantage to existing large shopping centers
- The buildings were built only 1 year ago and their maintenance costs are low. Long-term master-lease contract with Aeon Mall, one of the leading shopping centers developers in Japan, which is non-cancellable and includes a covenant for maintaining current rent level for 9 years, is expected to help maintain stable revenue from the portfolio that forms the basis for stable performance of the REIT

The 2 Mall type shopping centers were acquired based on our judgment that their long-term competitiveness is strong

New acquisition

Aeon Mall Musashi-Murayama Mu

Well located

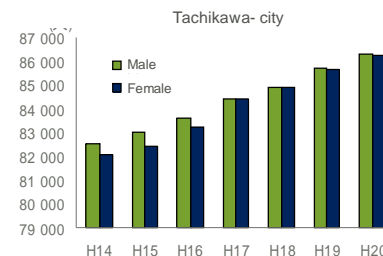
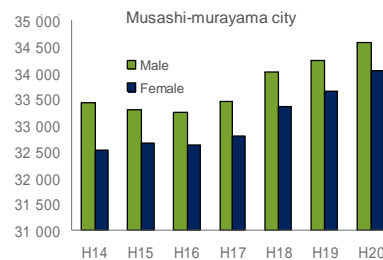
- Located in Tokyo Metropolitan Area with solid economic base. Stretches over Musashi-Murayama and Tachikawa, but is easily accessible from nearby cities via Shin Ohme-kaido which is running from East to West and Hachioji Musashi Murayama Street which stretches from North to South. It has a carpark that can be accessed from all 4 directions and has enough space for c. 4,000 cars. Good access with public transportation including the bus, with the bus stop located within the premises of the SC. We expect the population of Musashi-Murayama and Tachikawa to continue to grow

Quality tenant

- Quality tenants including Jusco, Mitsukoshi which we expect to generate merger synergies from its merger with Isetan, Warner Mycal Cinemas with 12 screens, and 180 other attractive specialty stores will maintain the competitiveness of the facility

Strong competitiveness of the facility

- Construction of the property completed in Oct 2006. Relative new 5-story building. 3-tiered open type retail part structure which makes it possible for shoppers to walk around. Retail space of c. 21,000 tsubo, which is one of the largest in Tokyo



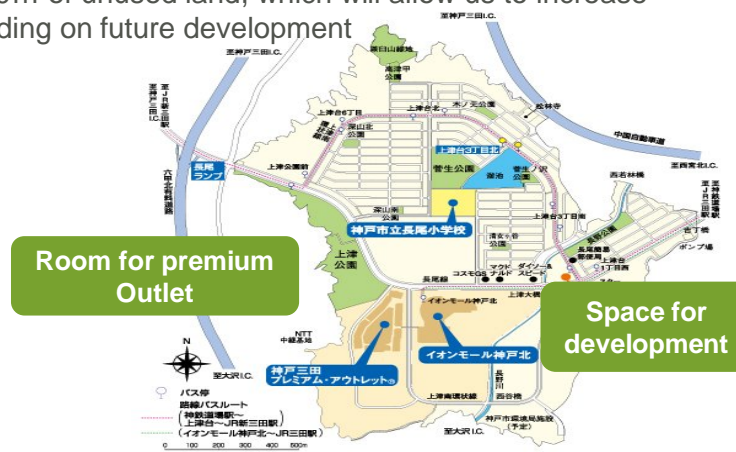
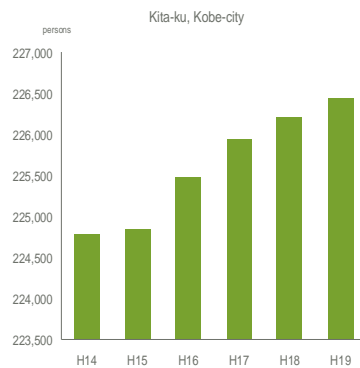
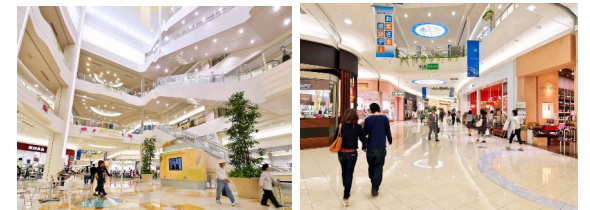
In the market report, a quite large area was defined as basic market area for the property. e.g. within 10km radius (Kokubunji, Akikawa, Tokorozawa, Hachioji, Hino), which is 25minutes by car, with 430,000 households and 1.6mn people. Actual sales performance of the property exceeded estimates in the market report

Location	1-1-3, Enoki, Musashi-Murayama-shi, Tokyo
Site	137,507.50m2
Gross floor area	137,466.97m2
Size	Steel framed, flat roof, 5-stories
Completed on	Oct 16, 2006
Acquired on	Nov 20, 2007
Acquisition price	JPY38.4bn

New acquisition

Aeon Mall Kobe Kita

- Synergies with Kobe-Sanda Premium Outlets**
 - Ability of outlet mall to attract a broad range of shoppers helps attracting shoppers to Aeon Mall
 - Outlet mall has still ample room for expansion which is expected to further increase its power to attract shoppers
- Ongoing development and sale of residential land in surrounding areas**
 - Further progress in the development of residential land in surrounding areas with population of Kita-ku, Kobe expected to increase further
- Room for further development of Aeon Mall**
 - There is still c. 5000m² of unused land, which will allow us to increase our revenue depending on future development



Location	8-2-1 Kouzudai, Kita-ku, Kobe, Hyogo Pref.
Site	173,565.50m ²
Gross floor area	128,031.55m ²
Size	SRC, flat roof, 1 basement floor + 5 stories
Completed on	Nov 15, 2006
Acquired on	Nov 20, 2007
Acquisition price	JPY19.2bn

Efforts for Internal growth

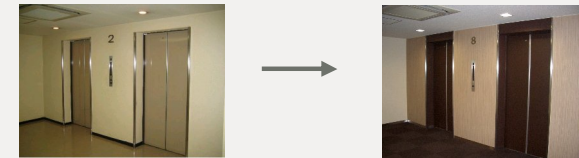
Office rent increase

- In the 5th Period, we increased the rent of 9 properties through negotiation at contract renewal and tenant replacement
- Conclusion of contracts that would provide JPY5.1mn rent increase per month
- Offices : 4 buildings in metropolitan
 - Shin san Building
 - 35 Sankyo Building
 - Shibuya West Building
 - Uchikanda Building

Value up and cutting costs

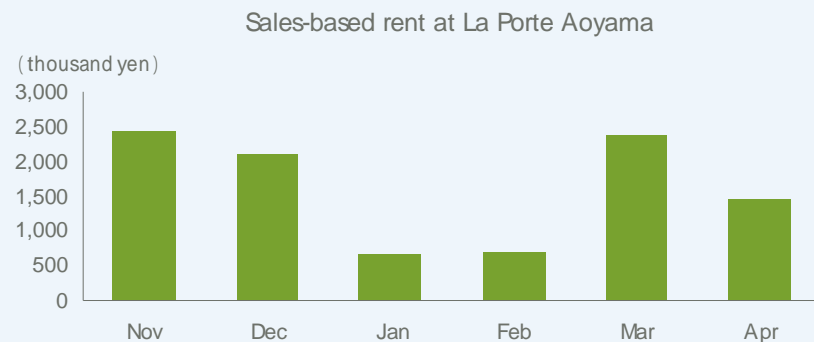
- Value-up through CAPEX-based constructions
 - Horikawa-dori Shijo Building (Renewal of air conditioning equipment JPY72mn)
 - Southern Mito Building (Renovation of common area, JPY50mn)
 - Narita TT Building (Renewal of lighting fixtures JPY14mn)

Example at Southern Mito Building



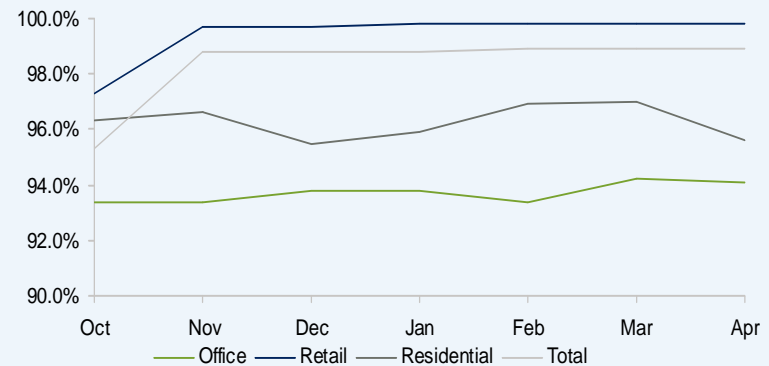
- Power supply of office buildings switched to new contractors

Increase in the sales-based rent JPY9.8mn



Occupancy rate

5th period occupancy rate 98.9% (up 3.6% yoy)



Financial status

- Acquisition of issuer rating from R&I (Mar 14, 2008)

- Rating: A- (new)

- Outlook: stable

- Rationale:

The 2 Aeon Mall facilities which are the core properties in the portfolio are

- 1) 2 of the very few mega-facilities
- 2) long-term contract with a tenant with strong credit capacity and expertise for retail property management
- 3) rent level is also within appropriate range

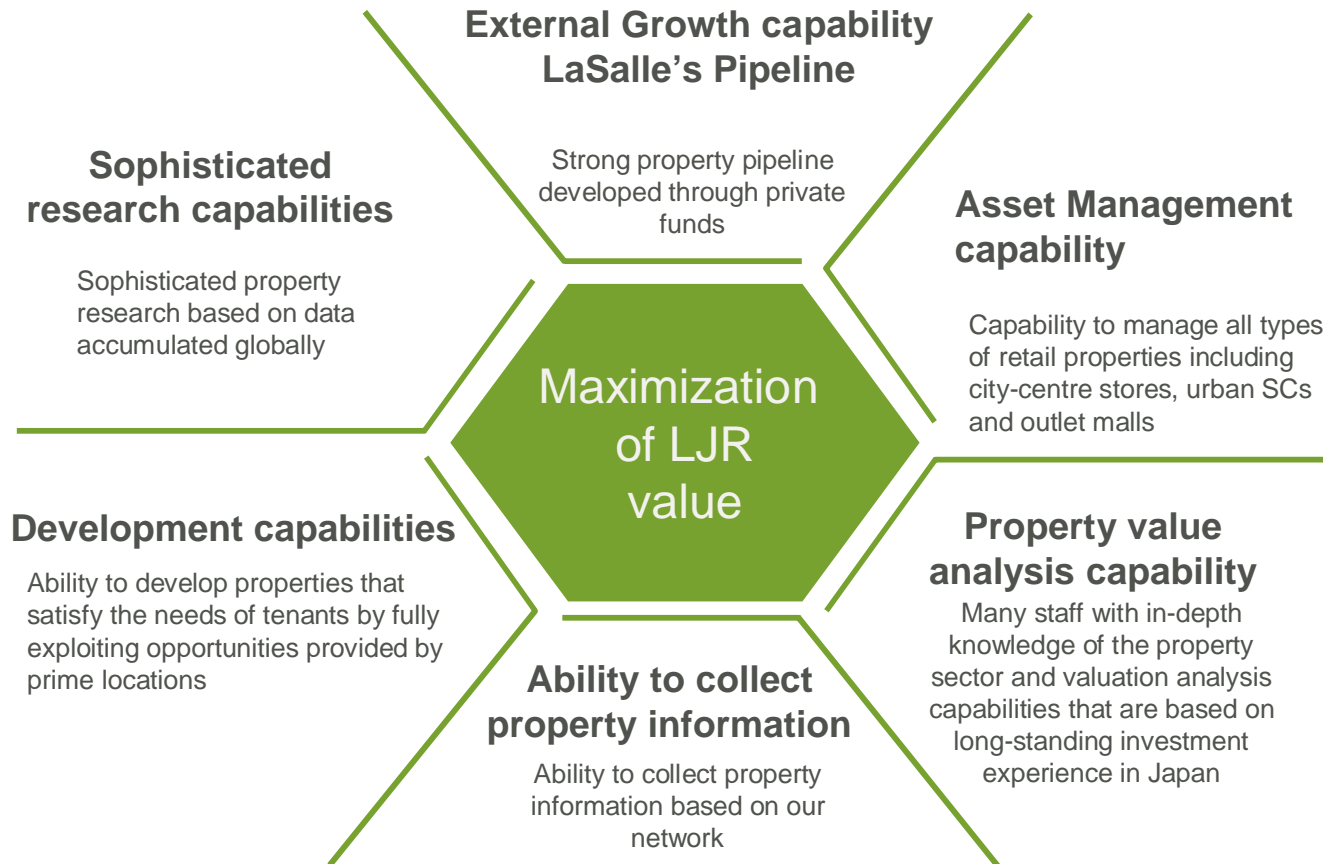
Therefore, stability of revenue from the 3 core, highly competitive properties are expected to support stability of the whole portfolio in the short term irrespective of concentration risks

		3 rd Period	4 th Period	5 th Period
Borrowings		31.5bn	36.5bn	70.2bn
Details	Short-term debt	6.0bn	25.5bn	61.7bn
	Long-term debt	25.5bn	11.0bn	8.5bn
Details	Floating interest rate	6.0bn	2.5bn	36.2bn
	Fixed interest rate (incl. costs for purchase of cap)	25.5bn	34.0bn	34.0bn
# of Lenders		14	14	15
	Megabanks	2	2	3
	Trust banks	3	3	3
	Regional banks	3	3	3
	Other banks (Aozora, Shinginko Tokyo, Shinsei, Resona)	4	4	4
	Life/Non-life insurance	2	2	2
# of Issuer rating		-	-	1
	R&I			A -
LTV		48.0%	51.6%	53.8%
FFO payout ratio		73.7%	69.9%	68.3%



2 Future growth strategies

Growth strategy leveraging LaSalle's strength



Summary of future growth strategies

External Growth Strategy

- Pipeline support agreement between LIM and LIA (LJR)
- Preparations for “warehousing scheme”
- Leverage the sponsor’s strengths for development of office and retail properties and capabilities related to their research
- Investment in “Class A-” office buildings with high rental growth potential

Internal Growth Strategy

- Efforts for increasing income by rent revision, and sales-based rent increase
- Consolidation of property managers and achieving economies of scale

Financial Strategy

- Strengthen financial health supported by a syndicate of banks consisting primarily of mega-banks
- Ensure successful refinancing in September and November 2008
- Decrease leverage, optimize the proportions of long and short term loan, the proportion of fixed-interest rates and variable-interest rates, and distribute the dates of maturity

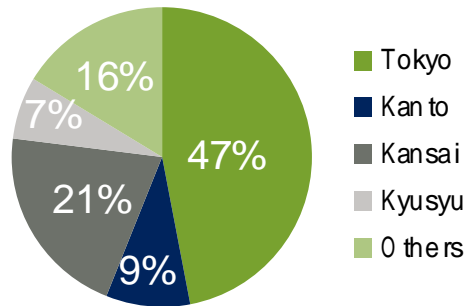
IR, others

- After the results presentation, we plan to host 1 on 1 meeting for domestic investors
- Conduct international IR roadshow to expand investor base comprised of prime international investors

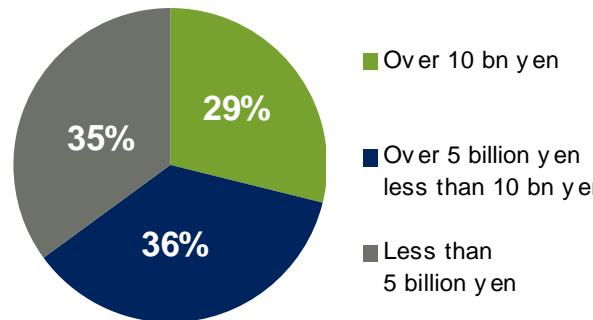
Sponsor's property pipeline

- Information obtained by LaSalle Investment Management (Sponsor)
 - About 120 property introductions on average per month
 - Information obtained directly from real-estate intermediaries and sellers
 - The size of assets is broad-ranging, from ¥1bn to over ¥100bn
 - The assets are also broad-ranging in terms of type and geography

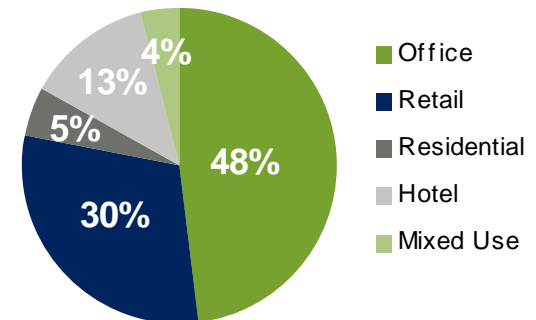
▪ Breakdown by region



▪ Breakdown by size

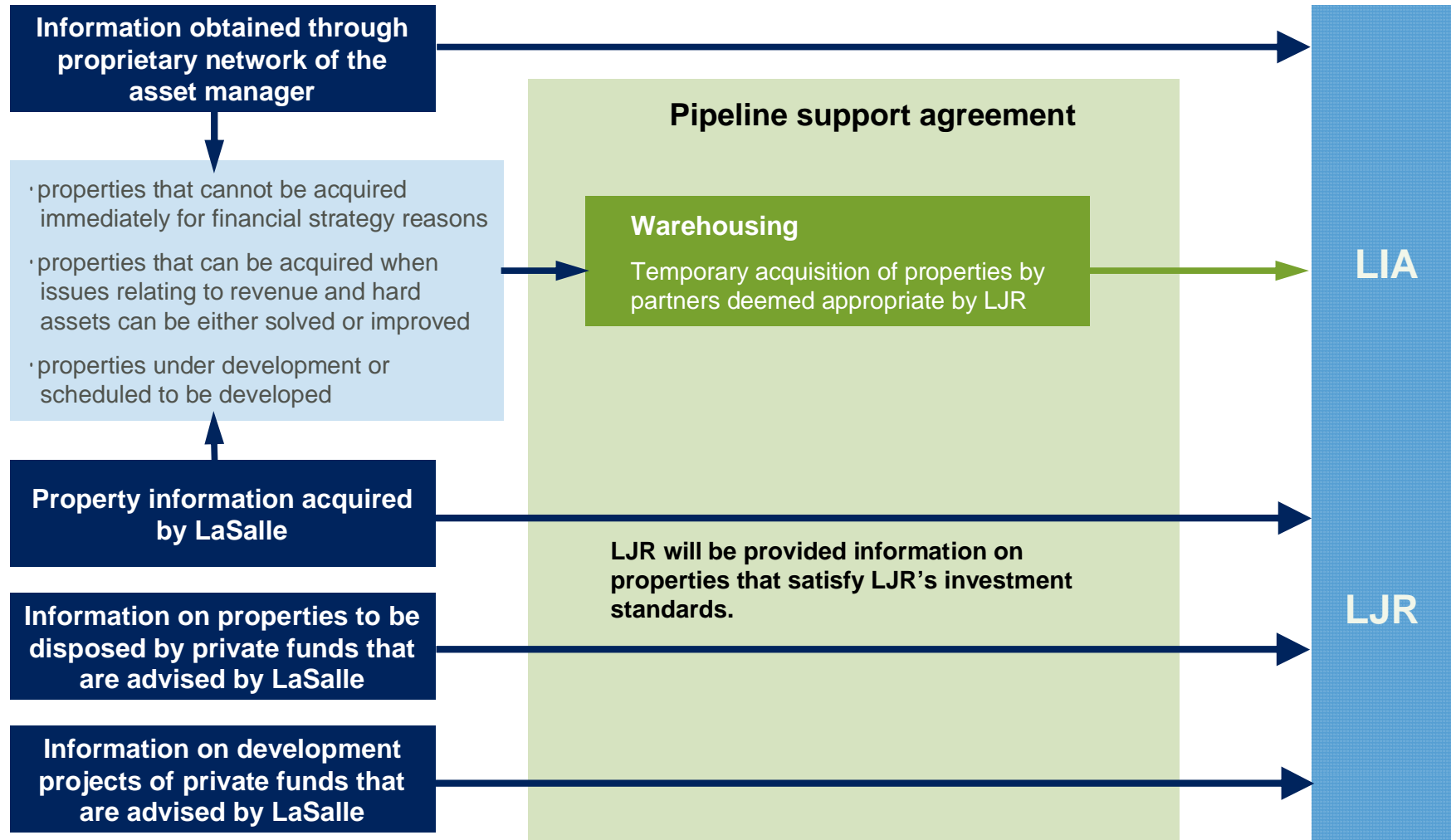


▪ Breakdown by type of assets



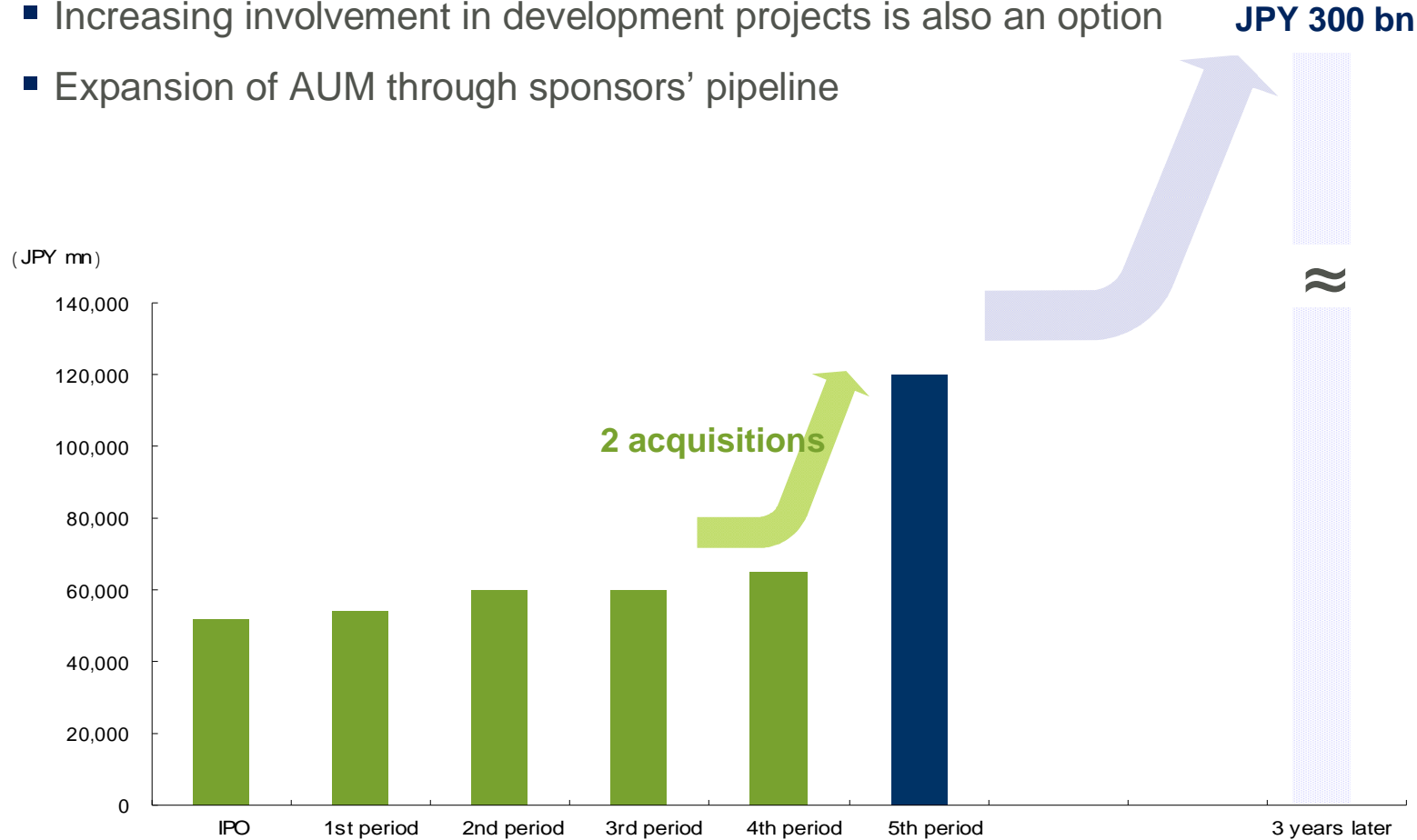
As of Apr 2008

Pipeline support agreement by LaSalle



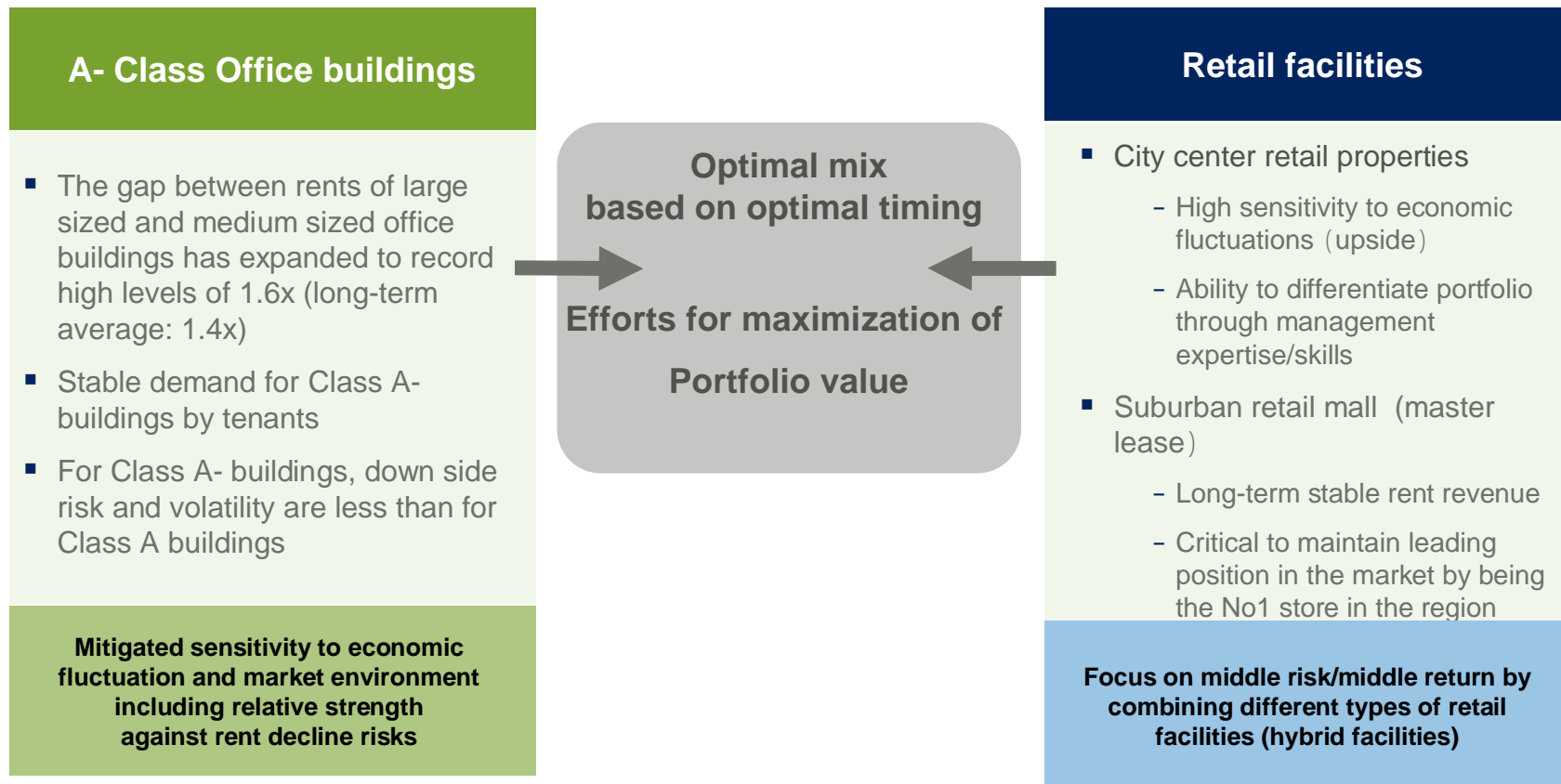
External growth strategy

- Selective investments in A- office buildings / retail properties based on our research
- Increasing involvement in development projects is also an option
- Expansion of AUM through sponsors' pipeline



Portfolio strategy

Optimal portfolio mix strategy for office and retail based on extensive research

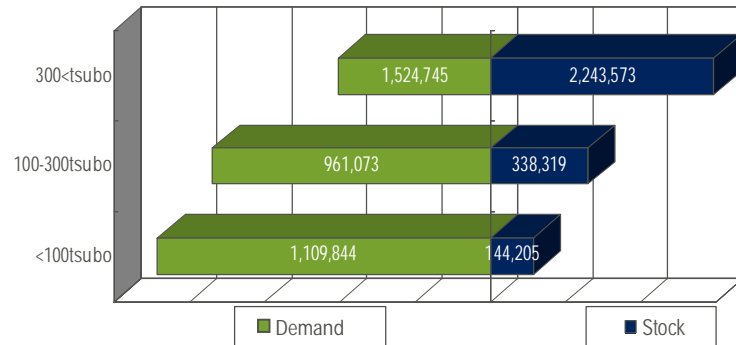


Rationale for investing in Class A- office buildings

- Definition of A- (A minus) office buildings
 - Specifications equivalent to that of Class-A buildings
 - Conveniently located office buildings primarily in central 5 wards of Tokyo
 - A typical floor area of c.100 to 300 tsubo and a total floor area of c.1,000 to 3,000 tsubo

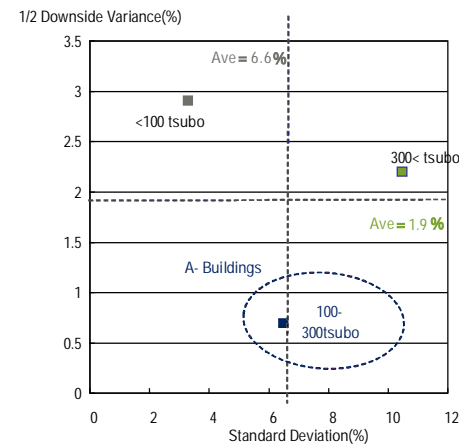
Investment opportunities

- Depth of tenant base (source of profits) + depth of real-estate stock + depth of investor demand
- While relevant data shows that the properties in stock are increasingly aged and thus losing competitive strengths, it also implies that demand for redevelopment is increasing.



Balanced / Appropriate risk & return

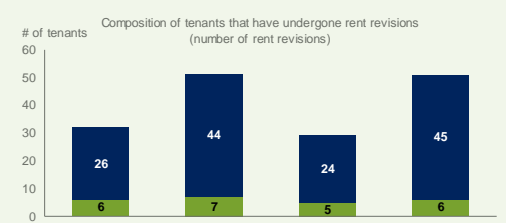
- Downside and volatility risks for rents are less than for Class-A buildings



Source: 1999-2007
LaSalle Investment Management

Invest in A- office buildings in consideration for greater tenant demand, transaction quantity and capital demand
Income oriented and stable investment product, which are desirable for REIT

Internal growth strategy

<p>Efforts for increasing income</p>	<ul style="list-style-type: none"> ▪ Rent increase for offices <ul style="list-style-type: none"> - Rent increase at contract renewal and replacement of tenants - Detailed analysis of contract situation to negotiate on rent increase at contract renewal where rents are under market - Rent increase negotiation for 2,000m² planned between the 6th-9th Period based on the diversified maturities of contracts ▪ Increase La Porte Aoyama's percentage of sales-based rents <ul style="list-style-type: none"> - Measures to increase sales throughout the building (implemented through its tenant association) - Improve customer floor of basement floor stores to attract more customers; also, implement measures for raising recognition - Replacement of tenants with poor sales - Negotiation on introduction of sales-based rents and other conditions when replacing tenants ▪ Increase rent revenue of local offices by increasing their occupancy level <ul style="list-style-type: none"> - Leasing activities supported by renovation-based improvements - Induce existing tenants to increase the size of area leased by them 	 <p>Composition of tenants that have undergone rent revisions (number of rent revisions)</p> <table border="1"> <thead> <tr> <th>Period</th> <th># of tenants</th> <th>Number of rent revisions</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>6</td> <td>26</td> </tr> <tr> <td>2</td> <td>7</td> <td>44</td> </tr> <tr> <td>3</td> <td>5</td> <td>24</td> </tr> <tr> <td>4</td> <td>6</td> <td>45</td> </tr> </tbody> </table>	Period	# of tenants	Number of rent revisions	1	6	26	2	7	44	3	5	24	4	6	45
Period	# of tenants	Number of rent revisions															
1	6	26															
2	7	44															
3	5	24															
4	6	45															
<p>Rigorous cost reduction</p>	<ul style="list-style-type: none"> ▪ Consolidation of property managers <ul style="list-style-type: none"> - Target is 1 PM for 10 office properties, 1-2 PM for 6 residential properties ▪ Sponsor's efforts for achieving economies of scale <ul style="list-style-type: none"> - ability to reduce insurance premium / improve insurance coverage through policy arranged by LaSalle Group. 	<p>cost reduction through operational efficiency and by consolidating BMs</p>															
<p>Achieve stable occupancy rates</p>	<ul style="list-style-type: none"> ▪ Achieve stable occupancy rates by increasing customer satisfaction <ul style="list-style-type: none"> - identify the exact needs of tenants through tenant satisfaction surveys 																

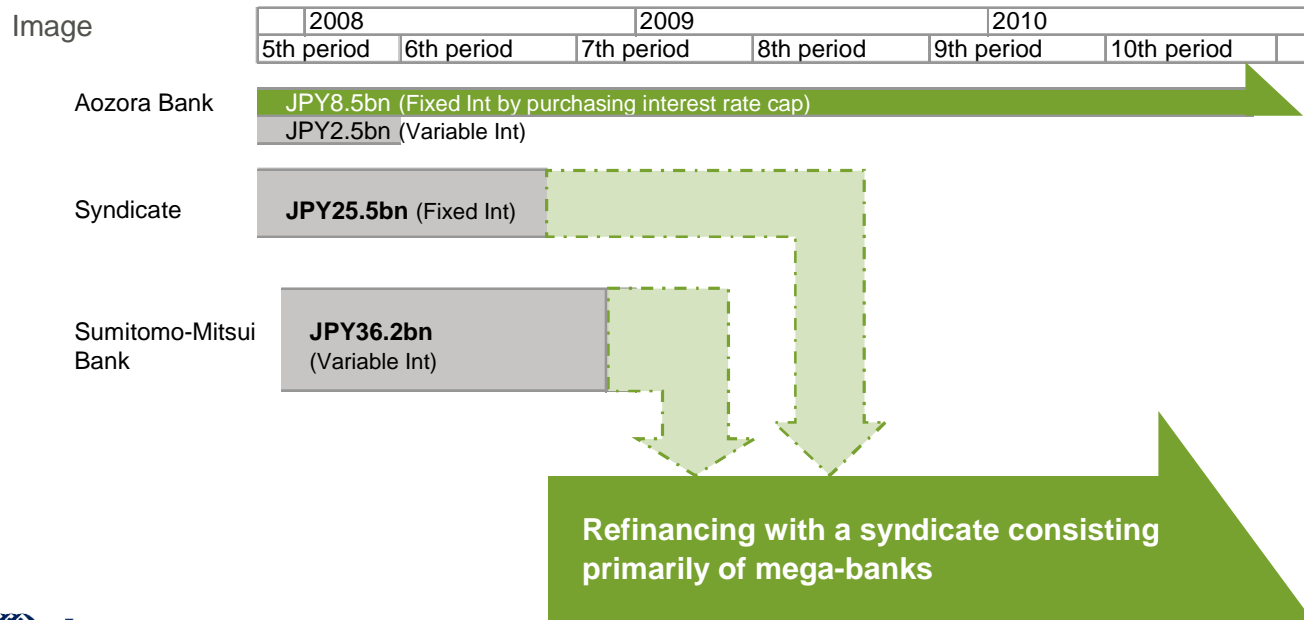
Financial Strategy

Basic policies for financial strategies

- Strengthen financial health supported by a syndicate of banks consisting primarily of mega-banks
- Ensure successful refinancing in September and November 2008
- Improve LTV, optimize the proportions of long and short term loan, the proportion of fixed-interest rates and variable interest rates, and diversify the dates of maturity

Refinancing policies

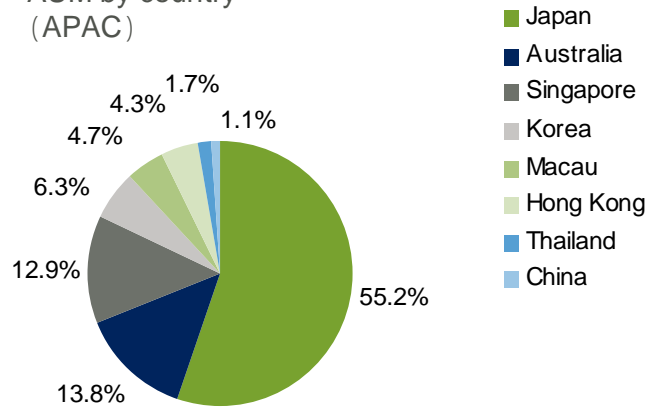
- Stabilize the financial structure through timely refinancing
- Ensure successful refinancing with a syndicate consisting primarily of mega banks for loans that expire in September and November 2008
- Increase the intervals of maturity to 1 to 3 years by making the best use of the loan that expires in 2010
- Improve short-/ long-term and fixed/ variable interest rate loan balance



Reference: Properties acquired by LaSalle

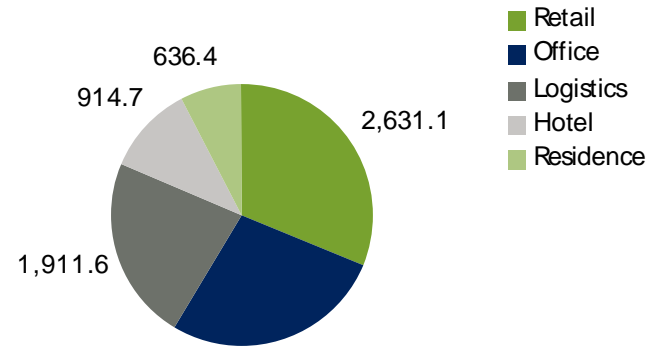
LaSalle's AUM

AUM by country (APAC)



As of Sep 30, 2007

AUM by property type (APAC, US\$m)



As of Sep 30, 2007

Summary of trophy deals in Japan



Akihabara Center Place Bldg



Outlet Mall Chitose Rera



Nippon Express Tokyo Big Cube



Logi Port Kashiwa



Tennozu First Tower



Aeon Mall Hamamatsu Shitoro SC



Hotel Sunroute Ariake



Logi Port Kawasaki

Reference: LaSalle's leasing and management performance in Japan

Office building



Akihabara Center Place Bldg

Intelligent office building located in the large redevelopment area in the proximity of Akihabara station. Successful commercialization through collaboration with Mitsubishi Estate. Acquisition of the property after completion of construction. Multi-tenant office with 100% occupancy realized by soliciting quality tenants with high credit quality

Suburban Shopping Center



Aeon Mall Hamamatsu Shitiro SC

Largest SC in the region with Jusco being the major tenant



Ito Yokado Kominato

First joint development with Ito Yokado

Outlet Mall



Chitose Outlet Mall Rera

Creation of a space with diversified design to make it an entertainment-type outlet that makes it fun to stay for a long time. Hokkaido's No.1 resort-type outlet mall evolved from traditional outlet malls

Urban retail center



VEXA Omotesando

Development/leasing project

Reference: Track record of property investment globally

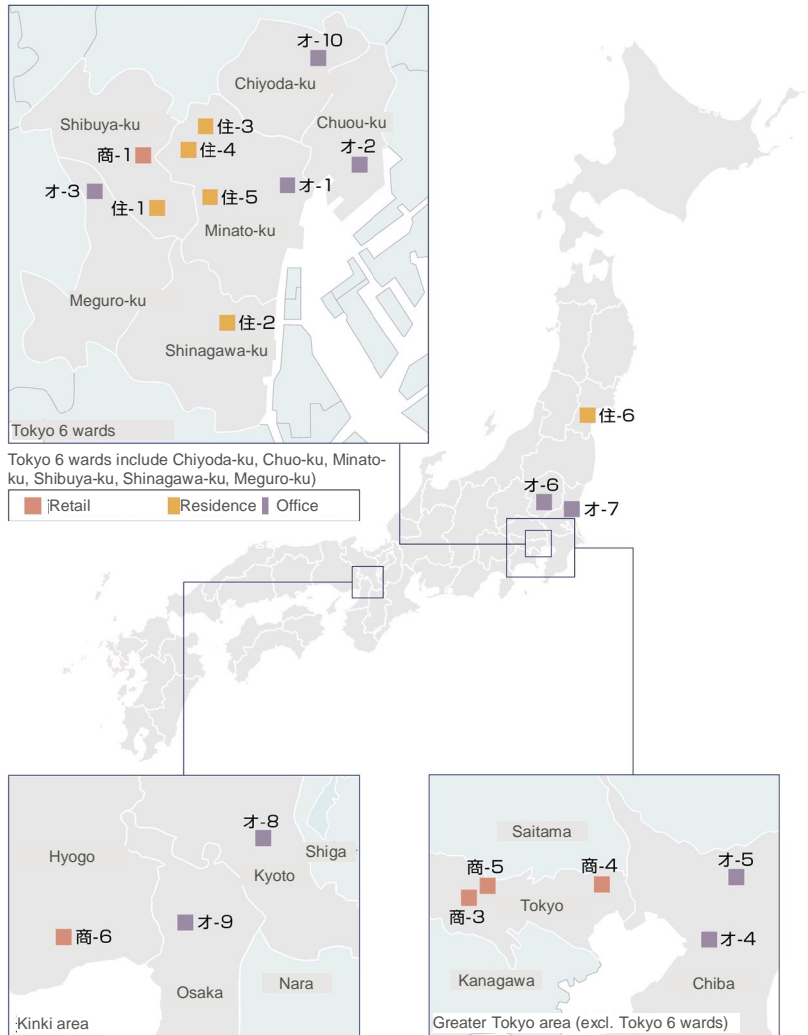


(December 31, 2007)



3 Portfolio overview

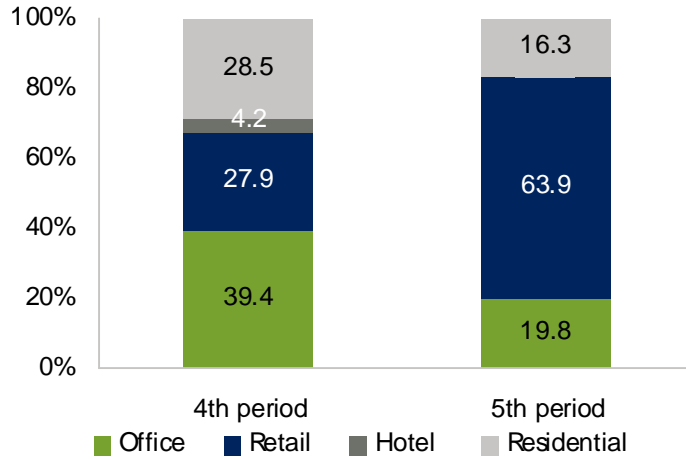
Portfolio map



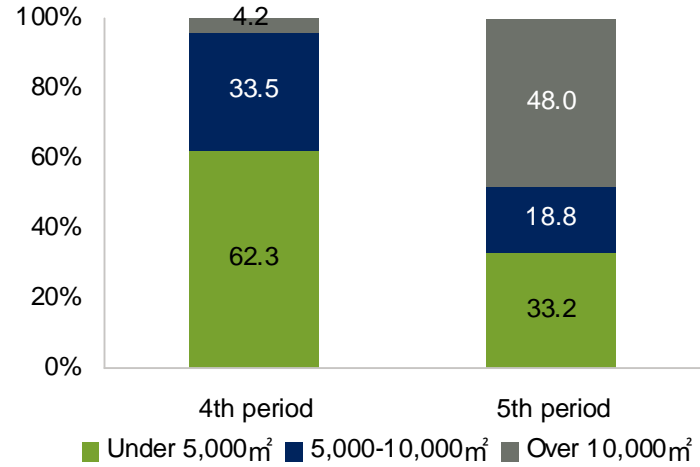
Property #	Type	Property Name
オ - 1	Office	Shinsan Building
オ - 2	Office	Sankyo Building
オ - 3	Office	Shibuya West Building
オ - 4	Office	Chiba West Building
オ - 5	Office	Narita TT Building
オ - 6	Office	Utsunomiya Center Building
オ - 7	Office	Southern Mito Building
オ - 8	Office	Horikawa-Dori Shijyo Building
オ - 9	Office	KYUHO Esaka Building
オ - 10	Office	Uchikanda Building
商 - 1	Retail	La Porte Aoyama
商 - 3	Retail	Nishino Building
商 - 4	Retail	Leaf Comfort Shinkoiwa
商 - 5	Retail	AEON Mall Musashi-murayama Mu
商 - 6	Retail	AEON Mall Kobe-kita
住 - 1	Residential	Mirum Daikanyama
住 - 2	Residential	Mirum Shirokanedai
住 - 3	Residential	Mirum Nogizaka
住 - 4	Residential	Mirum Minami Aoyama
住 - 5	Residential	Mirum Hiroo II
住 - 6	Residential	Forest-Hill Sendai-Aoba

Portfolio summary

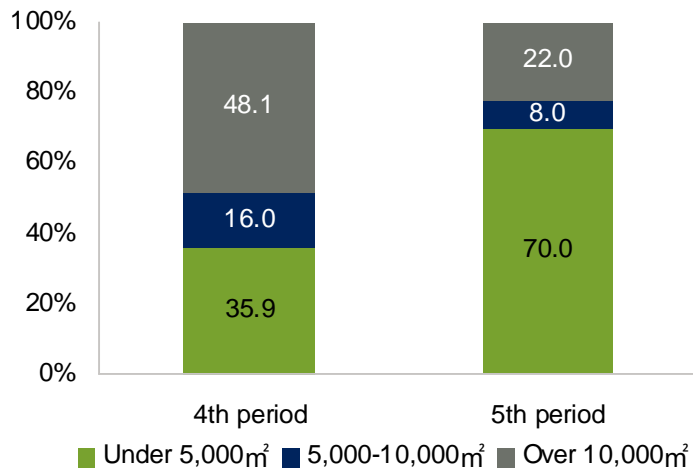
Type (Variance)



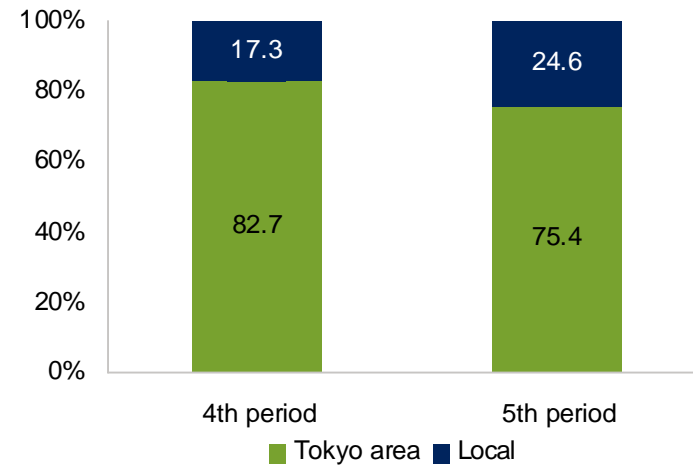
Size (Variance)



Building age (Variance)



Region (Variance)



List of key properties in the portfolio

Type	Office	Office	Office	Urban retail	Suburban retail	Suburban retail	Residential	Residential
Property name	Shinsan Building	Sakyo Building	Shibuya West Building	La Porte Aoyama	AEON Mall Musashi-murayama mu	AEON Mall Kobe-kita	Mirum Daikanyama	Mirum Shirokanedai
Photo								
Address	3-5-10 Shinbashi Minato-ku Tokyo	3-7-2 Irifune Chuo-ku Tokyo	4-7-1 Aobadai Meguro-ku Tokyo	5-51-8 Jingumae Shibuya-ku Tokyo	1-1-3 Enoki Musashimurayam a-shi Tokyo	8-2-1 Kamitsudai Kita-ku Kobe-shi Hyogo	7-1 Sarugaku-cho Shibuya-ku Tokyo	1-1-4 Kamiosaki Shinagawa-ku Tokyo
Construction	1987/5/18	1991/8/7	1990/11/7	2004/11/12	2006/10/16	2006/11/15	2003/2/10	2003/9/16
Building age	21.0	16.7	17.5	3.5	1.5	1.5	5.2	4.6
Leasable floor space	2,833.71	6,413.60	3,747.00	6,572.29	137,466.97	128,031.55	8,192.31	2,797.66
PML	10.8	14.5	12.5	9.1	15.2	9.9	10.1	12.9
occupancy rate	100.0	100.0	100.0	100.0	100.0	100.0	96.0	96.9
Acquisition price	2,106	4,132	2,017	14,024	38,400	19,200	6,869	2,680

List of portfolio

Property Name	Address	Acquisition price (JPY mn)	Share	Leasable floor space (m ²)	Building age	PML
Shinsan Building	Minato-ku Tokyo	2,106	1.8%	2,460.19	1987/5	10.8
Sankyo Building	Chuo-ku Tokyo	4,132	3.4%	5,248.41	1991/8	14.5
Shibuya West Building	Meguro-ku Tokyo	2,017	1.7%	2,592.26	1990/11	12.5
Chiba West Building	Chiba-shi Chiba	2,367	2.0%	5,497.38	1996/1	13.9
Narita T T Building	Narita-shi Chiba	1,860	1.5%	3,895.39	1990/3	19.6
Utsunomiya Center Building	Utsunomiya-shi Tochigi	2,135	1.8%	5,043.23	1986/1	10.9
Southern Mito Building	Mito-shi Ibaraki	1,962	1.6%	4,834.56	1985/2	13.7
Horikawa Dori Shijo Building	Kyoto-shi Kyoto	1,885	1.6%	4,834.56	1992/7	10.0
KYUHO Esaka Building	Suita-shi Osaka	1,899	1.6%	5,013.66	1993/1	10.1
Uchikanda Building	Chiyoda-ku Tokyo	3,323	2.8%	3,315.07	1962/5	13.9
Total of office properties		23,686	19.8%	42,833.42		
La Porta Aoyama	Shibuya-ku Tokyo	14,024	11.7%	4,171.26	2004/11	9.1
Nishino Building	Hachioji-shi Tokyo	2,715	2.3%	7,205.78	1990/7	13.4
Leaf Comfort Shinkoiwa	Katsushika-ku Tokyo	2,320	1.9%	2,439.73	2007/7	13.9
Aeon Mall Musashi-murayama Mu	Musashi-murayama-shi Tokyo	38,400	32.0%	137,466.97	2006/1	15.2
Aeon Mall Kobe-kita	Kobe Hyogo	19,200	16.0%	128,031.55	2006/11	9.9
Total of Retail properties		76,659	63.9%	279,315.29		
Mirum Daikanyama	Shibuya-ku Tokyo	6,869	5.7%	5,338.94	2003/2	10.1
Mirum Shiroganedai	Shinagawa-ku Tokyo	2,680	2.2%	2,671.96	2003/9	12.9
Mirum Nogizaka	Minato-ku Tokyo	2,751	2.3%	2,888.39	2003/1	8.4
Mirum Minamiaoyama	Minato-ku Tokyo	2,575	2.2%	1,905.13	2004/2	9.9
Mirum Hiro-o	Minato-ku Tokyo	2,256	1.9%	1,983.12	2004/3	12.9
Forest Hill Sendai-Aoba	Sendai-shi Miyagi	2,450	2.0%	6,472.40	2007/3	11.7
Total of Residential properties		19,581	16.3%	21,259.94		
Total of portfolio		119,926	100.0%	343,408.65		4.7



4 Details of 5th Period Results

Balance sheet

	4th period As of Oct. 2007		5th period As of Apr. 2008	
	Amount JPY mn	Percentage (%)	Amount JPY mn	Percentage (%)
Assets				
Current assets	5,218	7.4	10,265	7.9
Cash and cash equivalents	1,318	1.9	1,759	1.3
Entrusted cash and cash	3,766	5.3	7,019	5.4
Rental receivables	64	0.1	42	0.0
Consumption tax refundable	27	0.0	1,233	0.9
Prepaid expenses	41	0.1	210	0.2
Other current assets	0	0.0	1	0.0
Non-current assets	65,455	92.6	120,272	92.1
Property and equipment	65,181	92.2	120,062	92.0
Entrusted buildings	17,873	25.3	44,171	33.8
Entrusted land	47,308	66.9	75,890	58.1
Intangible assets	-	-	6	0.0
Investments	274	0.4	203	0.1
Derivatives	50	0.1	51	0.0
Long-term prepaid expenses	195	0.3	124	0.1
Other non-current assets	28	0.0	28	0.0
Investments	-	-	30	0.0
Total assets	70,674	100	130,568	100.0

	4th period As of Oct. 2007		5th period As of Apr. 2008	
	Amount JPY mn	Percentage (%)	Amount JPY mn	Percentage (%)
Liabilities				
Current liabilities	26,237	37.1	62,584	47.9
Account payable	157	0.2	179	0.1
Short-term debt	-	-	36,200	27.7
Long-term debt repaid within one year	25,500	36.1	25,500	19.6
Rent received in advance	355	0.5	401	0.3
Other current liabilities	224	0.3	303	0.2
Non-current liabilities	13,078	18.5	13,063	10.0
Long-term debt	11,000	15.6	8,500	6.5
Entrusted tenant leasehold and security	2,078	2.9	4,563	3.5
Total Liabilities	39,316	55.6	75,648	57.9
Net assets				
Unitholders' equity	31,386	44.4	54,947	42.1
Unitholders' capital	30,484	43.1	53,284	40.8
Retained earnings	902	1.3	1,663	1.3
Valuation and translation adjustments	28	0.0	27	0.0
Unrealized gain from deferred hedge	28	0.0	27	0.0
Total Liabilities	31,357	44.4	54,920	42.1
Total liabilities and net assets	70,674	100	130,568	100.0

Income statement

	4th period (As of Oct. 2007)		5th period (As of Apr. 2008)	
	Amount (JPY mn)	Percentage (%)	Amount (JPY mn)	Percentage (%)
Operating revenues	2,378	100.0	3,951	100.0
Rental revenues ()	2,163	91.0	3,574	90.4
Other rental revenues ()	214	9.0	176	4.5
Gain from property sales	-	-	200	5.1
Operating expenses	1,203	50.6	1,664	42.1
Property-related expenses ()	997	41.9	1,376	34.8
PM and maintenance fees	233	9.8	226	5.7
Utilities	153	6.5	145	3.7
Repairs	52	2.2	48	1.2
Insurance	6	0.3	15	0.4
Tax and public charges	141	5.9	141	3.6
Depreciation and amortization	388	16.3	769	19.5
Other property-related expenses	21	0.9	29	0.7
Asset management fees	101	4.3	153	3.9
Director's salaries	2	0.1	3	0.1
Custodian fees	9	0.4	10	0.3
Administrative service fees	26	1.1	37	0.9
Other operating expenses	66	2.8	83	2.1
Operating income	1,174	49.4	2,287	57.9
NOI after depreciation (+ -)	1,381	58.1	2,374	60.1
NOI before depreciation	1,769	74.4	3,144	79.6
Non-operating revenues	3	0.1	5	0.1
Interest income	3	0.1	5	0.1
Other non-operating revenues	0	0	0	0.0
Non-operating expenses	274	11.5	627	15.9
Interest expenses	158	6.7	439	11.1
Financing related expense	115	4.8	181	4.6
Other non-operating expenses	-	-	6	0.2
Ordinary income	903	38.0	1,664	42.1
Income before income taxes	903	38.0	1,664	42.1
Net income	902	37.9	1,663	42.1
Retained earnings at the end of period	902	37.9	1,663	42.1

Cashflow statement

Cash Flow Statement

	(JPY mn)	
	4th period (As of Oct. 2007)	5th period (As of Apr. 2008)
Cash flow from Operating Activities	1,061	3,658
Income before income taxes	903	1,664
Depreciation	388	770
Amortization of investment units	-	6
Interest income	3	5
Interest expenses	158	439
Change in rental receivables	16	22
Change in consumption tax receivable	27	1,205
Change in prepared expenses	163	97
Change in rent received in advance	33	15
Change in accrued expenses	9	45
Change in consumption tax refundable	46	-
Change in deposits received	51	45
Change in derivatives	97	-
Change in trusted fixed assets by property sales	-	2,374
Others	17	10
Sub-Total	1,208	4,054
Interest income	3	5
Interest payment	149	400
Corporate taxes payment	1	1
Cash flow from investing Activities	5,139	55,526
Purchase and sale of entrusted property and equipment	5,197	58,006
Proceeds from tenant leasehold and security deposits	-	4
Proceeds from entrusted tenant leasehold and security	57	2,484

	(JPY mn)	
	4th period (As of Oct. 2007)	5th period (As of Apr. 2008)
Cash Flow from Financing Activities	4,003	55,562
Proceeds from short-term debt	-	36,200
Repayments of short-term debt	6,000	-
Proceeds from long-term debt	11,000	-
Repayments of long-term debt	-	2,500
Net change in cash and cash equivalents	996	901
Cash and cash equivalents at beginning of period	74	3,694
Cash and cash equivalents at end of period	5,159	5,084
Net change in cash and cash equivalents	5,084	8,778

Statement on distribution of cash

	(JPY)	
	4th period (As of Oct. 2007)	5th period (As of Apr.)
Retained earnings (ending balance)	902,348,900	1,663,799,584
Distribution amount	902,335,000	1,663,743,500
DPU (yen)	14,210	13,807
Retained earnings carried forward	13,900	56,084

Performance by property (Office properties)

(JPY mn)

	Shinsan Building	Sankyo Building	Shibuya West Building	Chiba West Building	Narita TT Building	Utsunomiya Center Building	Southern Mito Building	Horikawa-Dori Shijyo Building	KYUHO Esaka Building	Uchikanda Building
Operating days	182	182	182	182	182	182	182	182	182	182
Occupancy rate (%)	100	100	100	89.6	100	91.9	90.9	91.4	88.8	100
Number of tenants	5	7	1	19	8	20	25	11	16	9
Acquisition price	2,106	4,132	2,017	2,367	1,860	2,135	1,962	1,885	1,899	3,323
Operating revenues	88	177	99	110	106	112	106	118	101	116
Rental revenues	78	162	73	103	97	104	101	110	89	110
Other rental revenues	9	14	25	7	8	8	5	8	12	5
Property-related expenses	32	60	36	60	30	70	43	54	64	51
PM and maintenance fees	9	12	6	12	8	12	8	10	9	8
Utilities	6	10	4	7	3	7	4	7	8	6
Repairs	4	12	14	9	5	10	7	9	8	6
Insurance	0	2	0	0	0	10	0	2	5	16
Tax and public charges	0	0	0	0	0	0	0	0	0	0
Depreciation and amortization	9	19	9	29	10	27	20	24	30	12
Other property-related expenses	0	1	0	0	0	1	1	1	0	1
Operating income	55	116	62	50	76	41	63	64	37	64
NOI (+)	65	136	72	79	86	69	83	88	68	76
NOI yield (%)	6.2%	6.6%	7.2%	6.7%	9.3%	6.5%	8.5%	9.4%	7.2%	4.6%
CAPEX	5	4	12	1	16	0	53	72	1	1
NCF (-)	59	132	59	77	70	69	30	15	66	75

Performance by property (Retail properties, Residentials)

(JPY mn)

	La Porte Aoyama	Nishino Building	Leaf Comfort Shinkoiwa	AEON Mall Musashi-murayama Mu	AEON Mall Kobe-kita	Mirum Daikanyama	Mirum Shirokanedai	Mirum Nogizaka	Mirum Minami Aoyama	Mirum Hiro-o II	Forest Hill Sendai-Aoba
Operating days	182	182	182	163	163	182	182	182	182	182	182
Occupancy rate (%)	100	90.2	100	100	100	96.0	96.9	94.1	98.1	78.8	100
Number of tenants	19	46	30	1	1	78	34	42	46	45	251
Acquisition price	14,024	2,715	2,320	38,400	19,200	6,869	2,680	2,751	2,575	2,256	2,450
Operating revenues	391	109	79	838	517	183	76	75	73	64	96
Rental revenues	355	99	74	838	517	178	72	72	69	60	95
Other rental revenues	35	9	4	-	-	5	3	3	4	3	0
Property-related expenses	124	53	23	211	185	59	23	24	19	19	38
PM and maintenance fees	32	8	4	5	2	21	10	9	6	8	10
Utilities	24	8	-	-	-	6	2	2	1	1	-
Repairs	31	9	5	-	-	4	0	0	2	0	1
Inssurance	2	3	0	-	-	0	0	0	-	0	-
Tax and public charges	0	0	0	4	3	0	0	0	0	0	0
Depreciation and amortization	30	22	10	200	173	25	8	10	8	7	25
Other property-related expenses	3	1	2	0	5	1	0	0	0	0	1
Operating income	266	56	55	626	332	123	52	50	53	44	58
NOI (+)	296	78	66	826	505	149	60	61	61	52	83
NOI yield (%)	4.2%	5.8%	5.8%	4.8%	5.9%	4.4%	4.6%	4.5%	4.8%	4.7%	6.8%
CAPEX	4	16	1	-	-	-	0	-	-	-	-
NCF (-)	291	62	64	826	505	149	60	61	61	52	83



LASALLE
INVESTMENT ADVISORS™

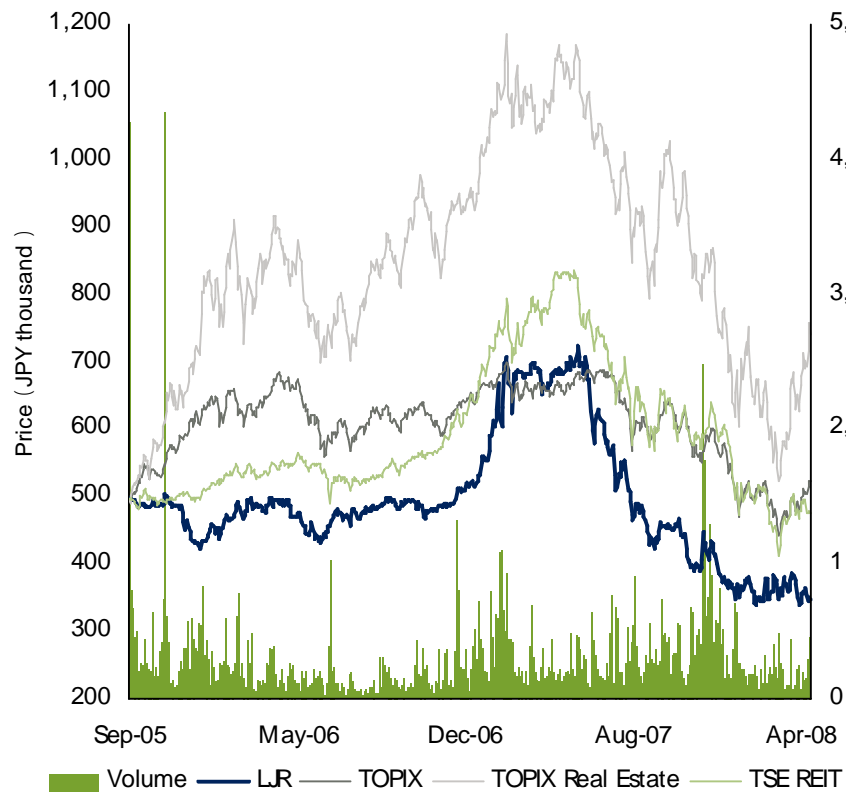
Real estate experience. Investment expertise.

5 Overview of LaSalle Japan REIT

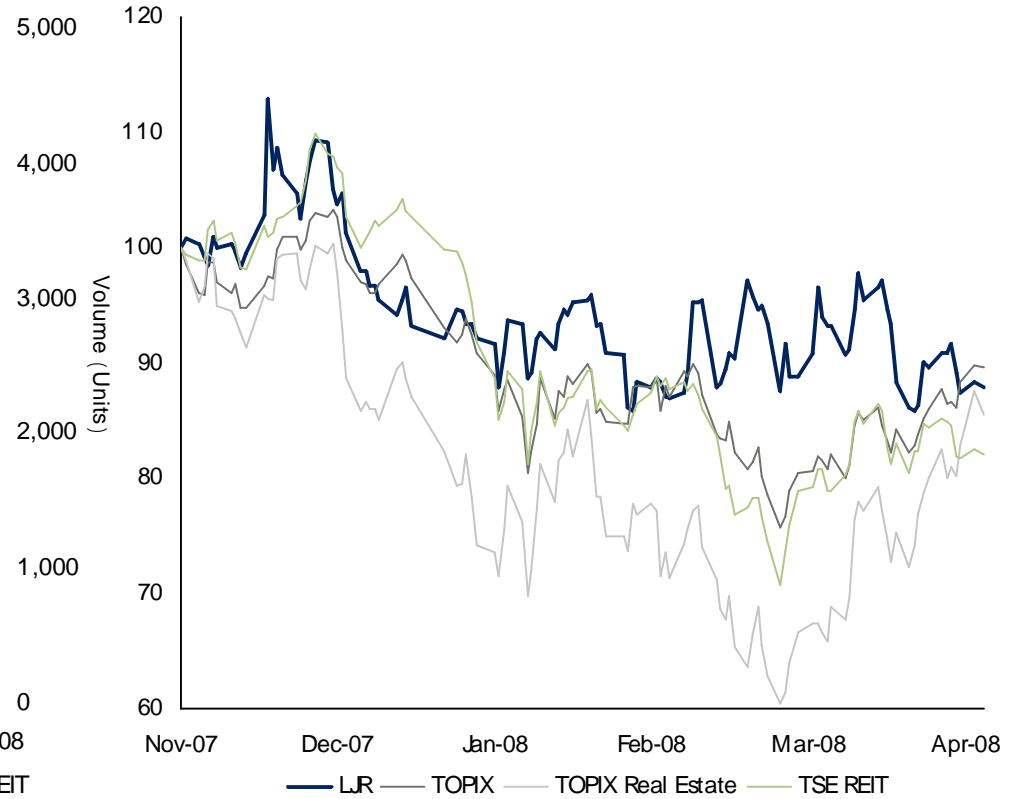
LASALLE
JAPAN REIT INC®

Unit price performance

Units price performance (After listing of LJR)



Units price performance (After the announcement of M&A)

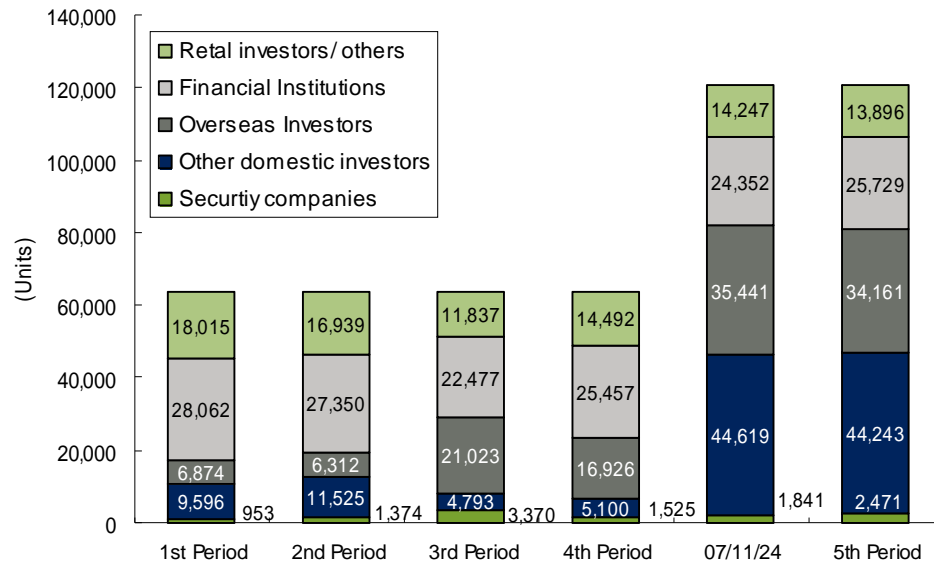


Unit holders

Classification of unit holders(End of 5th period)

Owners type	# of Units holders	Ratio (%)	Total units	Ratio (%)
Retail investors/ others	4,455	95.19	13,896	11.53
Financial Institutions	46	0.98	25,729	21.35
Overseas investors	70	1.49	34,161	28.34
Others	81	1.73	44,243	36.71
Security Companies	28	0.59	2,471	2.05
Total	4,680	100.00	120,500	100.00

Changes of units holders



Units holders (End of 5th period)

	Units holders	Units	Ratio (%)
1	London Property Special Purpose Company	30,000	24.89
2	Europe Property Special Purpose Company	9,500	7.88
3	Nikko Citi Trust and Banking, investment trust account	8,573	7.11
4	Tamweelview SA	6,000	4.97
5	Standard Chartered-Istithmar Asia Real Estate Opportunity Fund I Pte. Limited	6,000	4.97
6	UBS A.G London	5,500	4.56
7	Goldman Sachs International	4,299	3.56
8	GCML IBP customer collateral account	3,179	2.63
9	Japan Trustee Services Bank, trust account	2,560	2.12
10	The Master Trust Bank of Japan, trust account	2,160	1.79
		77,771	64.54

List of Bank loans (As of Apr. 30, 2008)

Loan

Participation	Lender	Loan amount (JPYmn)	Interest Rate	Borrowing Date	Repayment day	Description
Term Loan/Short	Sumitomo Mitsui Bank	36,200	1.60917%	2007/11/20	2008/11/20	Secured Variable interest rate
	Shinginko Tokyo	1,000				
	Shinsei Bank	2,000				
	Chiba Bank	1,500				
	Chuo-Mitsui Trust and Banking	2,000				
	Tokiomarine-nichido	1,000				
	Nishinohon city Bank	3,000				
Term Loan/Short	Mizuho	2,000	0.81834%	2005/9/9	2008/9/30	Secured Fixed interest rate
	Mizuho Trust and Bank	2,000				
	Mitsui Sumitomo Insurance	2,000				
	Yamaguchi Bank	1,000				
	Mitsubishi Tokyo UFJ Bank	3,000				
	Mitsubishi UFJ Trust and Banking	2,000				
	Risona Bank	3,000				
Total of Short Loan		61,700				
Term Loan/Long	Aozora Bank	8,500	1.35917%	2007/9/21	2010/9/21	Secured Variable interest rate
Total of Loan		70,200				



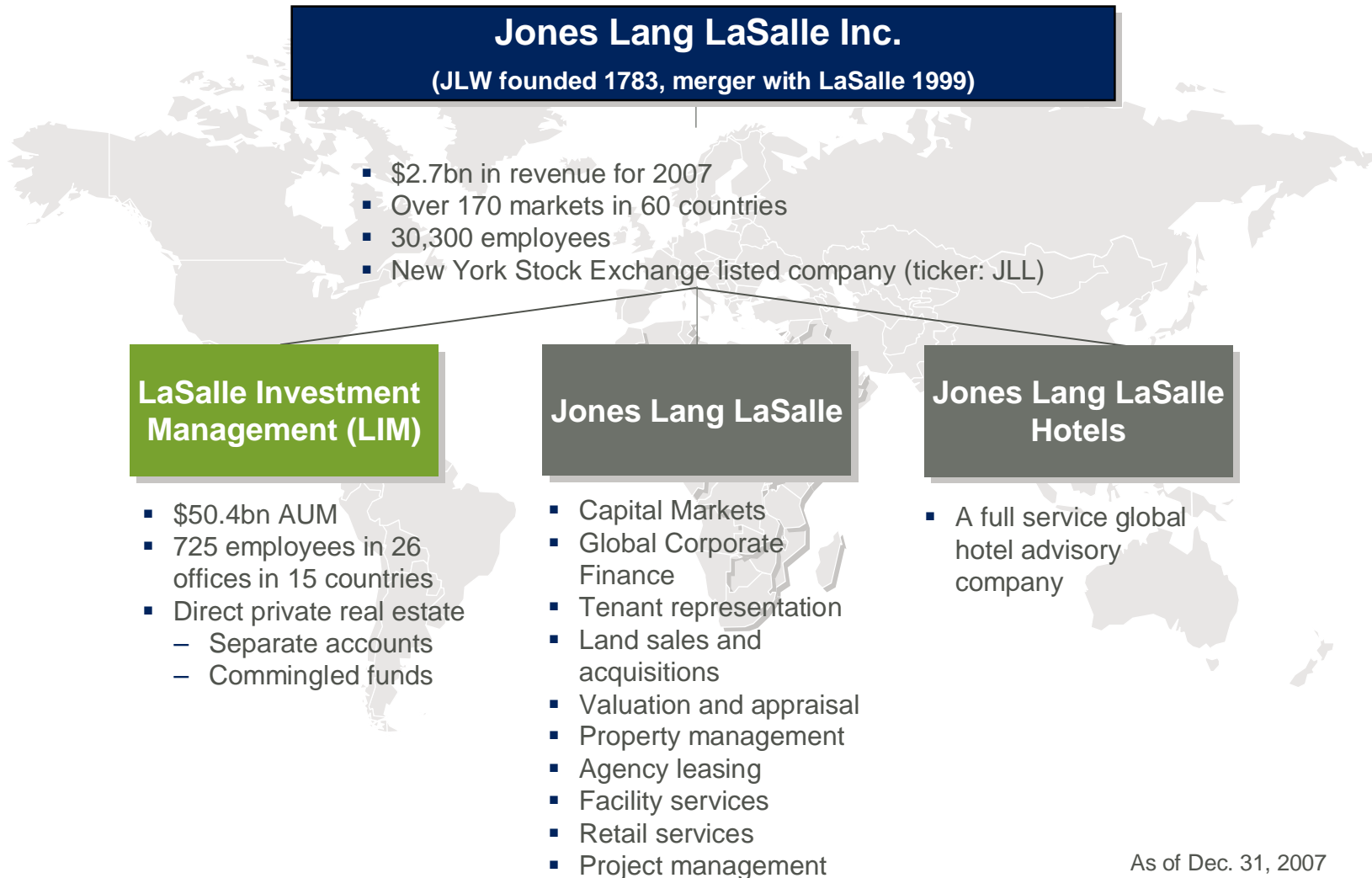
Appendix
LaSalle Investment
Management
Global Real Estate
Market Strategy



1 Who is LaSalle Investment Management?

Organization of Jones Lang LaSalle group

Real-estate service provider covering real-estate properties worldwide



Jones Lang LaSalle group's activities in global market

Group's global footprint in more than 170 markets in 60 countries

Among a total of 30,300 employees for the group,
725 belong to LaSalle Investment Management 26 locations

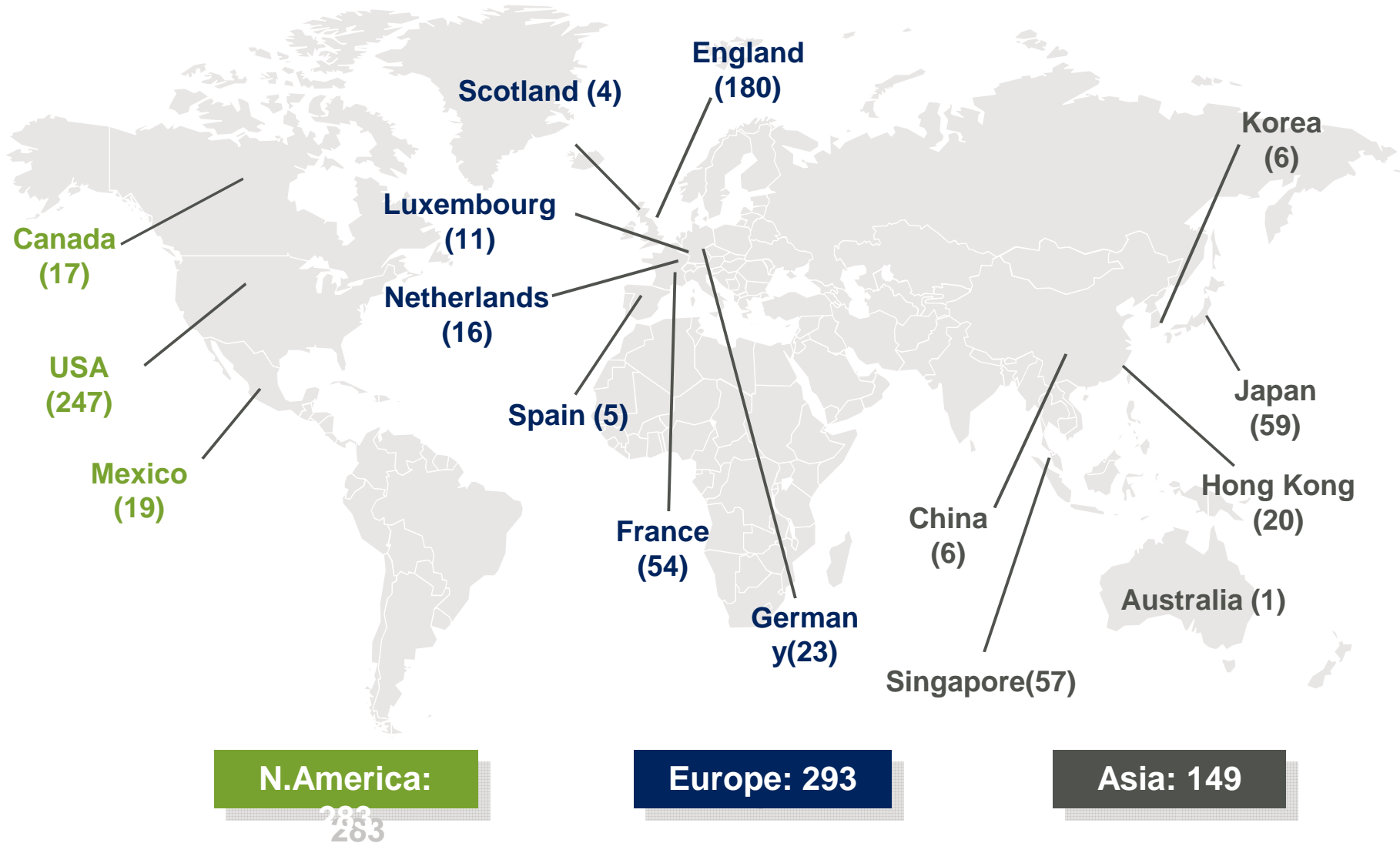
Ranks 4th in AUM (\$50.4bn or c. ¥5,300bn)

Distinguished research capacities in real estate industry, with a total of 180 research
professionals

A great number of industry and professional awards received

LaSalle's global network

A total of 725 LIM professionals across all regions



Ranking for Global Real Estate Investment Manager

2007 Ranking	Investment Manager	Real Estate AUM* (\$10bn)
1	TIAA – CREF	75
2	Morgan Stanley Investment Mgmt	54
3	JP Morgan Asset Mgmt	44
4	LaSalle Investment Management	39
5	UBS Global Asset Management, Global Real Estate	35
6	BlackRock	31
7	RREEF Americas	31
8	Prudential Real Estate Investors	30
9	CB Richard Ellis Investors	29
10	Principal Real Estate Investors	29

*Tax-exempt base

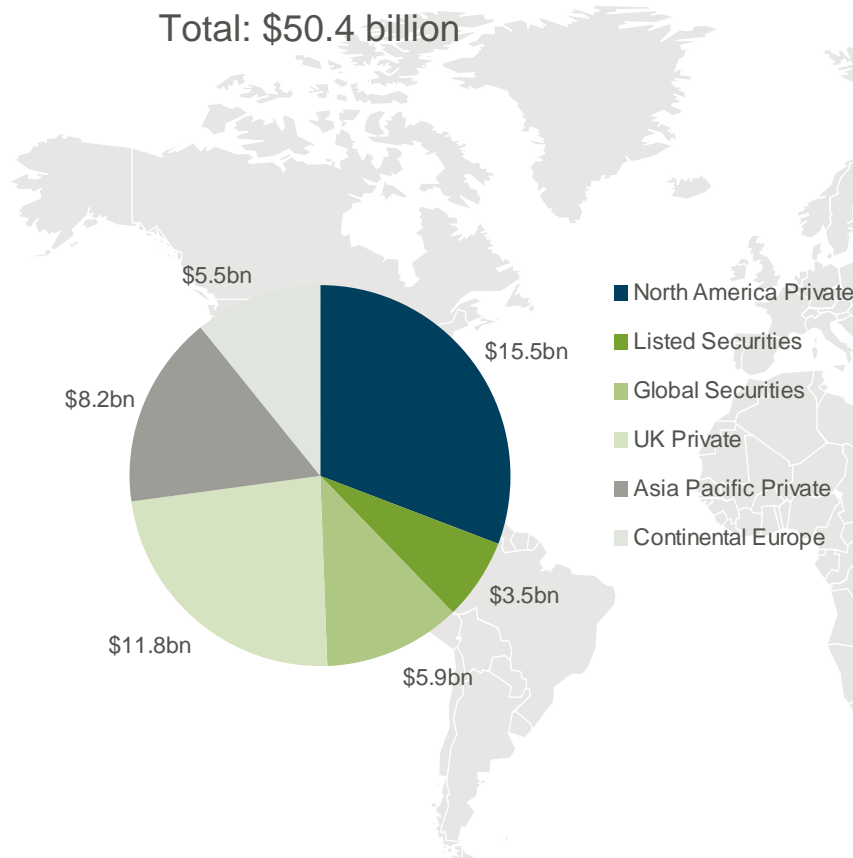
Source from survey by *IREI Investment Guide 08 April*

LaSalle's AUM and category of Investors

Global investment and diverse investor universe

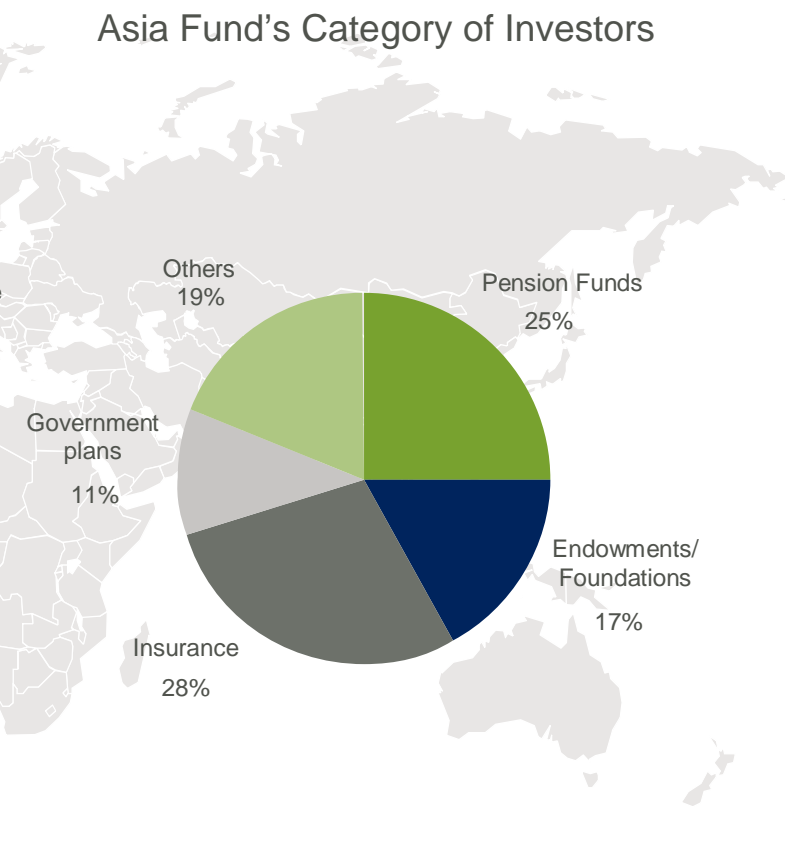
Asset Under Management

Total: \$50.4 billion



Category of investors

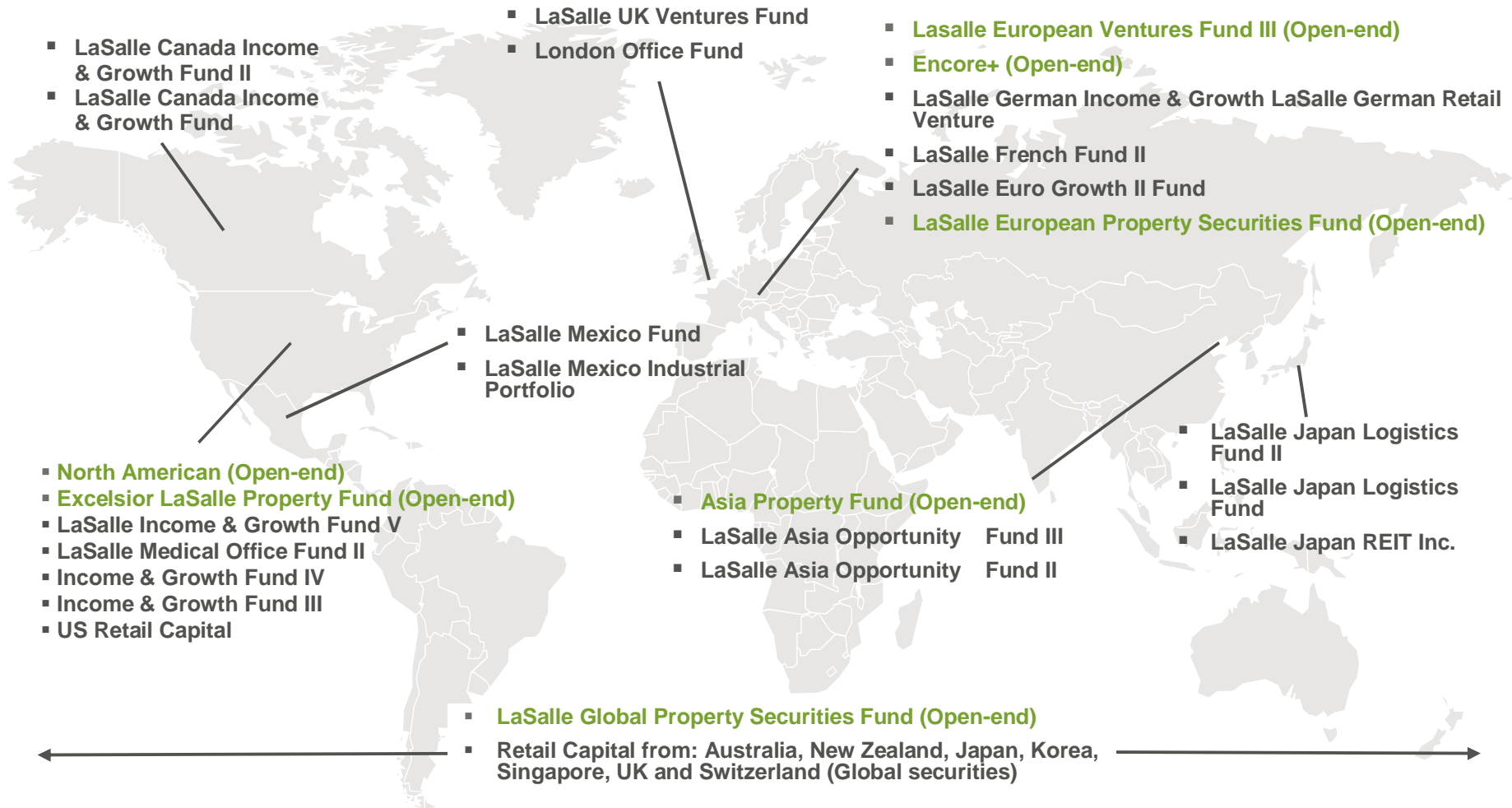
Asia Fund's Category of Investors



Source: LASALLE INVESTMENT MANAGEMENT (As of 2007)

As of Dec. 31, 2007

Global funds managed by LaSalle



As of Dec. 31, 2007

Global track record of LaSalle's real estate investments



As of Dec. 31, 2007

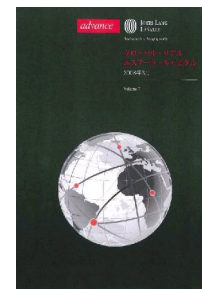
Research advantage of Jones Lang LaSalle group

180 research analysts all over the world

- Global Research Team



- Reports by Research Team (ex.)



Global real estate capital



Real estate transparency index



Real estate investment strategy 2008



APPD Japan 2007/4Q



Japan Economic Insight

Best house in real estate industry

Many award-winning track records – outstanding ability and commitment to achieving maximum performance

2005	2006	2007
<p>Winner of Estates Gazette / IPF TOP PERFORMING PENSION FUND £50M – £250M OVER 3 YEARS</p>	<p>Winner of Estates Gazette IPF/ IPD UK PROPERTY INVESTMENT HOUSE AWARD</p> <p>Constantia European Property Fund AUSTRIA'S TOP PERFORMING INVESTMENT FUND ACROSS ALL ASSET CLASSES</p> <p>Constantia European Property Fund EUROPE'S HIGHEST PERFORMING REAL ESTATE SECURITIES FUND</p>	<p>Winner of Estates Gazette / IPF TOP PERFORMING PENSION FUND £50M – £200M</p>



Who is LaSalle Investment Management?

“Leading” Global Real Estate Investment Manager

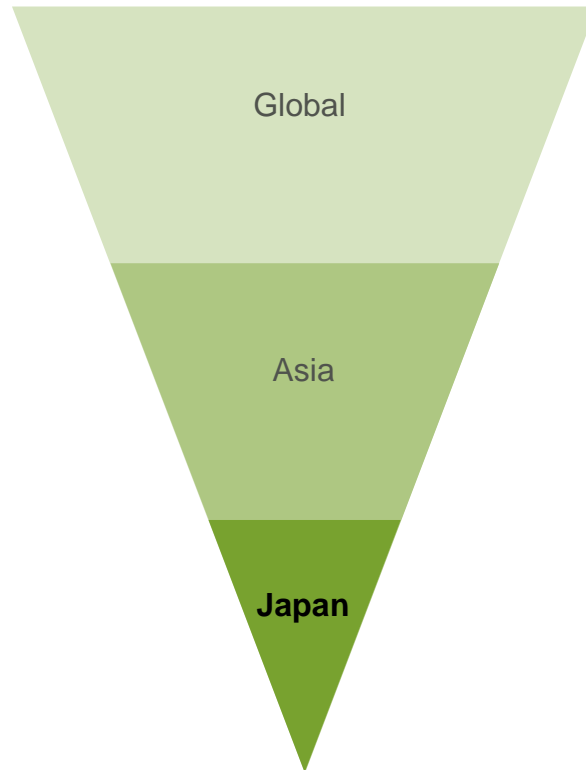




2 Positioning of Japanese Market

Positioning of Japanese market for LaSalle

Rationale of focusing on Japan



- **Highly potential markets in Asia vs. matured markets in US and Europe**

- Due to improved legislation and transparency, institutional investors have increasingly invested in Asian markets, which had never been the targets for these investors, since around 2000

- **China and India have combined growth potential and country risks**

- Although China and India have greater growth potential, they carry country risks, which can be offset by investing in other Asian markets that have achieved greater transparency

- **Japan is destined to remain a perpetual target for institutional investors**

- Japanese market has achieved the greatest transparency next to Singapore, Hong Kong and Australia, in addition to a deep market and a wealth of stock

LaSalle's view for Japanese real estate market

Japanese market still has an important presence in the global market



ファンド、買い意欲旺盛

「今後、三年間で百五億ドルのファンドを募集する」と、米不動産投資会社「ラサレ」の代表取締役、ジェフ・ジョンソン氏が記者会見で述べた。米不動産投資会社「ラサレ」の代表取締役、ジェフ・ジョンソン氏は、今後、三年間で百五億ドルのファンドを募集する意向を示している。米不動産投資会社「ラサレ」の代表取締役、ジェフ・ジョンソン氏は、今後、三年間で百五億ドルのファンドを募集する意向を示している。

「3年1兆円」企業も

米不動産投資会社「ラサレ」の代表取締役、ジェフ・ジョンソン氏は、今後、三年間で百五億ドルのファンドを募集する意向を示している。米不動産投資会社「ラサレ」の代表取締役、ジェフ・ジョンソン氏は、今後、三年間で百五億ドルのファンドを募集する意向を示している。

4面に続く

source: Nikkei Business
Apr. 2, 2008

FT.com
FINANCIAL TIMES

FTfm

Confident contrarian goes big on Japan

FACE TO FACE
You can't ignore the world's second largest economy. Jeff Jacobson tells Steve Johnson

When Jeff Jacobson first walked through the doors of LaSalle Investment Management in 1996 he had no notion he would ever be investing outside Chicago, the real estate specialist's home city.

Two decades on, Mr Jacobson, now global chief executive, oversees \$50bn (£35bn, £13.6bn) of investments across Europe, Asia-Pacific and North America. And right now, as the US turns sour, he is probably more glad than ever to have his eggs in many baskets.

"I think we are in a recession," he says of the US. "If you say that the UK [commercial property sector] is down 15-20 per cent peak-to-trough, and the US is down 30-40 per cent today, I would say there could be another 10 per cent [fall in the US]."

The wider real estate sector may look like a dog's dinner to some, but Mr Jacobson, who boasts a Masters degree from Stanford University's Food Research Institute and only moved into the hot seat at LaSalle in January 2007, is confident he has not bitten off more than he can chew.

LaSalle witnessed a record \$1.7bn of inflows in 2007, and although that figure is likely to fall sharply this year Mr Jacobson says net flows remain positive, aided by the company's tilt towards institutional investors and its relative lack of open-ended funds, the segment that has seen panic selling in the UK at least.

"We saw massive inflows from retail investors in the three years to the fall, and since then there have been some massive redemptions, which have come from funds investing in listed securities, have apparently been balanced by continuing institutional inflows into listed assets.

Furthermore, money is still flowing into direct bricks and mortar. "Net new inflows from institutions are going down but we have not seen a lot of withdrawals," says Mr Jacobson. "Most institutional investors are under-invested in Asia, so we are still seeing inflows."

LaSalle's take on Asia is refreshingly contrarian. While the rise of China and India has sparked an investment frenzy, LaSalle's Asian portfolio is biased towards Japan, one of the planet's most sluggish economies.

"You can't ignore Japan, it's the second largest economy in the world and it's the second largest real estate market. Fifty per cent of the value of real estate assets in the [Asia] region are in Japan, and of tradable assets roughly 80 per cent are in Japan," argues Mr Jacobson. "We have invested half of our [Asian] money, maybe more, in the last six or seven years in Japan. Yields are low but borrowing rates are lower, so you have positive spread, and property is coming off a bubble that peaked in 1990, so that gives you a margin for error."

Mr Jacobson is excited about LaSalle's Yuhon (Osaka, Osaka, 8484m) Japan logistics fund, an "under-recognized niche". He believes Japan's distribution system is changing "dramatically" as trade with China accelerates and the network of warehouses owned by small retailers breaks down.

Property prices are buttressed by land prices so high that it makes sense to build multi-storey earth quake-proofed warehouses, even on the silt and sand of Tokyo Bay.

In contrast, Mr Jacobson says of the region's two headline-grabbing upstarts: "We have not yet invested in India. We may, but there are issues about pricing. I think we could say the same about China to some extent."

The UK, like Japan where the supply of land is constrained, is another where LaSalle is bullish, in the belief that the slide in commercial property prices since last summer's credit squeeze has largely run its course. It is picking up assets from "motivated sellers", such as open-ended funds that have suffered a rash of redemptions, although the rate of forced selling is decelerating.

"The value of property in the UK has adjusted more sharply and quickly than any other market," says Mr Jacobson. "It has gone from looking extremely over-priced on a relative basis to looking quite attractive."

This turnaround has been reflected in LaSalle's UK Venture fund, launched in June 2006. As of November 2007 it was 20 per cent invested, but since has closed or exchanged on £180m of property. But LaSalle's buying remains selective, irrevocable over the UK economy has caused it to steer clear of City offices and favour more "pressible" IT facilities in the Mid corridor west of London.

Mr Jacobson also remains keen to develop new offices in France and Germany, where he believes changing occupier requirements means many older buildings could become obsolete.

Jones Lang LaSalle, LaSalle's parent, managed to report record earnings in 2007, despite the ructions in the property sector, and Mr Jacobson almost seems to be relishing the bursting of the bubble.

"A blind, over-armed money throwing darts could have made money," as yield compression pushed capital values higher. "But people lost sight of what it is about. Commercial property should be bought for income. Long term it is income and income growth that matters, everything else just goes up and down."

"This correction will prove that financial innovation, in and of itself, is a sustain-

LaSalle Investment Management
Established: Precursors began operating in the US and Europe in the 1970s. LaSalle IM formed in 1999 following merger of Jones Lang Wootton and LaSalle Partners
Assets under management: \$50.2bn of investments in public and private real estate across Europe, North America and Asia-Pacific
Head offices: Chicago and London
Number of employees: 701
Ownership: Wholly owned but operationally independent subsidiary of Jones Lang LaSalle, listed on the New York Stock Exchange

Jeff Jacobson: "We have not yet invested in India. We may, but there are issues about pricing. I think we could say the same about China to some extent."

source: Financial Times Mar. 3, 2008

1面から

中嶋CEOは「物流や商業施設は不動産投資の中でも主流ではなくユニークな分野の投資に入る」と分析するが、「米況が軟調になった住宅などよりも、むしろ安定しているし、分散投資の一分野に加えたい投資家は多い」と指摘する

source: Nikkei MJ Apr. 2, 2008

新年度はどうなる？ 不動産市況 専門家に聞く

国土交通省が24日発表した公示地価（2008年1月1日時点）は2年連続で上昇したが、昨年後半以降は都心部で伸びが鈍化している。不動産市況の先行きをどうみるか。08年度の見通しを国内と海外の専門家に聞いた。

（聞き手は黄田和宏）

オフィス需要なお伸長
ラサールインベストメントマネージメント アジア太平洋地域統括責任者 D・エドワーズ氏

「日本では不動産価格に弱気な見方が増えています。米国株の下落が投資家心理に影響を及ぼしているが、日本の不動産のファンダメンタルズは悪化していない。小売業などの再編が進み、倉庫や物流施設といった新規の需要が喚起されている。企業の成長率も堅調でオフィス需要も伸びている」

「米国では住宅ローン問題の解決にしばらく時間がかかると思われるが、米欧での不動産投資は厳しいだろう。一方、アジア太平洋地域では2006、07年ほどではないにしても、08年も相対的に高い収益率が期待できる」

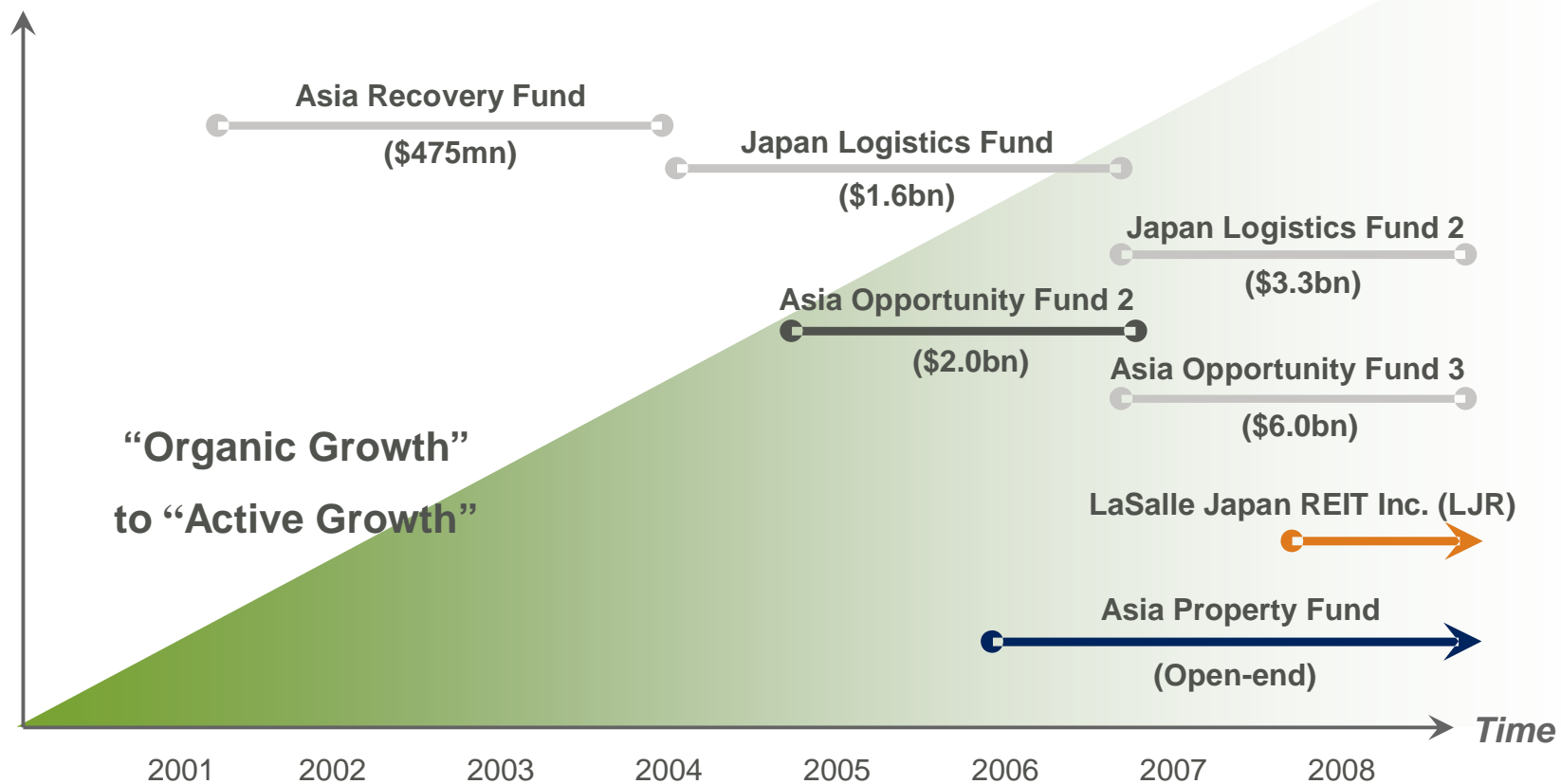
「魅力のある投資対象は、東京でも価値向上の余地がある中古オフィスなどが小さい

「世界は不動産投資信託（REIT）相場が軟調です。株式相場の下落に過剰反応しているかの市場にリスクを負っているかが無視され、日本でもうまく運営されているREITにミスプライシングが起きることが重要だ」

source: Nikkei VERITAS Mar. 30, 2008

LaSalle's Diverse Strategies for the Japanese Real Estate Market

Expand into Japanese market with specialty



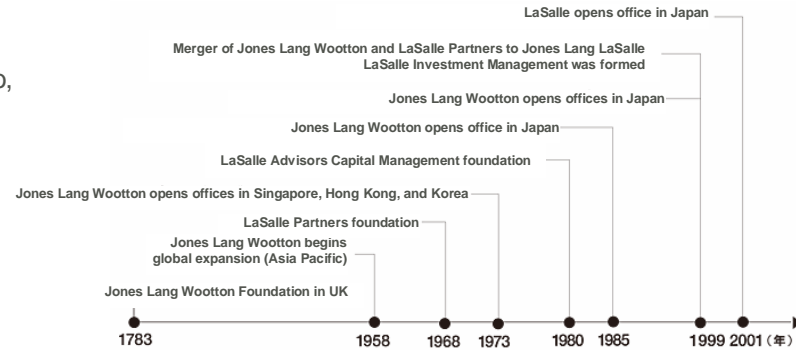
As of April 30, 2008
 Figures are estimated investment amounts

LaSalle's track record in Japan

■ Company information

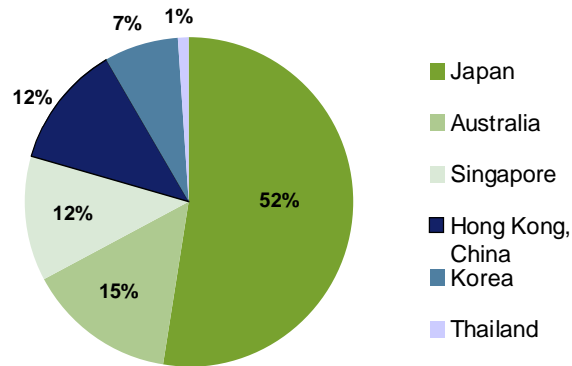
- Company name LaSalle Investment Management K.K.
- Headquarters Prudential Tower 4F, 2-13-10 Nagata-cho, Chiyoda Ward, Tokyo 100-0014

- Established November 2001
- Representative Director Hiroataka Uchiyama
- CEO Yasuo Nakashima
- URL <http://www.lasalle-japan.com>
- # of employees 93 (as of end of Apr. 2008)



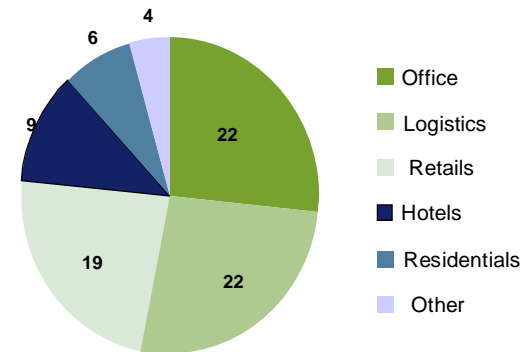
■ AUM in Asia Pacific: \$8.2bn

AUM by country



As of Dec 31, 2007

AUM by type of real-estate properties



Unit: \$100mn
As of Dec. 31, 2007

LaSalle's Track Record in Japan (Office Properties)



Akihabara Center Place

Akihabara Center Place	Name	Tennozu First Tower
4,181	Total floor space (tsubo)	14,293
2007	Built year	1991
Apr. 2007	Acquisition date	Sep. 2007
<ul style="list-style-type: none"> Acquired from Mitsubishi Estate Co., Ltd. upon completion of the construction. An intelligent office building located on the premises of a large redevelopment project and in immediate proximity to Akihabara Station LaSalle's exquisite leasing approach has enabled the property to achieve 100% occupancy at high rents 		<ul style="list-style-type: none"> Acquired the building that was almost fully occupied Directly connected to Tennozu-ise Station (on Tokyo Monorail / Rinkai Line), which is 14 minutes by monorail from Haneda Airport serving as an air gateway for flights from western Japan Expected to achieve internal growth through long-term holding



Tennozu First Tower

Mitsubishi Estate

- Enters bid on condition that LaSalle acquires property after construction
- Financing partner for financing land acquisition and development
- Development gains, PM operation orders for the group

Successful collaboration between LaSalle and a major real estate company

LaSalle

- Aggressive pricing based on site's future growth prospects
- Take on leasing risk
- Investment in central Akihabara district

Specific activities on Tennozu First Tower

- Conducted meticulous research on the target property and market in collaboration with a research team
- Improved relationship with tenants in close cooperation with PM
- Reduced costs and implemented adequate strategies
- Reviewed the uses of the occupied floors to make maximum use of these floors
- Aim to strategically achieve internal growth by leveraging sophisticated AM capabilities

LaSalle's Track Record in Japan (Retail Properties)

Suburban Shopping Center



AEON Mall Hamamatsu Shitiro SC

The largest SC in the region with Jusco serving as the anchor tenant



Ito-Yokado Kominato

The first co-development project with Ito-Yokado

Outlet mall



Chitose Outlet Mall Rera

A large-scale resort outlet mall in Hokkaido, combined with a number of spaces that help the mall to serve also as an amusement destination

Urban retail



VEXA Omotesando

Development and leasing undertaken by LaSalle

LaSalle has realized significant returns on a broad range of investments, by leveraging its proprietary expertise in commerce, including master and multi-tenant leasing of properties, development projects, and acquisitions of existing properties

LaSalle's Achievements in Japan (Logistics Facilities)

Build to suit

A land meeting specific tenant companies' needs is selected and purchased by LaSalle

A building is designed to suit tenant companies' desired specifications and constructed by LaSalle
Upon completion of the construction, the building is leased to tenants



Nippon Express Tokyo Big Cube

Multi-tenant warehouse

A sizable warehouse is built on a site suitable for logistics operations

Highly versatile and modern warehouse

The needs and requests of customers, with respect to dimension, duration, etc., is satisfied in a flexible manner



Logiport Kawasaki

Sale and lease back

A logistics facility owned by a merchant or a logistics company is purchased at a fair price by LaSalle

Occupancy by existing tenants is maintained based on relevant term-lease contracts

Financial structure can be improved by converting the fixed asset to expenses (rents)



Footprint



3 Information of global and Japanese real estate market

Global Real Estate Market Trends

Fundamentals

- World-wide economic slowdown
- Credit crunch in the US, Europe
- Surge in oil prices
- Consumer spending still firm

Capital Markets

- Sharp fall in major market indices
- Long-term interest rate remains low/ fallings
- Debt financing increasingly difficult
- Equity investment demand still robust

Three key words for real estate investment: “Asia”, “Core”, “Defensive”

World-wide economic slowdown

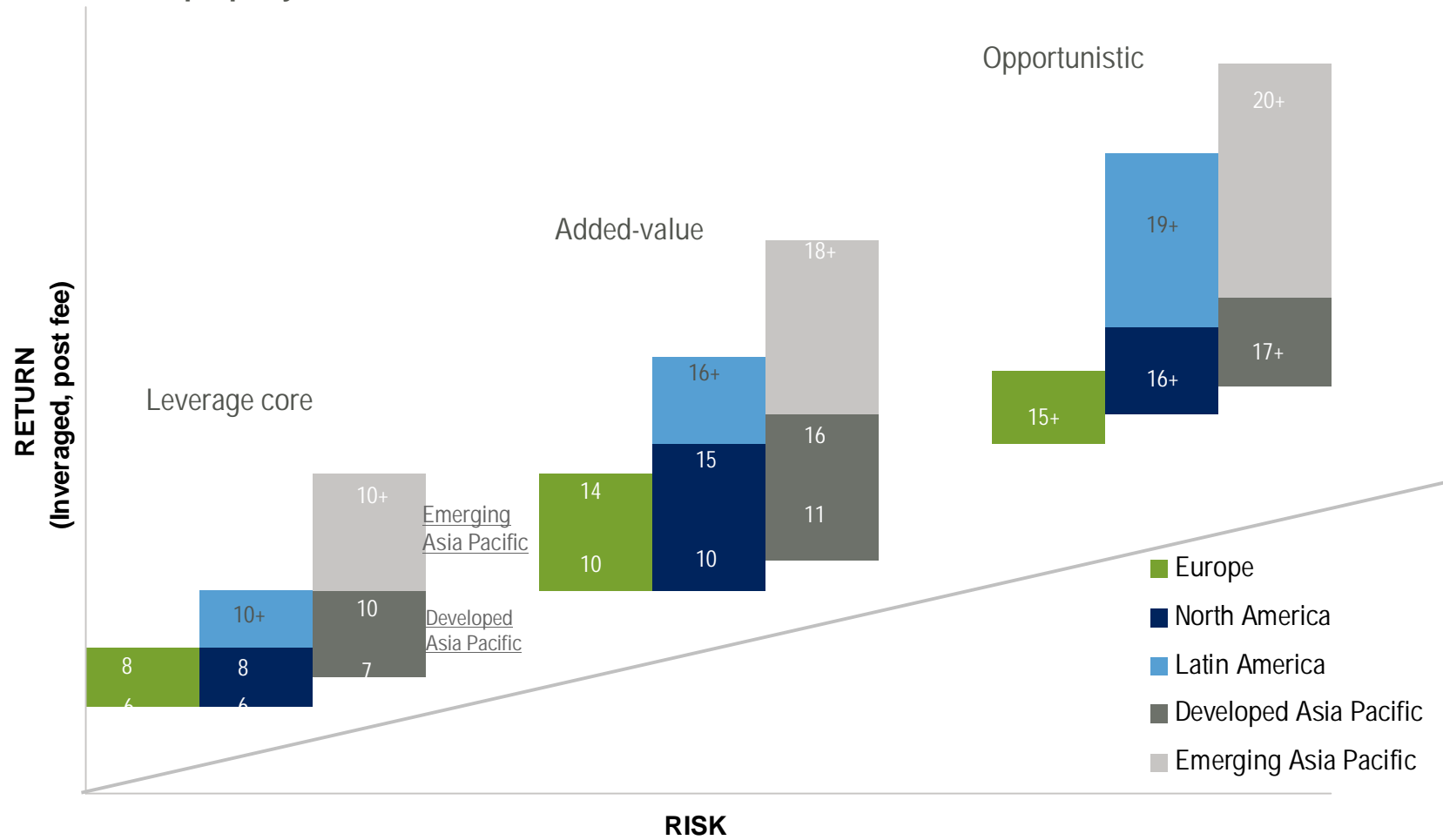
Asia Pacific area's role as supporter

Global Economic Growth Forecasts			
Region/Nation	2007	2008 (F)	2009 (F)
North America	2.2%	0.9%	1.6%
Eurozone	2.6 %	2.0 %	2.1 %
UK	3.2 %	1.7 %	2.2 %
Japan	1.8 %	1.2 %	1.2 %
Asia-pacific (excl. Japan)	7.9 %	7.1 %	6.8 %

Positioning in Global property market

Relative appeal of Asia and Japan

Total return of property 2008 ~ 2009

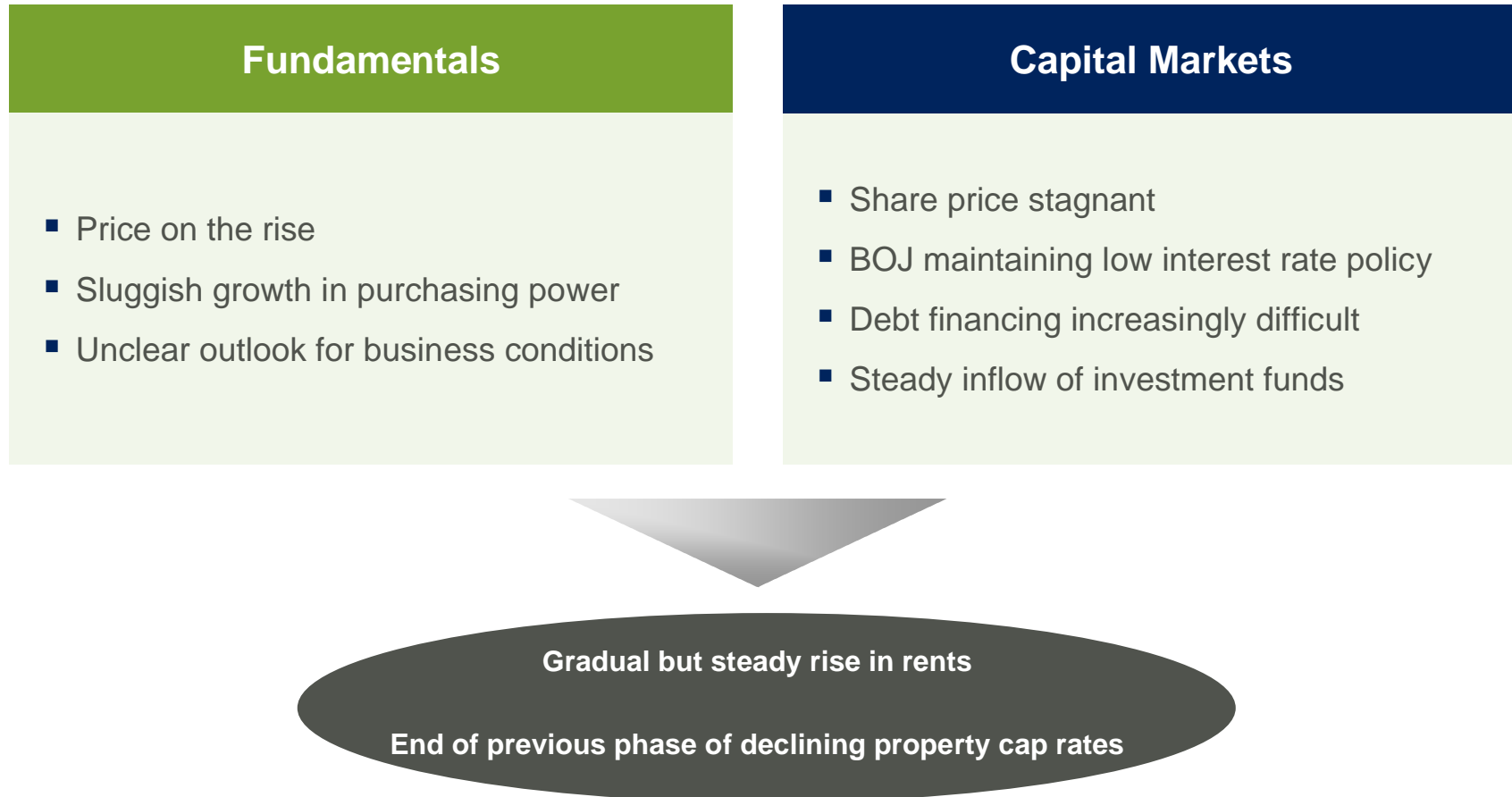


Property Clock – Asia office



Source: Jones Lang LaSalle, 2007年Q4

Japan Real Estate Market Trends



Impact on investment strategies toward Japan

The volatile market environments provide both core and opportunistic investment opportunities

■ Impact on core-type investments

- Target properties that can produce stable revenues and have upside
- Trophy-type office buildings are considered to a limited extent

■ Impact on opportunistic investments

- Yield compression has stopped
- Acquisitions at distressed prices (deals having difficulties in refinancing, deals in alliance with medium-sized developers which need financial partners, "contrarian" investment, acquisition of a business)
- Increased appetite for risks (large-scale deals, new sectors, alliance with medium-sized operators (suburban shopping center), deals requiring repositioning, development projects, new asset classes)
- Asset management capabilities fully utilized (active management, risk management)

- This document may contain forward looking statements regarding the company's financial results, or anticipated results of its plan, management goal or strategy. Please note that such forward looking statements are future projections of the trends and business environment that are based on currently available information and current assumptions and actual outcome may differ substantially due to various factors.
- If not stated otherwise, the figures contained in this material were calculated through J-GAAP.
- This document is intended solely for analysis of the Investment Corporations' financial results and not intended for the purpose of soliciting investment in, or as a recommendation to purchase/sell any specific financial products. Any investment by investor should be based on investor's own judgment and responsibility

Asset manager : LaSalle Investment Advisors K. K. (Licensed Financial Instrument Trader (kinsho), Kanto Local Finance Bureau License No 302)