

September 25, 2008

To whom it may concern:

Name of the Issuer of the Real Estate Investment Fund:
LaSalle Japan REIT Inc.
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Name of Representative:
Masayuki Tanaka, Executive Director
(Code Number: 8974)

Name of Asset Management Company:
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Notice Concerning Borrowings

LaSalle Japan REIT Inc. (“LaSalle Japan”) today announced its decision to undertake borrowings. Brief details are as follows.

1. Reason for Undertaking Borrowings

LaSalle Japan has decided to undertake borrowings in order to refinance an existing term loan totaling ¥25.5 billion. Details of the aforementioned term loan were first disclosed in the press release “Notice Concerning Borrowings” dated September 7, 2005.

2. Details of Borrowings

In specific terms, LaSalle Japan has decided to undertake a short-term loan with a maturity of one year and a long-term loan with a maturity of three years in accordance with a term loan agreement dated September 25, 2008 with Mizuho Corporate Bank, Ltd. acting as arranger. Brief details are as follows.

1. Short-term loan with a maturity of one year
 - (1) Drawdown date: September 30, 2008
 - (2) Loan amount: ¥15,500 million
 - (3) Lenders and individual loan amounts

Lenders	Loan Amounts (Millions of Yen)
Mizuho Corporate Bank, Ltd.	2,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000
Resona Bank, Ltd.	3,000
The Sumitomo Trust & Banking Co., Ltd.	2,000
Aozora Bank, Ltd.	2,500
Shinsei Bank, Ltd.	2,000
Mitsubishi UFJ Lease & Finance Co., Ltd.	1,000
Fuyo General Lease Co., Ltd.	1,000

Total	15,500
(4) Interest rate:	Three-month yen TIBOR + 1.0% (Note)
(5) Repayment date:	September 30, 2009
(6) Repayment method:	Lump-sum principal payment in full on the stated repayment date
(7) Interest payment method:	The last business day of December, 2008 marks the first day of interest payment. Subsequent payments during the period of the short-term loan (ending September 30, 2009) shall be made on the last business day of March, June and September as well as on the principal repayment date.
(8) Collateral:	Establish first lien real estate beneficiary rights in the following 15 properties: Shinsan Building, Sankyo Building, Shibuya West Building, Chiba West Building, Narita TT Building, Utsunomiya Center Building, Southern Mito Building, Horikawa-Dori Shijo Building, KYUHO Esaka Building, La Porte Aoyama, Mirum Daikanyama, Mirum Shirokanedai, Mirum Nogizaka, Mirum Minami Aoyama and Mirum Hiro-o II

Note: Actual interest rates shall be determined every three months. The interest rate applicable from the drawdown date on September 30, 2008 to the end of December 2008 is scheduled to be determined on September 26, 2008. LaSalle Japan will make the relevant announcement separately immediately after determination.

2. Long-term loan with a maturity of three years

- (1) Drawdown date: September 30, 2008
(2) Loan amount: ¥10,000 million
(3) Lender and individual loan amounts

Lenders	Loan Amounts (Millions of Yen)
Mizuho Corporate Bank, Ltd.	4,600
Resona Bank, Ltd.	1,900
Aozora Bank, Ltd.	2,500
Mitsubishi UFJ Lease & Finance Co., Ltd.	1,000
Total	10,000

- (4) Interest rate: Three-month yen TIBOR + 1.5% (Note)
(5) Repayment date: September 30, 2011
(6) Principal repayment method: Lump-sum principal payment in full on the stated repayment date
(7) Interest payment method: The last business day of December, 2008 marks the first day of interest payment.
Subsequent payments during the period of the long-term loan (ending September 30, 2011) shall be made on the last business day of March, June, September and December as well as on the principal repayment date.
(8) Collateral: Establish first lien real estate beneficiary rights in the following 15 properties: Shinsan Building, Sankyo Building, Shibuya West Building, Chiba West Building, Narita TT Building, Utsunomiya Center Building, Southern Mito Building, Horikawa-Dori Shijo Building, KYUHO Esaka

Building, La Porte Aoyama, Mirum Daikanyama, Mirum Shirokanedai, Mirum Nogizaka, Mirum Minami Aoyama and Mirum Hiro-o II

Note: The actual interest rate is scheduled to be determined on September 26, 2008. LaSalle Japan will make the relevant announcement separately immediately after determination. LaSalle Japan will fix the interest rate by purchasing an INTEREST CAP. LaSalle Japan will make the relevant announcement separately immediately after determination.

3. Use of Borrowings

LaSalle Japan will use the proposed borrowings to refinance an existing term loan.

4. Details of Total Borrowings after Drawdown of the Proposed Borrowings

Millions of Yen

	Before Drawdown of Proposed Borrowings	After Drawdown of Proposed Borrowings	Increase / (Decrease)
Short-term borrowings	61,700	51,700	(10,000)
Long-term borrowings	8,500	18,500	10,000
Total borrowings	70,200	70,200	0
Corporate bonds	0	0	0
Total of borrowings and corporate bonds	70,200	70,200	0
Other interest-bearing liabilities	0	0	0
Total interest-bearing liabilities	70,200	70,200	0