

September 25, 2009

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:
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**Notice Concerning Changes in Principal Repayment Method
for Borrowings and Loans**

LaSalle Japan REIT Inc. (“LaSalle Japan”) announced today that it has decided the following with respect to its change in principal repayment method for borrowings and loans.

1. Borrowings

(1) Reason for Borrowings

LaSalle Japan has decided to borrow funds in order to refinance an existing term loan totaling ¥15.5 billion. Details of the aforementioned term loan were first disclosed in the press release “Notice Concerning Borrowings” dated September 25, 2008.

(2) Details of Borrowings

The borrowings are based on a term loan agreement dated September 25, 2009, with Mizuho Corporate Bank, Ltd. acting as arranger. Brief details are as follows.

LASALLE
JAPAN REIT INC*

- (1) Drawdown date: September 30, 2009
 (2) Loan amount: ¥15,297 million (Note 1)
 (3) Lenders and individual loan amounts

Lenders	Loan Amounts (Millions of Yen)
Mizuho Corporate Bank, Ltd.	1,881
The Bank of Tokyo-Mitsubishi UFJ, Ltd	1,881
Resona Bank, Ltd.	2,822
The Sumitomo Trust & Banking Co., Ltd.	1,881
Aozora Bank, Ltd.	2,351
Shinsei Bank, Ltd.	1,881
The Tokyo Star Bank, Limited	2,000
Mitsubishi UFJ Lease & Finance Co., Ltd.	300
Fuyo General Lease Co., Ltd.	300
Total	15,297

- (4) Interest rate: Three-month TIBOR + 2.75% (Note 2)
 (5) Repayment date: September 30, 2010
 (6) Repayment method: Lump-sum principal payment in full on the stated repayment date
 (7) Interest payment method: The last business day of December 2009 marks the first day of interest payment. Subsequent payments during the period of the short-term loan (ending September 30, 2010) 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 on the following 15 properties:
 Shinsan Building, 35 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, and establish second lien real estate beneficiary

rights on the following two properties:
AEON Mall Musashi Murayama Mu and
AEON Mall Kobekita.

Note 1: LaSalle Japan will repay ¥15,297 million from this term loan and
¥203 million yen from cash in hand.

Note 2: The actual interest rate is determined every three months. The interest
rate from September 30, 2009, the drawdown date, to December 31,
2009 is scheduled to be determined on September 28, 2009. 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.

2. Changes in Principal Repayment Method for Borrowings

(1) Reason for changing principal repayment method for borrowings

The existing term loan totaling ¥35.7 billion, which was announced in
the “Notice Concerning Borrowings” dated October 16, 2008, is
connected to this loan, and the following changes to the agreement
have been made after discussions about the establishment of second
lien real estate beneficiary rights on the following two properties:
AEON Mall Musashi Murayama Mu and AEON Mall Kobekita.
Sumitomo Mitsui Banking Corporation had previously established first
lien real estate beneficiary rights on both properties.

(2) Summary of Changes in Principal Repayment Method

	Before Change	After Change
(1) Drawdown date	(No change)	(No change)
(2) Loan amount		
(3) Lenders		
(4) Interest rate:		
(5) Principal repayment date		
(6) Principal repayment method	Lump-sum principal payment in full on the <u>stated repayment date</u>	<u>The first payment of ¥490 million is to be made on September 30, 2009, with</u>

		<p><u>subsequent payments of ¥100 million each to be paid every three months on the interest payment date (however, if AEON Mall Musashi Murayama Mu or AEON Mall Kobekita are sold within the applicable time limit, then this amount shall be reduced by ¥54.5 or ¥45.5 million, respectively. In addition, ¥34,410 million is to be paid on the principal repayment date (however, if AEON Mall Musashi Murayama Mu or AEON Mall Kobekita are sold, the amount prepaid in association with said sale shall be deducted).</u></p>
<p>(7) Collateral</p>	<p>Establish first lien real estate beneficiary rights on the following two secured trust assets: AEON Mall Musashi Murayama Mu and AEON Mall Kobekita.</p>	<p>Establish first lien real estate beneficiary rights on the following two secured trust assets: AEON Mall Musashi Murayama Mu and AEON Mall Kobekita. <u>Establish third lien real estate beneficiary rights on the following 15 trust asset properties: Shinsan Building, 35 Sankyo Building, Shibuya West Building, Chiba West Building, Narita TT Building, Utsunomiya</u></p>

		<u>Center Building, Southern Mito Building,</u> <u>Horikawa-Dori Shijo Building, KYUHO Esaka Building, La Porte Aoyama, Mirum Daikanyama, Mirum Shiokanedai, Mirum Nogizaka, Mirum Minami Aoyama and Mirum Hiro-o II.</u>
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3. Business Forecast

Please refer to the press release “Notice Concerning Revisions to Business Forecast for the Period Ending April 30, 2010” that was announced today.

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	24,000	23,797	(203)
Long-term borrowings	45,700	45,210	(490)
Total borrowings	69,700	69,007	(693)
Corporate bonds	0	0	0
Total of borrowings and corporate bonds	69,700	69,007	(693)
Other interest-bearing liabilities	0	0	0
Total interest-bearing liabilities	69,700	69,007	(693)