

September 26, 2008

To whom it may concern:

Name of the Issuer of the Real Estate Investment Fund:
LaSalle Japan REIT Inc.
2-13-10 Nagatacho, Chiyoda-ku, Tokyo
Name of Representative:
Masayuki Tanaka, Executive Director
(Code Number: 8974)

Name of Asset Management Company:
LaSalle Investment Advisors K.K.
Name of Representative:
Masayuki Tanaka, Representative Director
Inquiries to:
Makoto Yokoyama, Director,
Corporate Planning, Finance & Accounting Department
TEL.: +81-3-3595-6700

Notice Concerning Interest Rate Cap Purchase

LaSalle Japan REIT Inc. (“LaSalle Japan”) today announced details of the decision to purchase an interest rate cap for borrowings previously disclosed on September 25, 2008. Brief details are as follows.

1. Reasons for purchasing an interest rate cap

The purpose is to diminish the risk of interest rate increases in the future in order to realize stable dividends over the long term.

2. Details of Interest Rate Cap

1. Seller	Shinsei Bank, Ltd.
2. Notional Principal	¥10.0 billion
3. Contract Date	September 26, 2008
4. Commencement Date	September 30, 2008
5. Termination Date	September 30, 2011
6. Designated Interest Rate	Three-month yen TIBOR
7. Revised Interest Rate Dates	Initially on December 30, 2008, and thereafter on the last day in March, June, September and December through to the agreement end-date on September 30, 2011. (If the interest rate reset-date falls on a holiday, shall be recognized as the business day immediately preceding this holiday.)

LASALLE
JAPAN REIT INC*

8. Strike Interest Rate	1.00%
9. Premium Payment	¥76,500,000 (0.765% of the Notional Principle)

Reference:

About Interest Rate Caps

If an interest rate cap is purchased when the applicable interest rate exceeds the strike interest rate, the seller of the interest rate cap pays LaSalle Japan an amount equal to the difference of the applicable interest rate.

Consequently, LaSalle Japan can in effect hedge the interest rate burden that is in excess of the strike interest rate and thereby mitigate the risk of interest rate volatility.