



LASALLE
INVESTMENT ADVISORS™

Real estate experience. Investment expertise.

Investor
Presentation
of
LaSalle Japan REIT
for April 2009 (7th)
period

LASALLE
JAPAN REIT INC®

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1. Basic Strategy

Managing REIT in the tough economic climate

Draw on LaSalle group's strengths to execute our defensive strategy

- Market deterioration spreading from financial and capital markets to real economy and real estate market
- Major shift from growth strategy to defensive strategy
- Ride out the economic downturn by using LaSalle's skills as a real estate asset manager

Market changes in the REIT market and our Strategy

Impact of changes has spread from capital markets to real economy and real estate market

Time line 

Capital markets

There have been some examples of POs by US REITs that have improved their financial position, but Japan's equity finance market conditions have been tough

Financial markets

The deteriorating financial structure of financial institutions has made it more difficult to secure finance

Real economy

Some forward indicators show a bottoming out in the economy, but the overall downturn continues and there is a risk of a second bottom

Real estate leasing

The weak real economy continues to push vacancy rates up and rent down

Real estate buying and selling

Difficulties in raising money has led to lackluster real estate investment

There have been some signs of improvement in the capital markets, but it has become increasingly difficult to raise funds
The near-term priority is to form a strategy to maintain and improve our financial standing, mainly through indirect finance

Assume real estate fundamentals will deteriorate further
Need a defensive strategy that focuses on maintaining and improving the performance of our existing assets



Defensive strategy: Asset defense

Continue to focus on maintaining profitability and real estate value

- Cash flow has remained stable until now, on the back of steady property occupancy rates, but our rents became over-rent because of weakened market
- Growing underlying risk of rent cut, reducing leased space, or exiting properties



- **Keep long-term cash flow steady by** increasing occupancy rates, even if it means offering free-rent periods or incurring costs in the short term
- Monitor cap rates closely, but **more focus on cash flow management**

Defensive strategy: Financial defense

Maintain steady bank formation consisting primarily of mega banks

- Refinance JPY15.5 billion due at end-September 2009 under LaSalle group's overall banking strategy

- Med-term strategy
 - Build close relationships with financial institutions to maintain a stable bank formation, while lengthening loan duration and spreading out loan maturities to reduce refinancing risk

 - Improve quality of financial base by aiming for med- to long-term LTV at the lower 40% range

 - Equity financing, based on capital market improvement



2. 7th Period Fund Management Report Highlights

7th period financial report highlights

Dividend achieved with our initial forecast, despite weaker market

		6 th period		7 th period		
		Actual	Forecast	Actual	Variance	Variance (6 th Period)
Operating revenue	(JPY mn)	3,816	3,762	3,739	△22	△77
Operating income	(JPY mn)	1,965	1,946	1,950	4	△15
Ordinary profit	(JPY mn)	1,206	977	993	16	△212
Net income	(JPY mn)	1,216	976	992	16	△224
LTV	(%)	53.9	53.9	53.8	△0.1	△0.1
Dividend per unit	(JPY)	10,098	8,100	8,238	138	△1,860

Comparison with forecast

- Operating revenue
 - La Porte Aoyama (△JPY14 mn)
 - Mirumu Daikanyama (△JPY5 mn)
 - Mirumu Shiroganedai (△ JPY4 mn)
- Operating expenses
 - Repairs (△JPY15 mn)
 - Depreciation (△JPY21 mn)
- Non-operating expenses
 - Interest expenses (△JPY13 mn)
- Dividend per unit (+JPY138)

Comparison with prior period

- Operating revenue
 - La Porte Aoyama (△JPY36 mn)
 - Mirum Daikanyama (△JPY39 mn)
- Operating expenses
 - Cost of restoring property to original condition (△JPY14 mn)
- Non-operating profits and losses
 - Tax refunds (△JPY12 mn)
 - Interest expenses (+JPY183 mn)
- Dividend per unit
(△ JPY1,860)

7th period portfolio highlights

Asset management aimed at maintaining/increasing occupancy rates and rents

- Many office and retail tenants have begun asking for a rent reduction, but we have successfully renewed agreements based on almost the same rent

In 7th period, we have renewed agreements on 24.7% of office and retail rental income

Change over previous rent	No. of tenants
+10% or more	2
0 - +10%	2
No change	39
0 - ▲10%	1
▲10% or more	1
Net rent ▲JPY500,000/month	Total 45

- Capital expenditure over 5th -7th period has made our properties more competitive and attracted more tenants

We will continue this expenditure based on the expected contribution to cash flow

Southern Mito Building

	Tenant	Floor space leased/considered	Increase in occupancy rate
New tenant	Company A	53.7m ²	1.1%
Strong interest	Company B	62.6m ²	1.3%
	Company C	108.7m ²	2.2%
Sub total		225.1m ²	4.6%

Utsunomiya Center Building

	Tenant	Floor space leased/considered	Increase in occupancy rate
New tenant	Company D	73.6m ²	1.5%
Strong tenant	Company E	115.7m ²	2.3%
	Company F	94.6m ²	1.9%
Sub total		283.9m ²	5.6%

7th period portfolio highlights

Sound cash flow management underpins value

	5 th period	6 th period		7 th period	
			Change		Change
Direct Capitalization Rate	4.9%	5.2%	+0.3 pnt	5.4%	+0.3 pnt
Rental income (JPYmn)	6,528	6,495	-0.5%	6,553	+0.9%
Year-end appraisal value (JPYmn)	120,741	114,333	-5.3%	108,802	-4.8%

■ **Capital market sentiment continues to drive up cap rates; But strong management of cash flow, the source of real estate value,** is reflected in property appraised values

- As an objective evaluation of rental income, overall income grew 0.9% over 6th period, as some properties generated income growth. Yield growth had a limited impact on appraised values (total portfolio -4.8% from JPY114,333 mn to JPY108,802 mn).
- External real estate appraisal entities have also rated our cash flow control highly and we secured a rental increase over 6 period for the two properties below:
 - La Porte Aoyama yield was flat (4.0%), while rental income increased 0.6% as the Urban Corporation problem was resolved and tenant agreements stabilized. Appraised value increased by 1.1%, from JPY14,050 mn to JPY14,200 mn.
 - At AEON Mall Musashi-murayama Mu, renewal of the space vacated by Mitsukoshi led to a sales increase, which drove up percentage-based rent, up 4.6% on 6th period. The impact of yield growth (4.5% to 5.0%) eased (appraised value -7.7% from JPY34,000 mn to JPY31,400 mn).
- Decrease in value largely due to decrease in Cap Rate
 - Total portfolio yield: +0.3 points between 5th period and 6th period, +0.3 points between 6th period and 7th period
- Decline in appraised value slow down
 - Appraised value of total portfolio: -5.3% between 5th period and 6th period, -4.8% between 6th period and 7th period

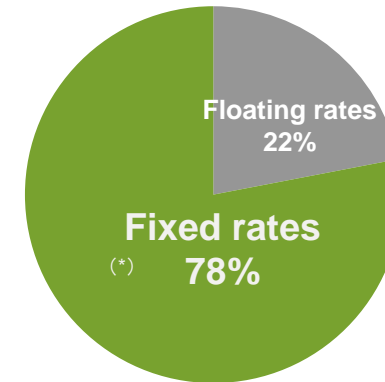
7th period financial highlights

Refinancing in 7th period has increased ratio of loans on fixed interest rates and extended loan duration to create a more stable financial structure

- 7th period refinancing

	Before refinancing	After refinancing (November 4, 2008)
Lender	Sumitomo Mitsui Banking Corp	Sumitomo Mitsui Banking Corp
Amount	JPY36.2 billion	JPY35.7 billion
Period	1 year	3 years
Interest	Floating: 3-month TIBOR +0.750%	Fixed: 2.64625%

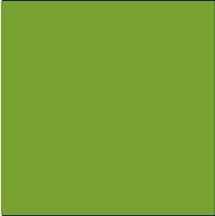
- Stabilize financial costs by increasing ratio of loans at fixed interest



*Includes borrowing through purchase of an interest rate cap

- Spread out loan obligations and extended duration through major refinancing in 6th and 7th period





3. Forecasts for the 8th and 9th Period

Earnings forecasts for 8th period and 9th period

Realistic forecasts in the ongoing market deterioration

		7th period		8th period		9th period	
		Actual	Forecast	Change on 7th period	Forecast	Change on 8th period	
Operating revenue	(JPY mn)	3,739	3,738	△0	3,666	△71	
Operating income	(JPY mn)	1,950	1,870	△79	1,826	△44	
Ordinary income	(JPY mn)	993	808	△185	731	△77	
Net income	(JPY mn)	992	807	△185	730	△77	
LTV	(%)	53.8	53.8	0	53.8	0	
Dividend per unit	(JPY)	8,238	6,700	△1,538	6,060	△640	

■ Portfolio

- Increase in 8th period rental income from higher occupancy; decrease in tenancy cancellation penalties
- Increase in leasing costs, taxes and duties
- Decrease in revenue in 9th period owing to tenant demands for rent reductions, seasonal fluctuations in water and heating costs
- Estimate JPY33 mn in loss on retirement on completion of air conditioning systems in Chiba West Building

■ Finances

- Based on current financial environment, we estimate substantial financial costs from 8th period refinancing

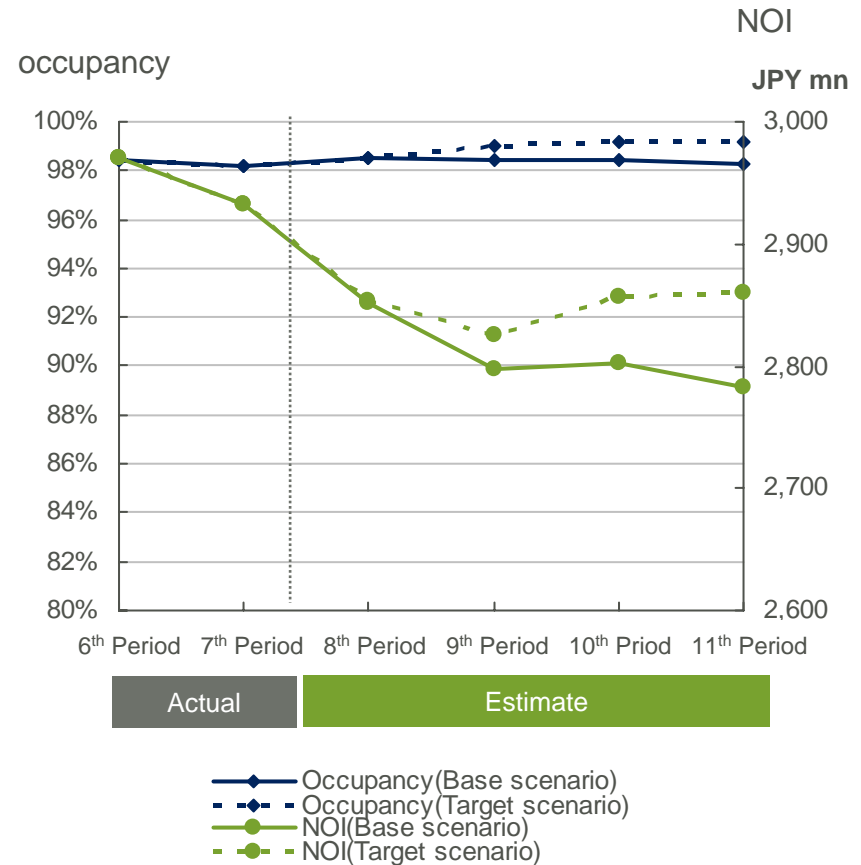
	8th period	9th period
Properties	21 properties	21 properties
Occupancy rate	98.5%	98.4%
Taxes & duties	JPY394 mn	JPY393 mn
Depreciation	JPY700 mn	JPY675 mn
Non-operating costs	JPY1,064 mn	JPY1,096 mn
Borrowings	JPY69,700 mn	JPY69,700 mn
Investment units outstanding	120,500 units	120,500 units

Earnings forecasts for 8th period and 9th period

Expect to maintain NOI on effective defensive strategy

Income bottom will be in 9th period

- As the leasing market deteriorates, a decrease in average rent will impact on income
- Expect leasing income will continue to correct over the next 12 months, then bottom in 9th period
- Adopt a defensive strategy to maximize NOI, taking into account average market rents and vacancy rates
- Base scenario
 - Set occupancy rates and rent that reflect each property's features, while keeping in mind market trends
 - Offices: prioritize reaching target occupancy rates, factor in possibility of demands for rent reductions
 - Retail complexes: assess each tenant agreement individually upon expiry, as each tenant's situation is unique; treat complexes with residential component the same as the residential segment
 - Residential: forecast leasing costs assuming tenant entry and exit will be the same as the historical average; assume rent-free periods will be offered to 25-50% of properties that have already had one
- Target scenario
 - Offices: aim to sign on more new leases than under the base scenario and keep rent reductions below base scenario forecasts
 - Retail complexes: same as base scenario; complexes with residential component as below
 - Residential: aim to achieve more new tenancies than past average



Asset Defense strategy

Maximize occupancy rates and average rent base on careful monitoring of real estate leasing market trends

- Focus on properties with volatile earnings and considerable impact on portfolio NOI
- Establish and execute asset strategy based on logical approach (market and asset analysis)
- Near-term approach: maintain occupancy rates; minimize impact on cash flow as rent falls

	Sector/property	Proportion of NOI	Approach
Core properties	AEON Mall Musashi-murayama Mu	42 %	Stable due to long-term tenancy agreements Aim to maintain/strengthen tenant relationships
	AEON Mall Kobe-kita		
	La Porte Aoyama	10 %	Aim to increase occupancy rates by distributing tenants in most effective way and marketing vacant space
Other	City center offices	13 %	Tenant exits and demands for rent reductions gain momentum Minimize reduction in revenue by strategically meeting tenant demands
	Residential	14 %	Increase occupancy rates by aggressively marketing vacant space, even if it creates costs in the short term
	Regional offices	21%	Retain tenants and maintain occupancy rates
	Other retail complexes		

Asset Defense strategy

Maximize occupancy rates and average rent base on careful monitoring of real estate leasing market trends

- City center offices: maintain occupancy rates in sections where tenants have given notice
 - Occupancy 100% at end-May; will fall 7.5% to 92.5% due to tenancy cancellations in 8th period
 - Two sections of two buildings (total 306.5 tsubo) will need new tenants (35 Sankyo Building (194.1 tsubo), Uchi-kanda Building (112.3 tsubo))
 - Economic downturn and new supply is pushing up vacancy rates in the five major wards, but there is some demand from tenants moving due to restructuring
 - Aim to capture this demand by setting rent at appropriate levels, based on a solid understanding of market trends

- La Porte Aoyama: higher occupancy rates
 - Occupancy rate was 85.1% at end-May (79.1 tsubo on 5F and 108.0 tsubo on basement floor currently vacant)
 - Weak rental market in major retail areas; increase in properties advertised and decrease in advertised rent, even in Omotesando; aim to set rent based on market trends and attract tenants by aggressively marketing appeal of good location as Aoyama area
 - Basement restaurants and bars: set rent as above and split up leased space if asked by tenants, to reduce tenants' opening and running costs and ensure tenancy agreement is secured
 - 5F: set rent as above and expand leasing scope beyond restaurants/bars and offices to include services such as beauty salons

Asset Defense strategy

Maximize occupancy rates and average rent base on careful monitoring of real estate leasing market trends


- Residential: enhance leasing of mid-sized properties (40-50m² range) in Daikanyama and Nogizaka; increase occupancy rates
 - Vacancies in above two properties are mostly in mid-sized apartments, hence leasing them is a key to increasing the occupancy rate
 - Percentage of mid-sized apartments: Daikanyama 48.5%; Nogizaka 35.7%
 - End-May occupancy rates: Daikanyama 83.2%; Nogizaka 83.4%
 - Tenants can afford less rent as market deteriorates; noticeable vacancies in apartments with total rent of JPY200,000 or more
 - Rent on properties in Tokyo's 23 wards that are re-leased after tenant exits and that usually rent for JPY200,000 or more are usually revised down substantially, particularly in the five major wards
 - Rise in vacancies in competing properties near above two properties; also glut of supply in that area; aim to increase occupancy rates by reviewing rent and by running campaigns advertising reduction of initial costs

- Handling demands for reduced rent (all segments)
 - Seeing demands for reduced rent across all segments; could happen during tenancy as well as at time of renewal
 - Office and retail tenancy agreements up for renewal: 28 in 8th period, 64 in 9th period (of total 151 tenants)
 - Over rent (in comparison with expected rent based on market and property features) +4.7% for total portfolio
 - Prioritize maintaining occupancy rates and keeping tenants, meet limited number of rent reduction demands
 - Many rent reductions given where the tenant may otherwise exit
 - Establish a structure that reduces impact and leads to early recovery in cash flow
 - Limit period of reduced rent; prohibit further reductions; prohibit lease cancellation during reduced rent period
 - Reduce impact on agreed rent by offering rent-free periods or covering initial lease costs
 - Aim to use above measures to ensure actual rent will be in each property's expected rental amount

Update on flagship properties (AEON Mall Musashi-murayama Mu)

Mitsukoshi store closed on March 1, 2009; preparing for second grand opening of AEON Mall Musashi-murayama Mu

- Impact on contract: Store closing will have no direct impact on property performance as we have a direct lease agreement with Aeon Mall for all of the leased space and the agreement states that there will be no rent changes until November 2016
- Response to store closing: The downturn in Mitsukoshi's business had already been discussed with Aeon Mall. We see Mitsukoshi's exit as a chance to use our product strategy and tenant layout to revitalize the retail space, by changing the location of poor-performing outlets, standardizing opening hours, and adding retail categories that the center does not have

		Jusco	Specialty store mall	Mitsukoshi→ New tenants
Store breakdown	3F	Apparel, furniture		Apparel, general merchandise, food ↓ New tenants on each floor Most established retailers in apparel, sports goods, electrical appliances
	2F	Apparel, general merchandise		
	1F	Food, pharmaceuticals		
Floor space (m ²)	Total	21,600	51,000	11,400
	Share	25.7%	60.7%	13.6%
Opening hours		9:00 - 23:00	10:00 - 22:00	10:00 - 20:00→22:00
Sales		Steady		Sluggish→Increase appeal

Update on flagship properties (AEON Mall Kobe-kita)

Start of Phase 2 Expansion works of Kobe-Sanda Premium Outlet Mall which provides great synergies with Aeon Mall

- Performance of AEON Mall Kobe-kita is quite strong
- Although influenced by the swine flu to some degree, long-term leasing contracts with fixed rents helped the REIT to secure stable revenues
- Confirmed synergies between Kobe-Sanda Premium Outlet Mall which is focused on premium brands and capable to attract shoppers from a vast area, and AEON Mall Kobe-kita which is focused on “casual” MD providing a great variety of restaurants
- We believe that Phase 2 Expansion work of the Premium Outlet will further reinforce the operating platform of AEON Mall Kobe-kita
- Progressing development and sale of residential land in the neighborhood expected to accelerate the growth in the number of residents (planned: 3,300 homes, 12,000 residents)

Summary of Kobe-Sanda Premium Outlet Mall's Phase 2 Expansion work

Open date : Winter 2009 (planned)
 # of stores: Approx. 160 (+70)
 Sales floor: 35,500m² (+16,400m²)

※Kobe-Sanda Premium Outlet Mall is not our property



Update on flagship properties (La Porte Aoyama)

Ao Shopping Mall Tower opened in the neighborhood of La Porte Aoyama helped stimulate activities in relevant area.

After problems caused by Urban Corporation's bankruptcy were brought under control, contracts with tenants became more stable, and openings by new tenants helped to draw attention to La Porte

Recent openings by new tenants

- March: REBONDIR, (antenna shop of Senshukai)
- April: ISLANDS (Hawaiian jewelry)
- April: ellesse Aoyama 50th Anniversary Store



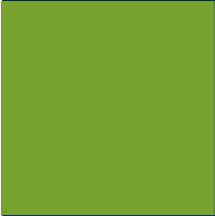
※Ao is not our property

	Floor	Area size (㎡)	Occupancy	Comments
Update on La Porte Aoyama's occupancy	11F 10F	417.46	10.0%	Restaurants
	9F	208.71	5.0%	Offices
	8F	208.71	5.0%	Services
	7F	263.28	6.3%	Services
	6F	263.28	6.3%	Services
	5F	261.67	6.3%	vacant
	4F	290.42	7.0%	Restaurants
	3F	403.87	9.7%	Restaurants
	2F	245.61	5.9%	Shops
	1F	859.80	20.6%	Shops
	B1F	391.38	9.4%	Restaurants
		357.07	8.6%	vacant
Total	4,171.26	100.0%		

Asset Manager's culture and qualification to be tested in a serious crisis

A company will act as an connector between the Capital Market and the Property Market

- Solid management as a member of LaSalle Group who has a long standing history as a real estate investment advisor
- Strong analytical capabilities to correctly identify trends in the financial/capital markets, real economy and real estate market
- Strong property-related skills to maximize investor returns
- Transparent IR that focuses on the realities in the investment environment



5. Details of the
results in the 7th
Period

Balance Sheet

	6th period As of Oct. 2008		7th period As of Apr. 2009	
	Amount JPY mn	Percentage (%)	Amount JPY mn	Percentage (%)
Assets				
Current assets	10,299	7.9	9,976	7.7
Cash and cash equivalents	2,966	2.3	2,363	1.8
Entrusted cash and deposits	7,162	5.5	7,402	5.7
Rental receivables	66	0.0	75	0.1
Prepaid expenses	102	0.1	119	0.1
Other current assets	1	0.0	15	0.0
Non-current assets	119,821	92.1	119,515	92.3
Property and equipment	119,457	91.8	118,865	91.8
Entrusted buildings	43,567	33.5	42,975	33.2
Entrusted land	75,890	58.3	75,890	58.6
Intangible assets	5	0.0	5	0.0
Investments	357	0.3	644	0.5
Derivatives	95	0.1	65	0.1
Long-term prepaid expenses	222	0.2	532	0.4
Other non-current assets	39	0.0	46	0.0
Deferred charges	24	0.0	18	0.0
Total assets	130,145	100.0	129,510	100.0

	6th period As of Oct. 2008		7th period As of Apr. 2008	
	Amount JPY mn	Percentage (%)	Amount JPY mn	Percentage (%)
Liabilities				
Current liabilities	52,635	40.5	16,521	12.8
Account payable	73	0.1	150	0.1
Short-term debt	51,700	39.7	15,500	12.0
Rent received in advance	384	0.3	375	0.3
Other current liabilities	478	0.4	496	0.4
Non-current liabilities	23,055	17.7	58,768	45.3
Long-term debt	18,500	14.2	54,200	41.8
Entrusted tenant leasehold and security	4,555	3.5	4,568	3.5
Total Liabilities	75,690	58.2	75,290	58.1
Net assets				
Unitholders' equity	54,500	41.8	54,276	41.9
Unitholders' capital	53,284	40.9	53,284	41.1
Retained earnings	1,216	0.9	992	0.8
Valuation and translation adjustments	△ 46	0.0	△ 56	0.0
Unrealized gain from deferred hedge	△ 46	0.0	△ 56	0.0
Total Liabilities	54,454	41.8	54,219	41.9
Total liabilities and net assets	130,145	100.0	129,510	100.0

Repayment of 36.2 billion yen to Sumitomo Mitsui Banking Corp.

Borrowings of 35.7 billion yen from Sumitomo Mitsui Banking Corp.

Income Statement

	6th period (As of Oct. 2008)		7th period (As of Apr. 2009)		
	Amount (JPY mn)	Percentage (%)	Amount (JPY mn)	Percentage (%)	
Operating revenues	3,816	100.0	3,739	100.0	Decrease in LaPorte and Daikanyama
Rental revenues (①)	3,579	93.8	3,506	93.8	
Other rental revenues (②)	236	6.2	233	6.2	
Operating expenses	1,850	48.5	1,789	47.8	Due to the maturity of depreciation life
Property-related expenses (③)	1,565	41.0	1,509	40.4	
PM and maintenance fees	235	6.2	225	6.0	
Utilities	158	4.2	152	4.1	
Repairs	33	0.9	11	0.3	
Insurance	15	0.4	15	0.4	
Tax and public charges	370	9.7	370	9.9	
Depreciation and amortization	720	18.9	702	18.8	
Other property-related expenses	32	0.9	31	0.8	
Asset management fees	165	4.3	152	4.1	
Director's salaries	3	0.1	3	0.1	
Custodian fees	16	0.4	16	0.4	
Administrative service fees	38	1.0	38	1.0	
Other operating expenses	60	1.6	68	1.8	
Operating income	1,965	51.5	1,950	52.2	
NOI after depreciation (①+②-③)	2,250	59.0	2,229	59.6	
NOI before depreciation	2,970	77.8	2,932	78.4	
Non-operating revenues	19	0.5	6	0.2	
Interest income	6	0.2	4	0.1	
Other non-operating revenues	12	0.3	1	0.0	
Non-operating expenses	778	20.4	962	25.7	
Interest expenses	483	12.7	782	20.9	
Financing related expense	288	7.6	174	4.7	
Other non-operating expenses	6	0.2	6	0.2	
Ordinary income	1,206	31.6	993	26.6	
Income before income taxes	1,217	31.9	993	26.6	
Net income	1,216	31.9	992	26.5	

Consumption
tax refund

Expenses of
refinance fee

Cashflow Statement

Cashflow Statement

(JPY mn)

	6th period (As of Oct. 2008)	7th period (As of Apr. 2009)
Cash flow from Operating Activities	3,235	1,282
Income before income taxes	1,217	993
Depreciation	720	702
Amortization of software	0	0
Amortization of investment units	6	6
Interest income	△6	△4
Interest expenses	483	782
Change in rental receivables	△24	△9
Change in consumption tax receivable	1,233	-
Change in prepared expenses	9	△327
Change in rent received in advance	△11	△12
Change in accrued expenses	29	4
Change in consumption tax refundable	114	△104
Change in deposits received	△17	△9
Change in derivatives	△76	-
Others	4	3
Sub-Total	3,682	2,025
Interest income	6	4
Interest payment	△452	△747
Corporate taxes payment	△1	0
Cash flow from investing Activities	△220	69
Purchase and sale of entrusted property and equipment	△209	△21
Purchase and sale of intangible assets	△2	-
Entrusted tenant leasehold and security deposits(NET)	△8	90

(JPY mn)

	6th period (As of Oct. 2008)	7th period (As of Apr. 2009)
Cash Flow from Financing Activities	△1,663	△1,715
Proceeds from short-term debt	15,500	-
Repayments of short-term debt	-	△36,200
Proceeds from long-term debt	10,000	35,700
Repayments of long-term debt	△25,500	-
Proceeds from new unit issue	-	-
Payments of new unit issue	-	-
Payment of dividend	△1,663	△1,215
Net change in cash and cash equivalents)	1,350	△363
Cash and cash equivalents at beginning of period	8,778	10,129
Cash and cash equivalents at end of period	10,129	9,765

Statement on distribution of cash

(JPY)

	6th period (As of Oct. 2008)	7th period (As of Apr. 2009)
Retained earnings (ending balance)	1,216,839,287	992,721,307
Distribution amount	1,216,809,000	992,679,000
DPU (yen)	(10,098)	(8,238)
Retained earnings carried forward	30,287	42,307

Financial Indicators

- Key financial indicators

		6th period	7th period		Notes
			Actual	Variance	
Total Asset	(JPY mn)	130,145	129,510	△635	
# of properties		21	21	–	
Interest bearing debt	(JPY mn)	70,200	69,700	△500	
NAV	(JPY mn)	54,454	54,219	△234	Total Asset-Total debt
Units outstanding	(units)	120,500	120,500	–	
NAV per unit	(JPY)	451,905	449,956	△1,949	
NOI	(JPY mn)	2,970	2,932	△38	Rental revenues+Depreciation
FFO	(JPY mn)	1,937	1,695	△241	Net income+Depreciation
DSCR	(x)	5.0	3.2	△1.8	(Net income+Depreciation+interest expense)/interest expense
FFO payout ratio	(%)	62.8	58.5	△4.3	Dividend/FFO
LTV	(%)	53.9	53.8	△0.1	Interest bearing debt/Total Asset

Performance by properties (office)

(Million Yen)

	Shinsan Building	No.35 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	Total
Operating days	181	181	181	181	181	181	181	181	181	181	181
Occupancy rate (%)	85.1	100	100	88.5	97.3	91.9	92.1	91.2	88.8	100	93.2
Number of tenants	5	7	1	18	7	20	24	12	16	9	119
Acquisition price	2,106	4,132	2,017	2,367	1,860	2,135	1,962	1,885	1,899	3,323	23,686
Operating revenues	90	171	113	111	105	112	107	119	102	123	1,158
Rental revenues	81	157	88	104	96	104	101	111	91	117	1,055
Other rental revenues	9	13	25	7	8	7	6	8	11	6	103
Property-related expenses	31	50	37	63	29	57	45	51	58	36	462
PM and maintenance fees	10	10	7	13	9	12	8	10	9	9	100
Tax and public charges	6	10	4	7	3	7	5	7	8	6	67
Utilities	5	14	18	10	5	11	8	9	8	7	99
Repairs	0	0	0	0	0	0	1	—	0	0	4
Insurance	0	0	0	0	0	0	0	0	0	0	2
Depreciation and amortization ^①	8	13	6	30	9	23	19	23	30	12	177
Other property-related expenses	0	1	0	0	0	1	0	0	0	1	9
Operating income ^②	58	120	75	48	75	55	62	68	44	86	696
NOI ^③ (①+②)	67	133	82	79	85	78	81	91	75	98	874
NOI yield (%)	6.4%	6.5%	8.2%	6.8%	9.2%	7.4%	8.4%	9.8%	8.0%	6.0%	7.4%
CAPEX ^④	—	—	—	68	—	14	6	7	0	—	96
NCF ^{③-④}	67	133	82	10	85	64	75	84	74	98	777

Performance by properties (retail and residential)

(Million Yen)

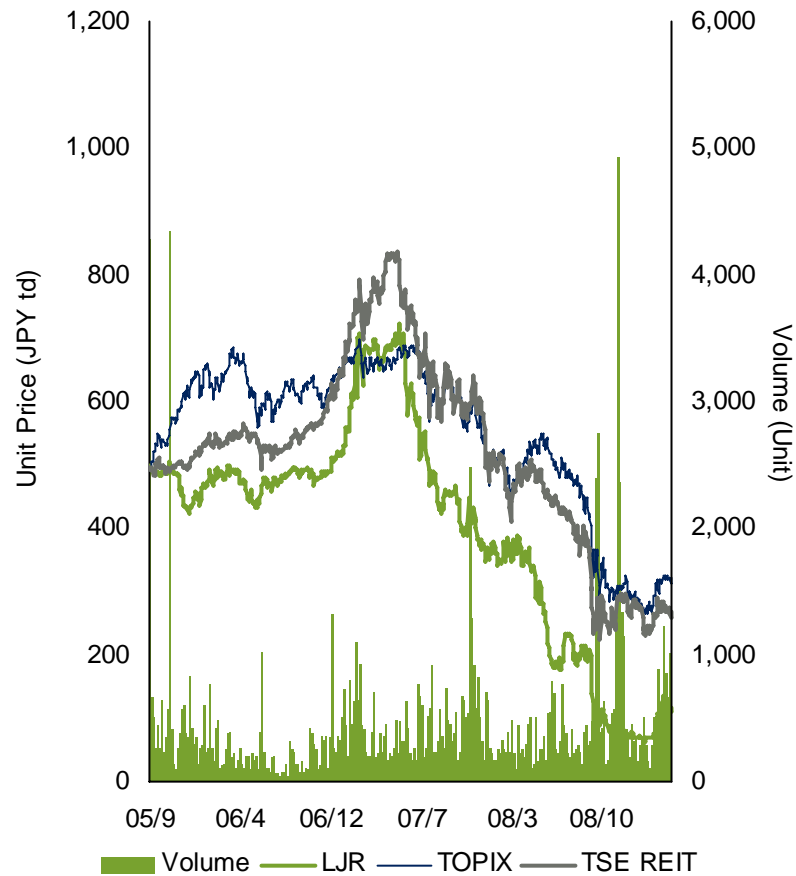
	La Porte Aoyama	Nishino Building	Leaf Comfort Shinkoikwa	AEON Mall Musashi-murayama Mu	AEON Mall Kobe-kita	Total	Mirum Daikanyama	Mirum Shirokaneda	Mirum Nogizaka	Mirum Minami Aoyama	Mirum Hiro-o II	Forest Hill Sendai-Aoba	Total
Operating days	181	181	181	181	181	181	181	181	181	181	181	181	181
Occupancy rate (%)	80	85.4	100	100	100	99.3	85.3	89.9	86.8	91.9	96.4	100	92.2
Number of tenants	17	46	30	1	1	95	70	32	38	42	51	252	485
Acquisition price	14,024	2,715	2,320	38,400	19,200	76,659	6,869	2,680	2,751	2,575	2,256	2,450	19,581
Operating revenues	363	99	81	935	578	2,058	141	67	73	70	71	98	522
Rental revenues	271	89	75	935	578	1,950	134	64	72	65	68	94	501
Other rental revenues	92	10	5	—	0	108	6	2	1	4	2	3	21
Property-related expenses	116	56	26	346	300	846	61	23	23	23	20	49	201
PM and maintenance fees	31	8	4	6	3	52	22	11	7	8	8	13	72
Tax and public charges	23	8	2	132	113	280	6	2	2	2	2	7	22
Utilities	27	9	5	—	—	43	3	0	0	2	0	1	10
Repairs	—	4	—	—	—	4	1	—	0	0	0	0	1
Insurance	0	0	0	5	4	11	0	0	0	0	0	0	1
Depreciation and amortization ⁽¹⁾	30	23	10	200	173	438	25	8	10	8	7	25	86
Other property-related expenses	2	1	2	1	6	14	1	1	1	0	0	1	6
Operating income ⁽²⁾	246	43	54	588	278	1,212	79	43	50	46	51	49	321
NOI ⁽³⁾ ((⁽¹⁾ + ⁽²⁾)	277	67	65	789	451	1,650	104	51	61	55	59	74	407
NOI yield (%)	4.0%	5.0%	5.7%	4.1%	4.7%	4.3%	3.1%	3.9%	4.5%	4.3%	5.3%	6.2%	4.2%
CAPEX ⁽⁴⁾	4	4	—	—	—	9	1	—	—	—	2	0	4
NCF ⁽³⁾ - ⁽⁴⁾	272	62	65	789	451	1,641	103	51	61	55	56	73	402



6. Description of LaSalle Japan REIT

Unit Price Performance

Unit Price Performance since listing of LJR



Unit price performance during the 7th Period



List of Loans (as of Apr 30, 2009)

Loans

Lender	Amount (JPY'00mn)	Interest rate	Borrowing date	Repayment date	secured
Sumitomo Mitsui Banking Corporation	357	2.64625% (Fixed)	Nov 4, 2008	Nov 4, 2011	Yes
Mizuho Corporate Bank					
Bank of Tokyo-Mitsubishi UFJ					
Resona Bank					
Sumitomo Trust & Banking					
Aozora Bank	155	1.66417% (Floating)	Sep 30, 2008	Sep 30, 2009	Yes
Shinsei Bank					
Mitsubishi UFJ Leases & Finance Company					
Fuyo General Lease					
Mizuho Corporate Bank					
Resona Bank					
Aozora Bank	100	2.16417% (Floating) (Note 1)	Sep 30, 2008	Sep 30, 2011	Yes
Mitsubishi UFJ Leases & Finance Company					
Aozora Bank	85	1.16417% (Floating) (Note 2)	Sep 21, 2007	Sep 21, 2010	Yes

Notes:

1 Interest rate is effectively capped at 2.50% through purchase of interest rate caps

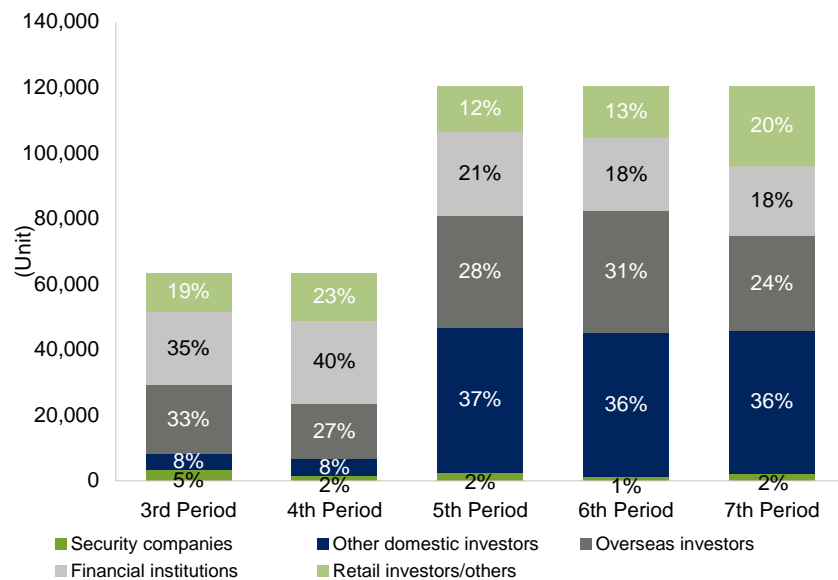
2 Interest rate is effectively capped at 1.50% through purchase of interest rate caps

Change in Unit holder structure

Breakdown by investor type

Investor type	# of unit holders	Ratio	Total units	Ratio
Retail investors/others	5,710	96.37%	24,307	20.17%
Financial institutions	20	0.34%	21,524	17.86%
Overseas investors	86	1.45%	28,827	23.92%
Other domestic corporates	88	1.49%	43,704	36.29%
Securities companies	21	0.35%	2,138	1.77%
Total	5,925	100.00%	120,500	100.00%

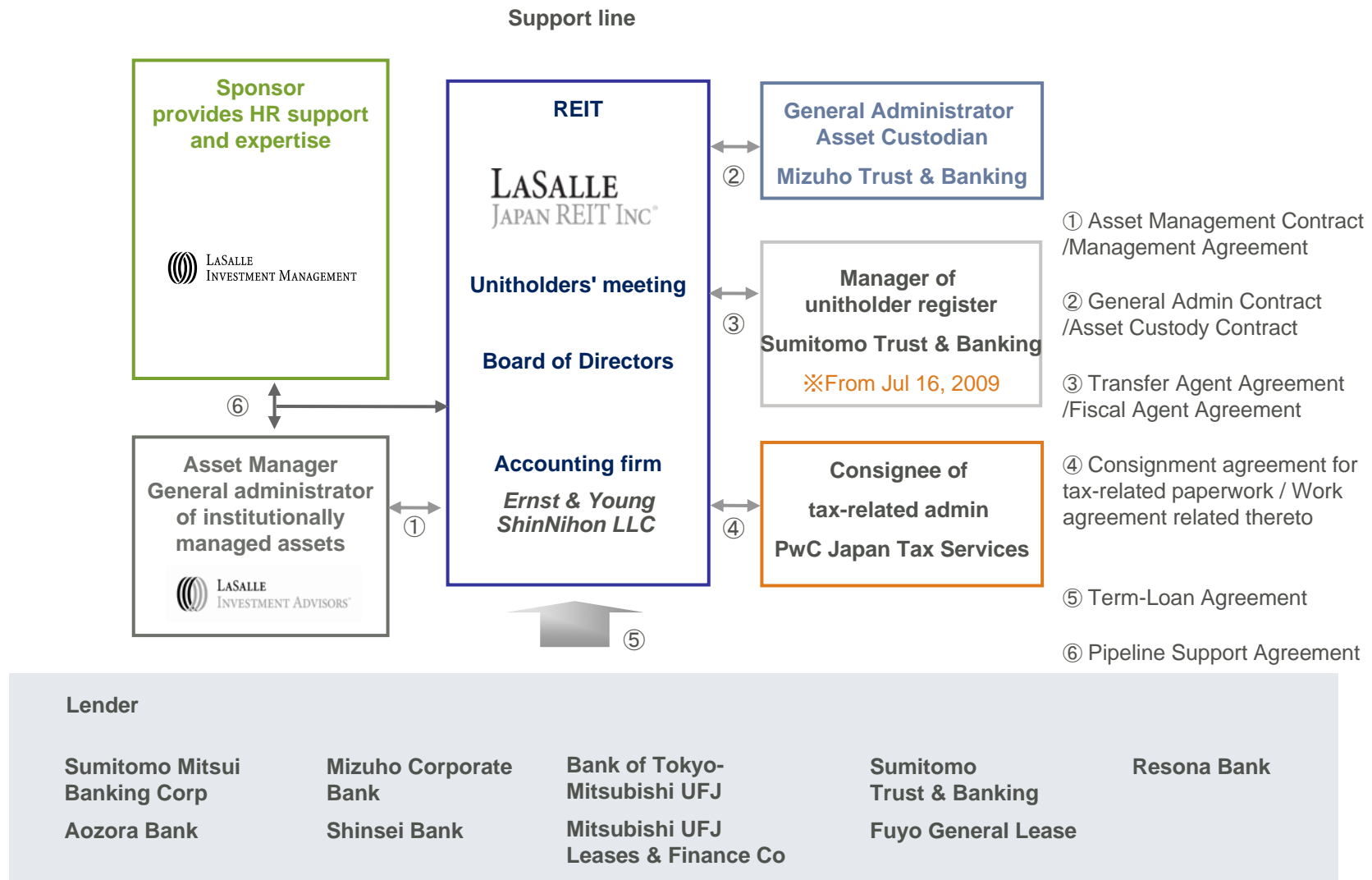
Changes in # of units by investor type



Major unit holders (as of end of 7th Period)

Name	Total units	Ratio
1 London Property Special Purpose Company	30,000	24.9%
2 Nikko Citi Trust and Banking, investment trust account	9,907	8.2%
3 Europe Property Special Purpose Company	9,500	7.9%
4 GOLDMAN SACHS INTERNATIONAL	6,194	5.1%
5 TAMWEELVIEW SOCIETE ANONYME	6,000	5.0%
6 Japan Trustee Services Bank, trust account	3,604	3.0%
7 ISTITHMAR ASIA REAL ESTATE INVESTMENT LIMITED	3,000	2.5%
8 FINVENTURES UK LIMITED	3,000	2.5%
9 The Master Trust Bank of Japan, trust account	2,605	2.2%
10 Asset Managers	2,000	1.7%
11 NORTHERN TRUST CO. (AVFC) SUB A/C AMERICAN CLIENTS	1,961	1.6%
12 The Nomura Trust and Banking, Investment Trust	1,169	1.0%
13 Trust and Custody Services Bank, trust account	1,109	0.9%
14 STATE STREET BANK AND TRUST COMPANY NY 505224	1,000	0.8%
15 BBH FOR MATTHEWS JAPAN FUND	771	0.6%
16 Nomura Securities Co., Ltd	750	0.6%
17 PERSHING—DIV. OF DLJ SECS. CORP.	700	0.6%
18 NORTHERN TRUST CO. (AVFC) RE UK PENSION FUNDS EXEMPT LENDING ACCOUNT	678	0.6%
19 Japan Securities Finance Company	603	0.5%
20 Iyo Bank	600	0.5%
Total	85,151	70.7%

Organizational chart and relevant parties



General Admin Services and Business Support Provided

Accountant
ERNST & YOUNG
ShinNihon LLC

- Auditing of LJR's financial statements; reporting to supervisory director(s) and/or take other relevant actions required under the law in case fraudulent acts and/or violation of laws/bylaws by Executive officers in the course of their employment is detected

General administrator
/Asset custodian
Mizuho Trust & Banking

- Admin related to the management of the Investment Corporation Board of Directors' meetings
- Admin related to the accounting
- Admin related to the bookkeeping preparation
- Admin related to tax payment
- Work related to custody of LJR's assets as its asset custodian

Manager of unitholder register
Sumitomo Trust and Banking

- Admin related to transfer of title of LJR's IUs
- Admin related to issuance of LJR's investment securities
- Admin related to payment of dividends to unitholders
- Admin related to LJR's operations
- Admin related to claims submitted by unitholders in connection to their rights exercise, and acceptance of documents filed by other unitholders

※ planned change of manager on July 16, 2009 from Chuo Mitsui Trust and Banking

Consignee of tax-related admin
PwC Japan

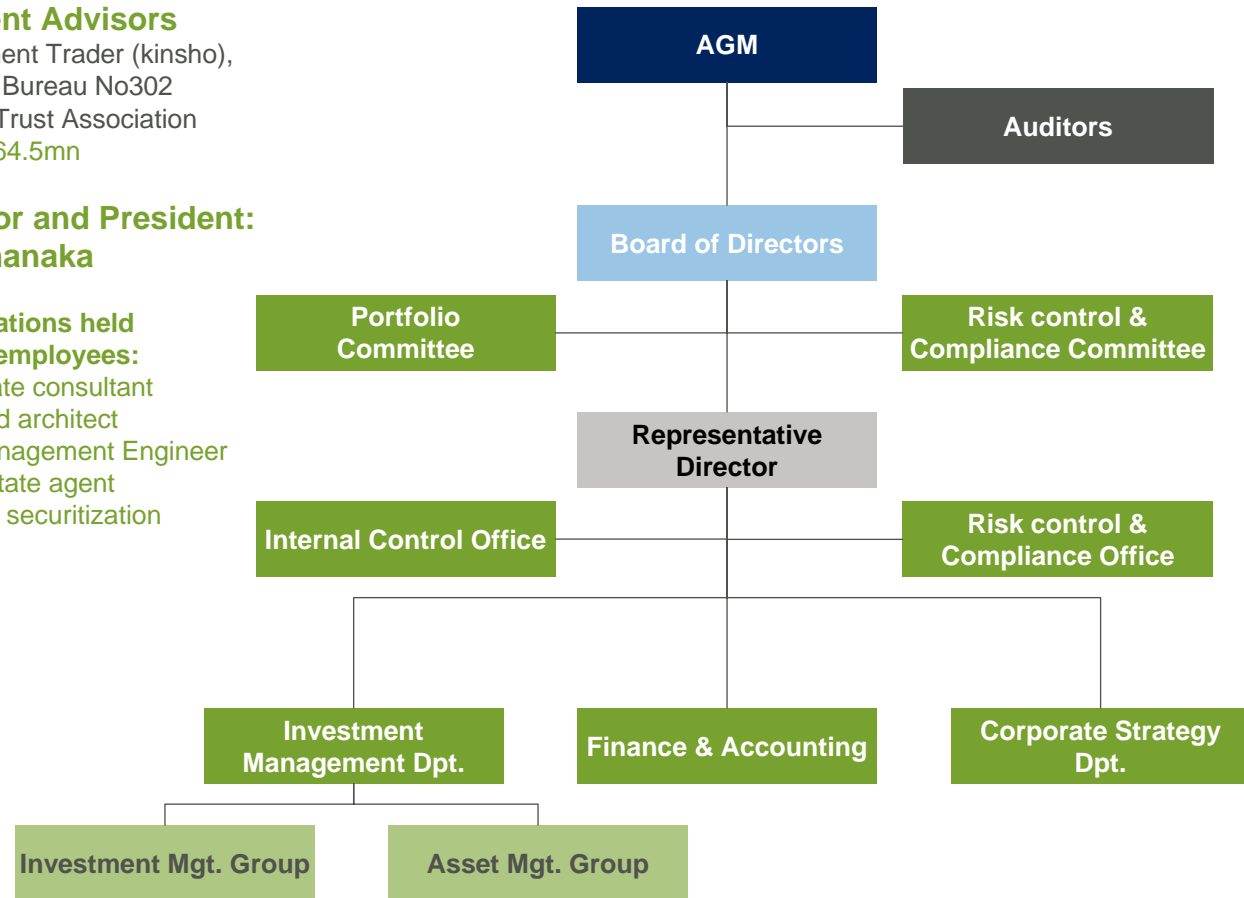
- Fill out tax returns (income, local and consumption taxes) on behalf of the investment corporation
- Review of the investment corporation's fixed asset ledger
- Provide tax-related consulting services to the investment corporation

Organization and functions of asset manager

LaSalle Investment Advisors
 Licensed Financial Instrument Trader (kinsho),
 Kanto Local Finance Bureau No302
 Member of Investment Trust Association
 Capital JPY164.5mn

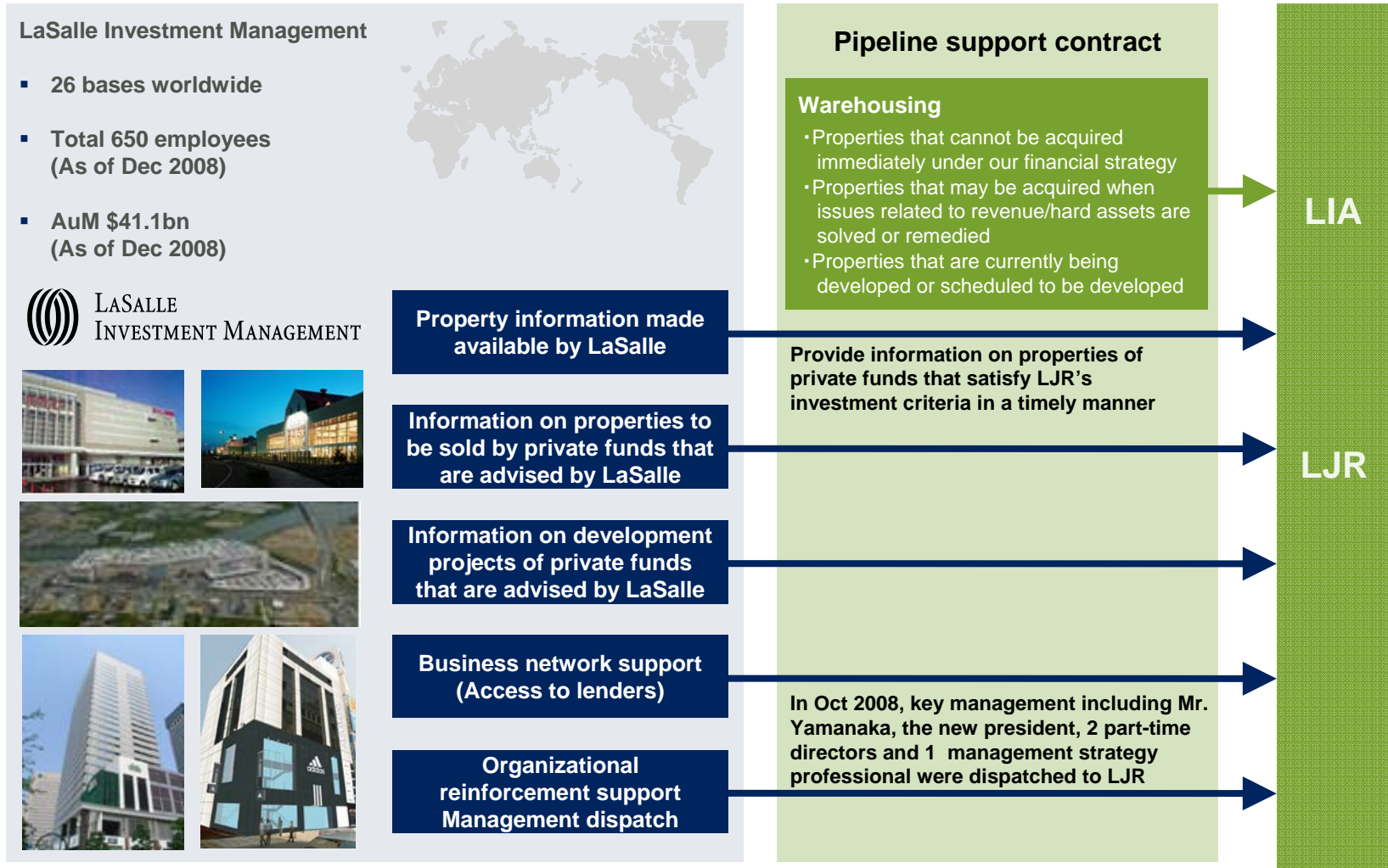
**Representative Director and President:
 Satoru Yamanaka**

**Selected qualifications held
 by directors and employees:**
 Registered real estate consultant
 1st-class licensed architect
 1st-class Construction Management Engineer
 Licensed real estate agent
 Master of real estate securitization
 MBA



Summary of Sponsor Support

Leading expertise and support provided by our sponsor who is a global real estate investment advisor



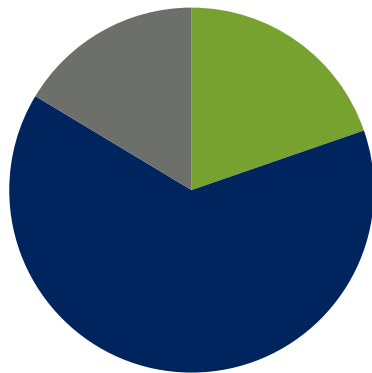
※ These photo does not indicate to put these properties into LJR



7. Portfolio Description

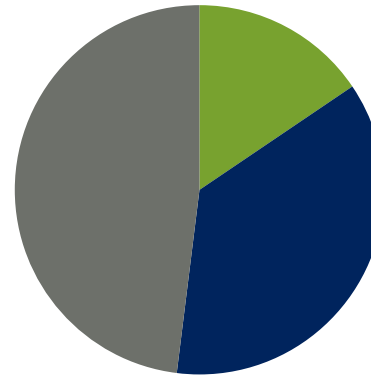
Portfolio summary

Type



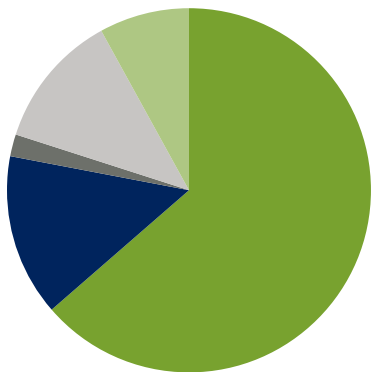
Office: 19.8%
Retail: 63.9%
Residential: 16.3%

Size



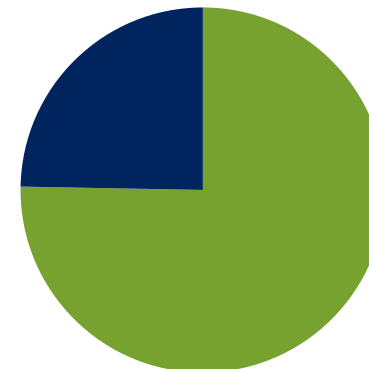
Under 5,000m²: 15.5%
5,000-10,000m²: 36.5%
Over 10,000m²: 48.0%

Building age



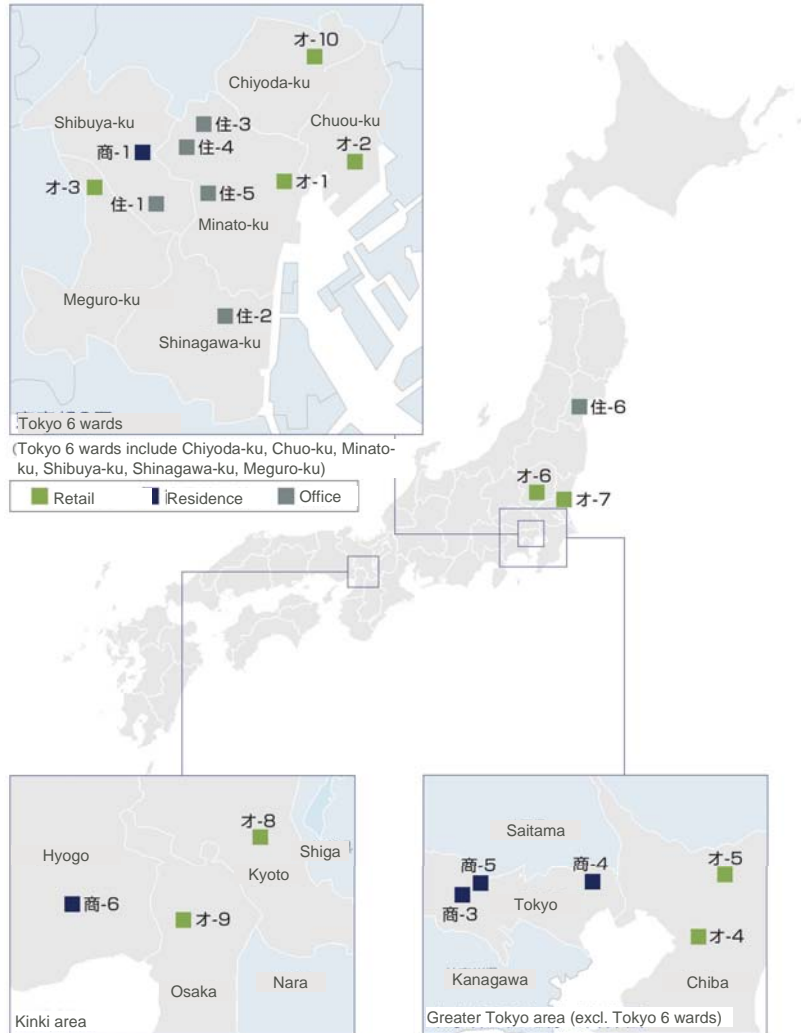
Under 5 year: 63.7%
5-10 year: 14.3%
10-15 year: 2.0%
15-20 year: 12.1%
Over 20 year: 7.9%

Region



Tokyo area: 75.4%
Local: 24.6%

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

List of portfolio

Property Name	Address	Acquisition price (JPY mn)	Share	Leasable floor space (㎡)	Building age	PML
Shinsan Building	Minato-ku Tokyo	2,106	1.8%	2,460.19	1987/5	10.8
No. 35 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 TT 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%	4,928.07	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%	42,828.22		
La Porto 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	2006/10	15.2
Aeon Mall Kobe-kita	Kobe-shi 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%	5,338.97	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	2004/3	9.9
Mirum Hiroo II	Minato-ku Tokyo	2,256	1.9%	1,983.15	2004/2	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%	21,260.00		
Total of portfolio		119,926	100.0%	343,403.51		4.7

List of main portfolio

Type	Office	Office	Office	Urban retail	Suburban retail	Suburban retail	Residential
Propertyname	ShinsanBuilding	No. 35 Sakyo Building	Shibuya West Building	La Porte Aoyama	AEON Mall Musashi-murayama mu	AEON Mall Kobe-kita	Mirum Daikanyama
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 Musashimurayama- shi Tokyo	8-2-1 Kamitsudai Kita-ku Kobe-shi Hyogo	7-1 Sarugaku-cho Shibuya-ku Tokyo
Construction	1987/5/18	1991/8/7	1990/11/7	2004/11/12	2006/10/16	2006/11/15	2003/2/10
Building age	22.0	17.7	18.5	4.5	2.5	2.5	6.2
Floor space	2,833.71	6,413.60	3,747.00	6,572.29	137,466.97	128,031.55	8,192.31
PML	10.8	14.5	12.5	9.1	15.2	9.9	10.1
Occupancy rate	85.1	100.0	100.0	80.0	100.0	100.0	85.3
Acquisition price	2,106	4,132	2,017	14,024	38,400	19,200	6,869

- 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)