



Prologis Park MFLP Kawagoe

# Nippon Prologis REIT, Inc.

## Fiscal Period Ended Nov. 30, 2019

Unaudited

February 2020

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Prologis Park MFLP Kawagoe





## SECTION 01

# Highlights for Fiscal Period Ended Nov. 30, 2019 and Recent Offering

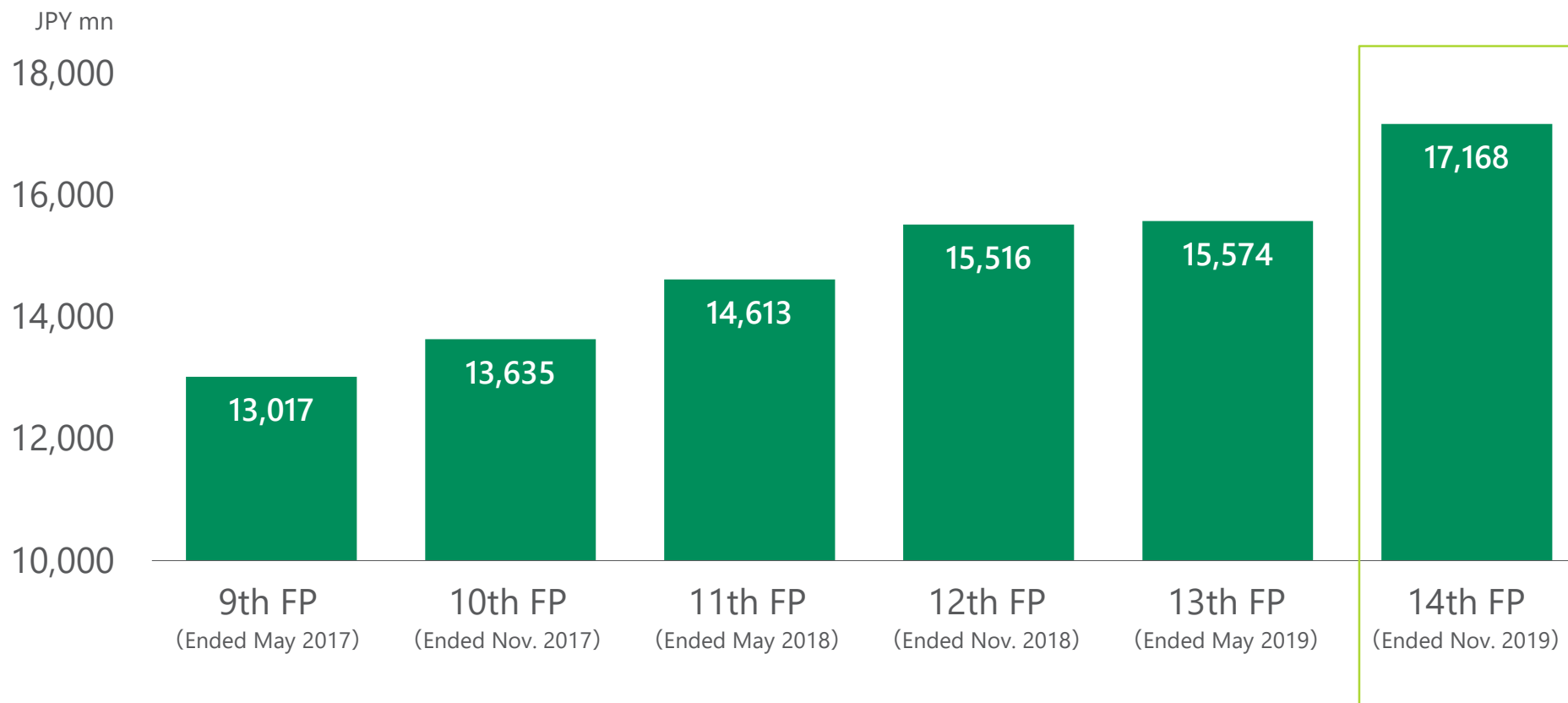
# Highlights for Fiscal Period Ended Nov. 2019 and Recent Offering

- Achieved steady DPU and NAV per unit growth
- Increased occupancy and continued growth of NOI
- Acquired from proprietary pipeline from sponsor
- Maintained strong balance sheet

Highlights for Fiscal Period Ended Nov. 2019			Post-Acquisition	
<b>NOI</b> <b>JPY 17,168 mn</b> (+0.9% vs. forecast)	<b>DPU</b> <b>JPY 4,575</b> (+1.6% vs. forecast)	<b>NAV per Unit</b> <b>JPY 222,223</b>	<b>Portfolio Size</b> <b>JPY 700.6 bn</b>	<b>Pipeline</b> <b>10 properties</b> approx. <b>JPY 200 bn</b>
<b>Average Occupancy Rate</b> <b>99.0%</b>	<b>Unrealized Gain <sup>(1)</sup></b> <b>JPY 157.8 bn</b>	<b>Market Cap</b> <b>JPY 760.2 bn</b> (as of February 5, 2020)	<b>LTV <sup>(2)</sup></b> <b>37.7%</b>	<b>Borrowing Capacity <sup>(3)</sup></b> approx. <b>JPY 160 bn</b>

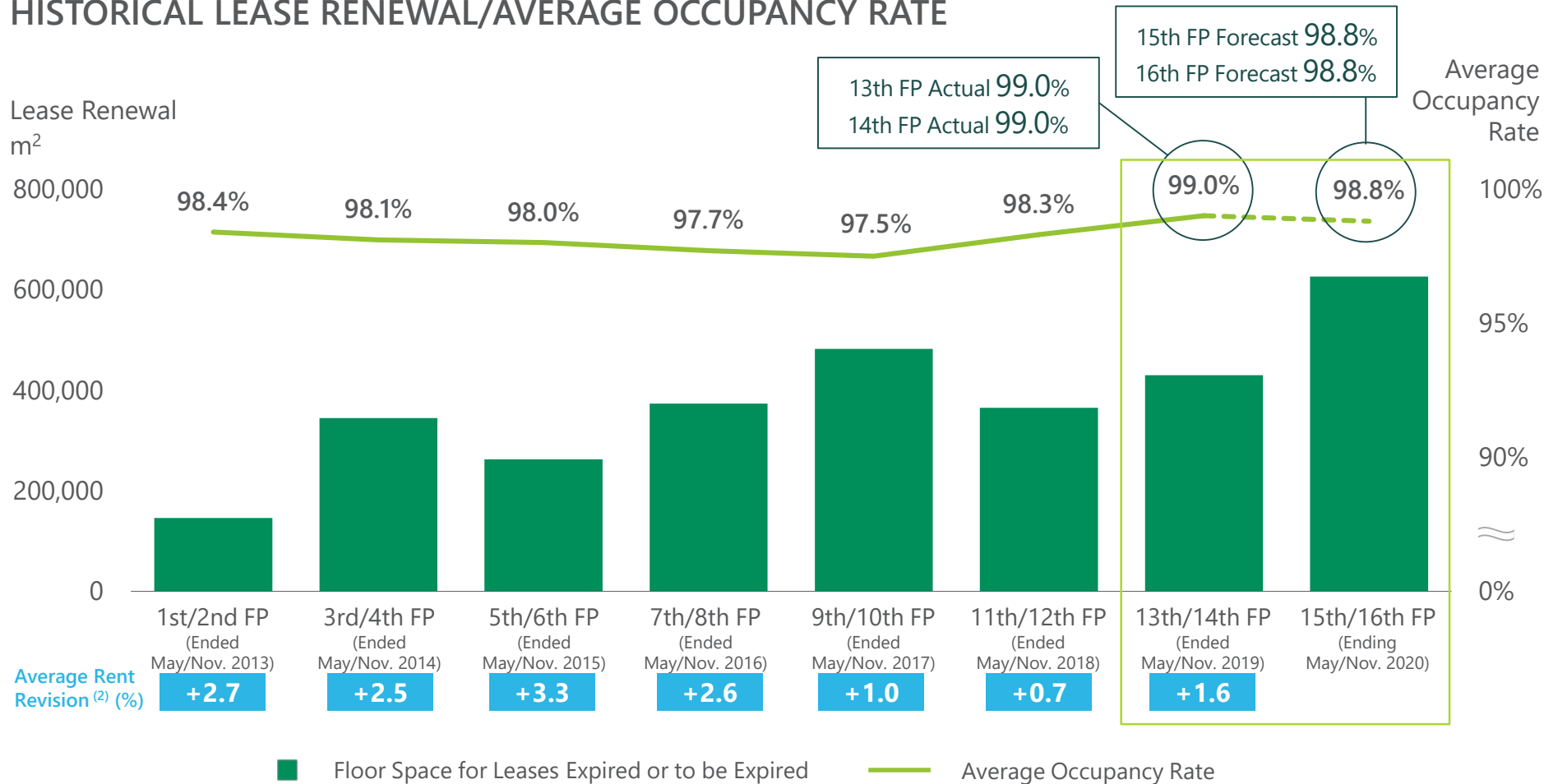
# Continued Growth of NOI

**14TH FP NOI JPY 17,168 MN (+0.9% VS. FORECAST <sup>(1)</sup> , +10.2% OVER PREVIOUS FP)**



# Increased Occupancy and Improved Rent Growth

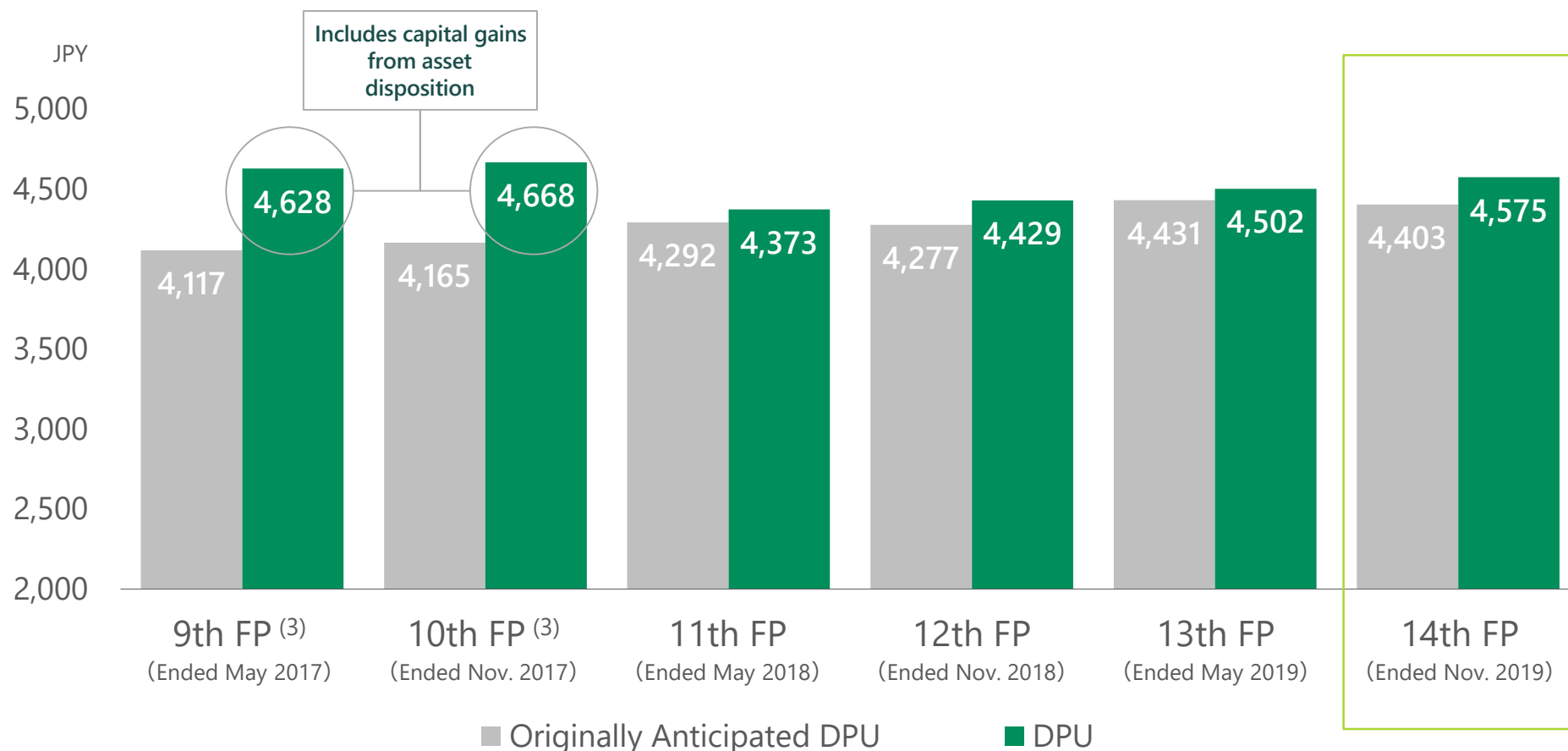
## HISTORICAL LEASE RENEWAL/AVERAGE OCCUPANCY RATE



1. The results of leasing activities do not include office and store space, and the percentages shown are based on the size of contracted floor space.
2. For warehouse excluding office and store space, this figure is calculated by weighting the rental rate variance between old and new lease contracts which expired during the fiscal period indicated and were renewed by December 31 of the same year, and only includes leases that were renewed for a period of one year or longer. Calculated based on monthly nominal rents including common area management charges. Includes contract for which the rent was revised during contract period.
3. Breakdown of floor space in terms of rent revision for 14th FP: Upward 59%, Unchanged 41%, Downward 0%.
4. The average rent revision for 14th FP is +1.6%.

# Achieved Steady DPU Growth

14TH FP DPU <sup>(1)</sup> JPY 4,575 (+1.6% VS. FORECAST <sup>(2)</sup> , +1.6% OVER PREVIOUS FP)

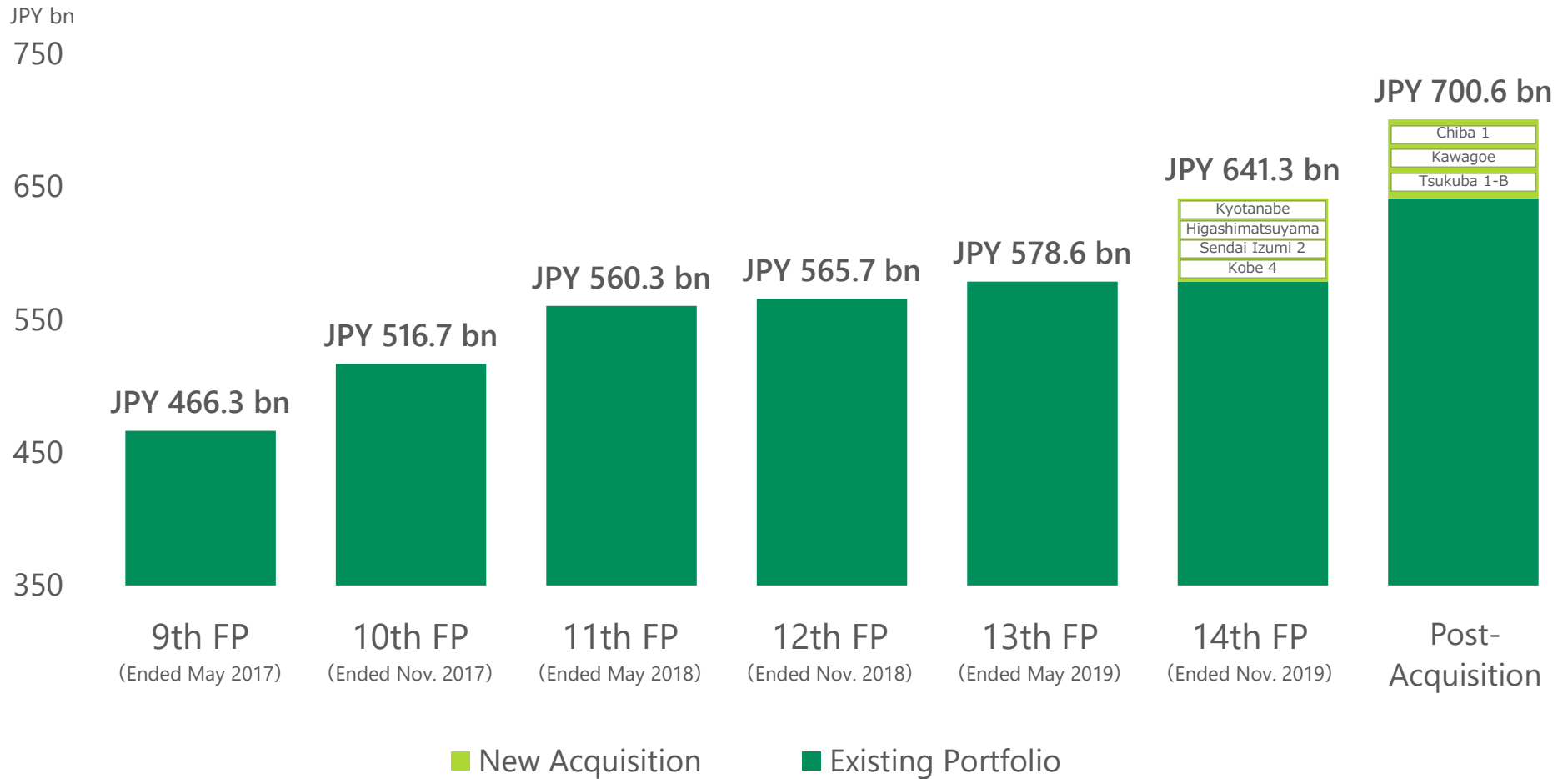


1. Including surplus cash distributions (SCD).

2. Calculated based on the forecast disclosed on July 18, 2019.

3. Regular surplus cash distributions were suspended due to the increased profit levels as a result of asset dispositions.

# Assets Under Management Continued to Grow





# Three Class-A Properties Acquired

Total Acquisition Price: JPY **59.3** bn  
Occupancy Rate <sup>(3)</sup>: **98.3** %

Average Appraisal NOI Yield <sup>(1)</sup>: **4.5** %  
Developed by Prologis: **100.0** %

Average Property Age <sup>(2)</sup>: **0.4** years  
WALE <sup>(4)</sup>: **7.1** years



**Prologis Park Chiba 1**  
(Multi-Tenant)

Acquisition Price	<b>JPY 31,000 mn</b>
Building Date	<b>Sep. 20, 2019</b>
GFA	<b>138,547 sqm</b>
Occupancy Rate	<b>96.6</b> %
Appraisal NOI Yield	<b>4.5</b> %



**Prologis Park MFLP Kawagoe**  
(Multi-Tenant)  
(50% Co-ownership Interest)

Acquisition Price	<b>JPY 14,800 mn</b>
Building Date	<b>Oct. 16, 2018</b>
GFA	<b>117,337 sqm <sup>(5)</sup></b>
Occupancy Rate	<b>100.0</b> %
Appraisal NOI Yield	<b>4.4</b> %



**Prologis Park Tsukuba 1-B**  
(Build-to-Suit)

Acquisition Price	<b>JPY 13,500 mn</b>
Building Date	<b>Aug. 22, 2019</b>
GFA	<b>65,676 sqm</b>
Occupancy Rate	<b>100.0</b> %
Appraisal NOI Yield	<b>4.7</b> %

1. Appraisal NOI as of Nov. 30, 2019 divided by total acquisition price.

2. As of Nov. 30, 2019.

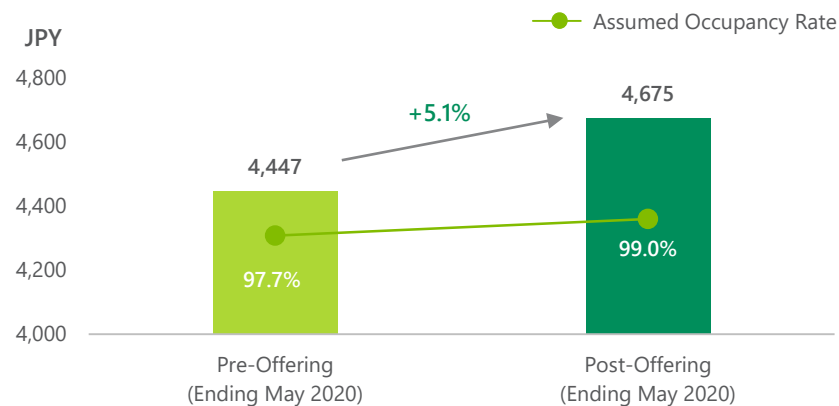
3. As of Dec. 31, 2019.

4. Calculated based on the lease contracts as of Nov. 30, 2019.

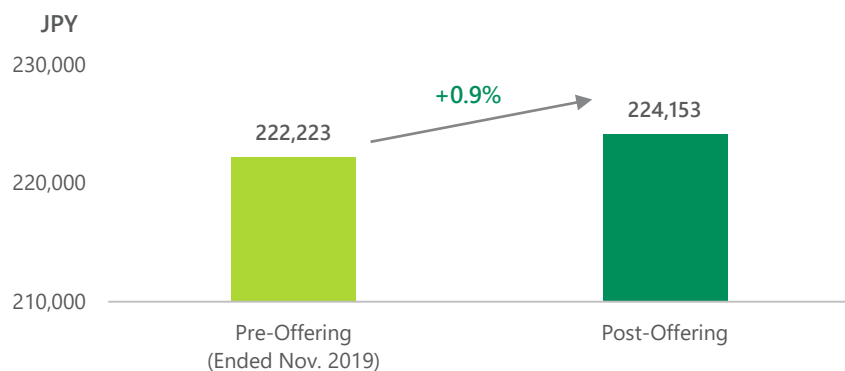
5. GFA for Prologis Park MFLP Kawagoe represents the total gross floor area although we acquired a 50% co-ownership interest.

# Further Accretion of Unit Holder Value

## STABILIZED DISTRIBUTIONS PER UNIT (ILLUSTRATIVE)<sup>(2)</sup>



## APPRAISAL NAV PER UNIT<sup>(3)</sup>



## SUMMARY OF ACCRETION

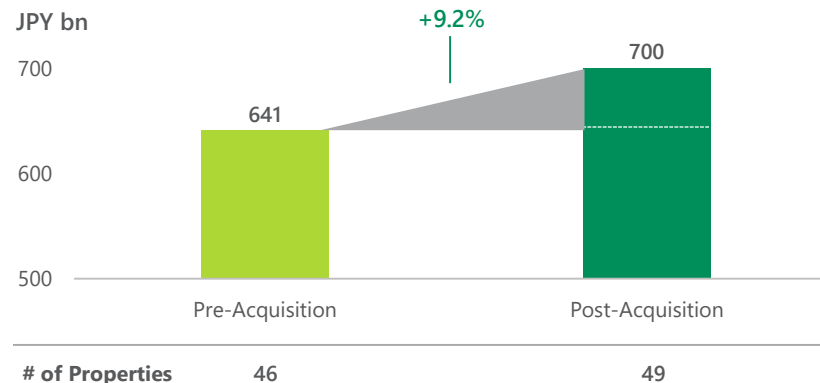
Stabilized DPU Accretion (Ending May 2020)

**+5.1%**

Appraisal NAV per Unit Accretion

**+0.9%**

## ASSET SIZE<sup>(4)</sup>



1. All numerical information is based on the assumptions pertaining to the announcement on Jan. 17, 2020.

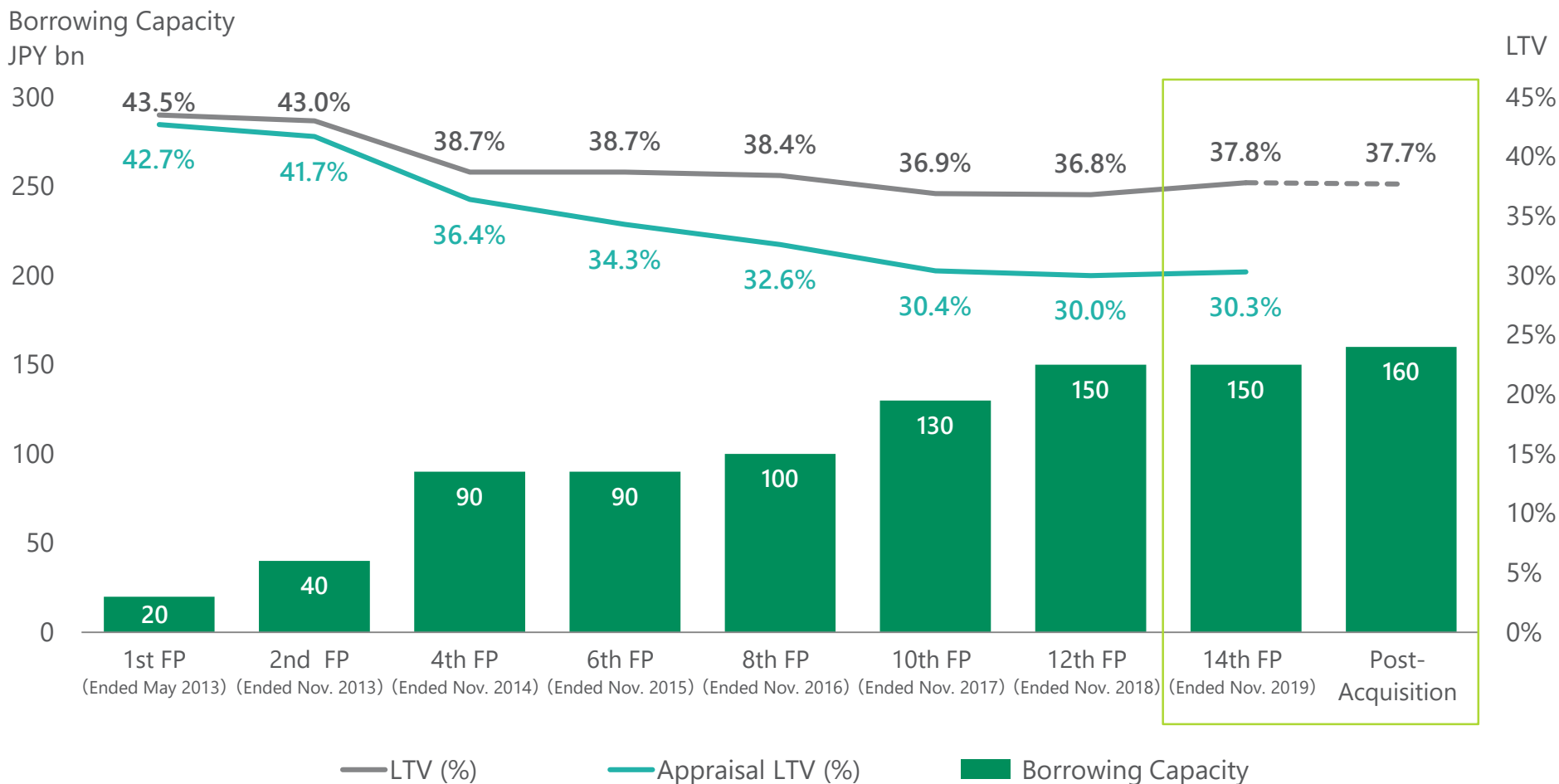
2. Estimates of stabilized DPU including SCD.

3. NAV per unit is calculated as {(net assets – surplus + appraisal based unrealized gain) / total number of investment units issued and outstanding}.

4. Based on acquisition prices.

# Maintained Strong Balance Sheet

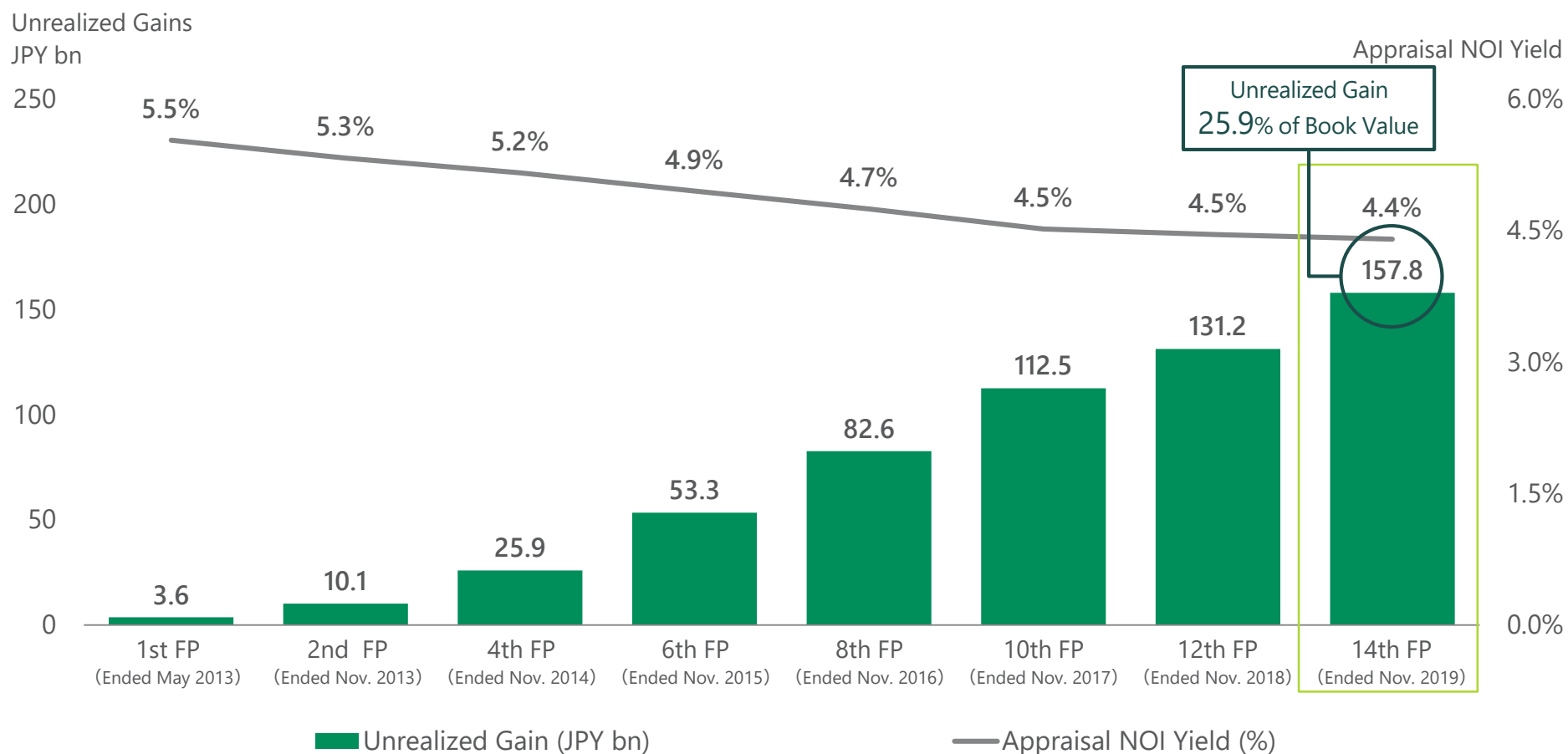
## LTV • APPRAISAL LTV <sup>(1)</sup> • BORROWING CAPACITY



1. Appraisal LTV = total interest-bearing debt as of the end of each FP on balance sheet ÷ { total assets of each FP on balance sheet + (appraisal value of each FP – book value of each FP) }.

# Cap Rate Trends and Increasing Asset Value

## HISTORICAL APPRAISAL NOI YIELDS <sup>(1)</sup> & UNREALIZED GAINS





# Forecasts for May 2020 and Nov. 2020 Fiscal Periods

	14th FP (Ended Nov. 2019) Results	15th FP (Ending May 2020) Forecast	16th FP (Ending Nov. 2020) Forecast
<b>NOI</b>	JPY 17,168 mn	JPY 17,934 mn	JPY 18,768 mn
<b>Average Occupancy Rate</b>	99.0%	98.8%	98.8%
<b>DPU <sup>(1)</sup></b>	JPY 4,575	JPY 4,572	JPY 4,760
<b>LTV</b>	37.8%	38.0% <sup>(2)</sup>	37.7% <sup>(2)</sup>
<b>Extraordinary Factors</b>	<ul style="list-style-type: none"> <li>• Offering cost incurred</li> </ul>	<ul style="list-style-type: none"> <li>• Offering cost to be incurred</li> <li>• One time SCD to be distributed due to temporary dilution by the offering</li> </ul>	<ul style="list-style-type: none"> <li>• Absence of offering cost</li> <li>• Property tax of JPY 192 mn not to be expensed on the assets acquired during 15th FP</li> </ul>



Prologis Park Tsukuba 1-B

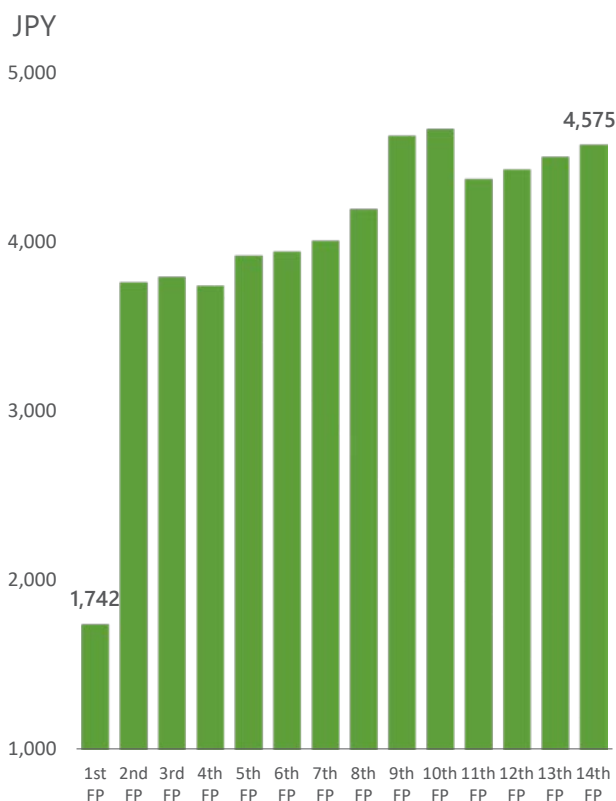
## SECTION 02

# Strategies and Future Growth

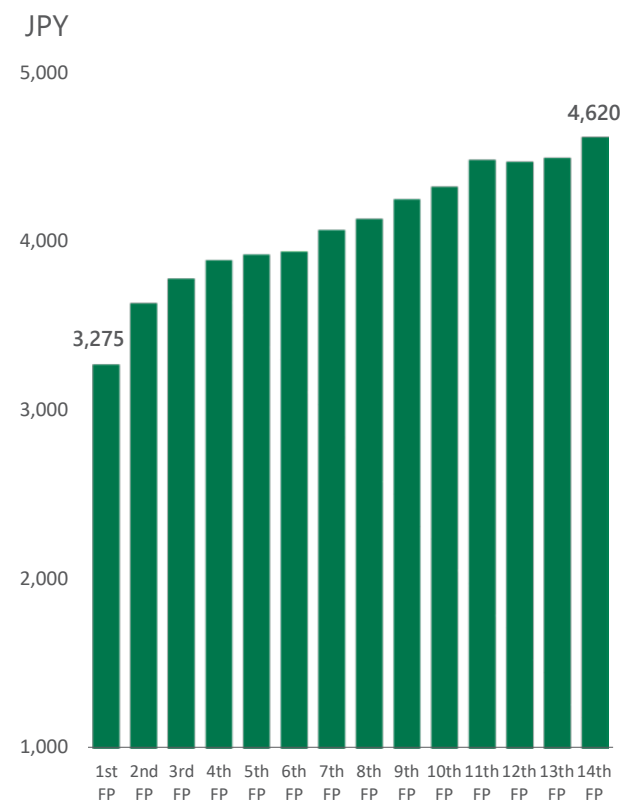
# Enhancement of Unit Holder Value Continues

- 14th FP actual DPU : JPY 4,575 (+ 1.6% vs. forecast, +1.6% over previous FP)
- Increase in DPU (stabilized) by 41% and NAV per unit by 102% since IPO

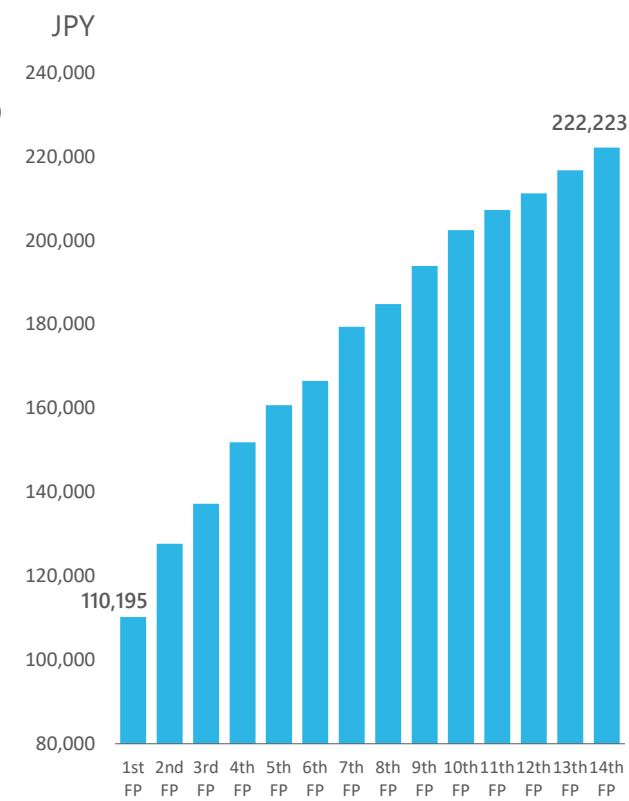
DPU (ACTUAL) <sup>(1)</sup>



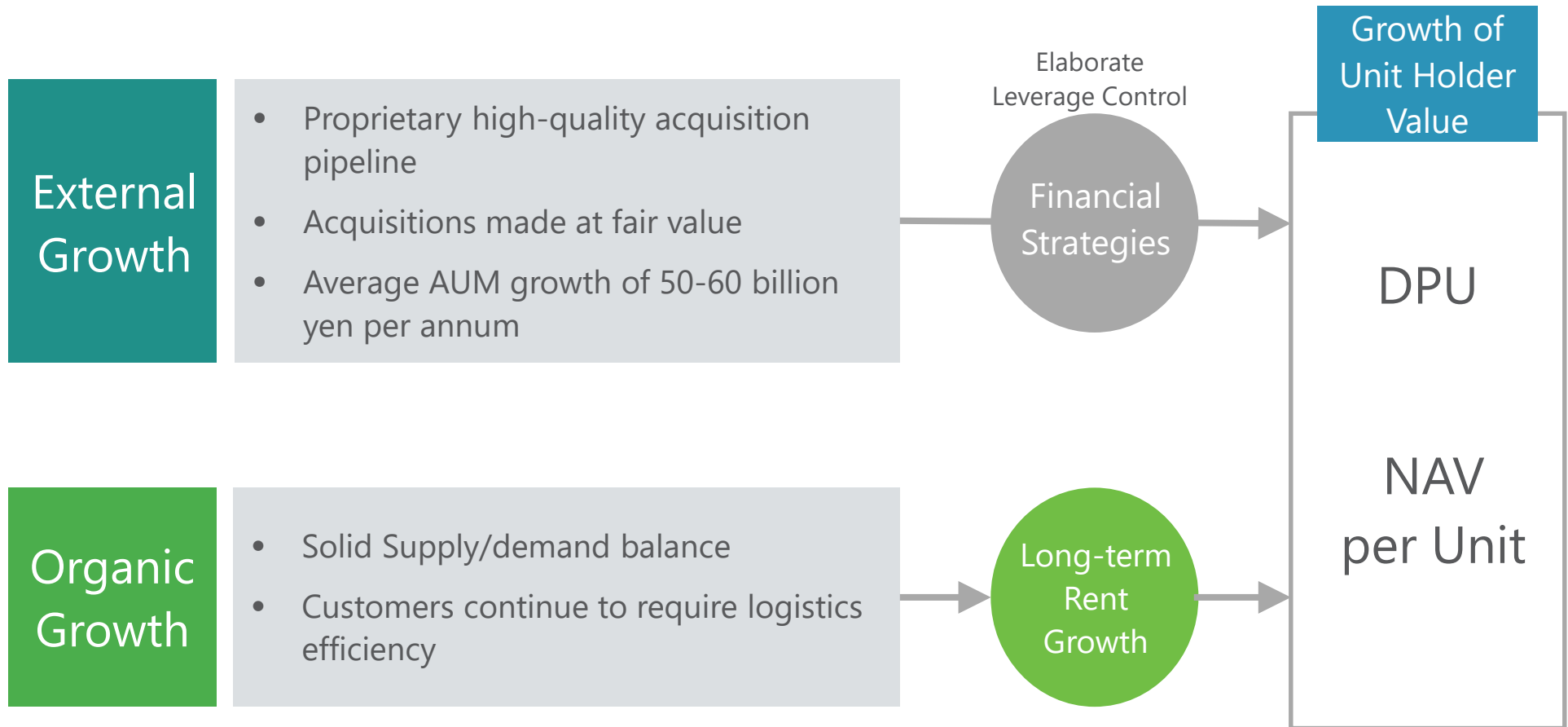
DPU (STABILIZED) <sup>(1)(2)</sup>



NAV PER UNIT <sup>(1)</sup>



# NPR's Consistent Growth Strategy



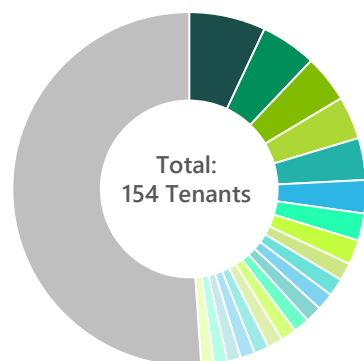


# Capitalize on Significant Proprietary Development Pipeline

	Status	Region / Area	Property Name	(Expected) Year Built	Property Type	(Expected) GFA (sqm)
Exclusive Negotiation Rights Granted	Completed	Kanto	Prologis Park Chiba New Town	Apr. 2016	Multi-Tenant	109,981
	Under Development	Kanto	Prologis Park Tsukuba 2	Sep. 2020	Build-to-Suit	111,757
			Prologis Park Chiba 2	Nov. 2020	Multi-Tenant	68,211
Under Development or Planning	Under Development	Kanto	Prologis Park Ebina 2	Aug. 2021	TBD	38,000
		Kansai	Prologis Park Inagawa 1	Nov. 2021	TBD	198,000
			Prologis Park Inagawa 2	Aug. 2021	TBD	158,000
	Future Development	Kanto	Prologis Park Soka	TBD	TBD	151,000
		Kansai	Prologis Park Kobe 3	TBD	TBD	38,700
			Prologis Park Kobe 5	Mar. 2021	TBD	46,000
		Kyushu	Prologis Park Ogori	TBD	TBD	29,000
					Total	948,651
Future Project		Kanto	Prologis Koga Project Phase 2	TBD	TBD	TBD <sup>(2)</sup>

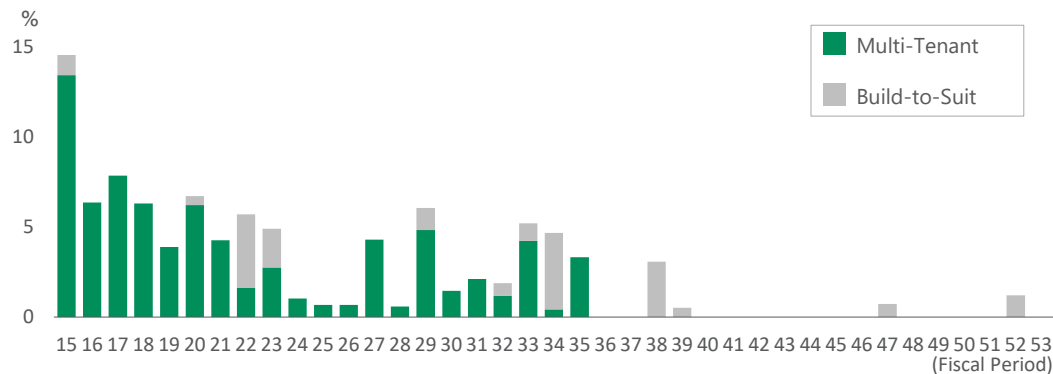
# Internal Growth: Diversified Portfolio and Lease Maturities

## TENANT DIVERSIFICATION (BASED ON SIZE OF LEASED AREA)



ZOZO	7.0%	Hitachi Transport System West Japan	2.3%	Japanet Holdings	1.4%
Nittsu NP Logistics	5.1%	As One Corporation	1.6%	Sumisho Global Logistics	1.3%
Nitori	4.3%	DIS Service & Support	1.6%	Misumi	1.3%
Rakuten	3.9%	Hamakyorex	1.6%	MonotaRO	1.2%
Amazon Japan	3.8%	Hitachi Collabonext Transport System	1.5%	Japan Logistics Systems Corp	1.2%
Suzuken	3.0%	Mitsubishi Shokuhin	1.4%	Yamato Transport	1.2%
Nipro	2.5%	Lixil Viva	1.4%	Others	51.1%

## WELL-STAGGERED LEASE EXPIRATION SCHEDULE (BASED ON ANTICIPATED ANNUAL RENT)



## OVERVIEW OF CONTRACT OF LEASE

### Number of Tenants

**154**

### Top 20 Tenants Leased Floor Area <sup>(2)</sup>

**48.9%**

### Fixed Term Lease <sup>(3)</sup>

**100.0%**

### WALE <sup>(4)</sup>

**4.5年**

1. Based on lease agreements commenced or executed as of Nov. 30, 2019 for the 49 properties.

2. Calculated based on size of leased area.

3. Excludes leases to which the Act on Land and Building Leases does not apply.

4. WALE stands for Weighted Average Lease Expiry. Calculated based on anticipated annual rent as of November 30, 2019.



Prologis Park Chiba 1

## SECTION 03

# NPR at a Glance

# Portfolio Composed of State-of-the-Art Facilities

**Class-A Logistics  
Facilities**  
**100.0%**

**Total  
Acquisition Price**  
JPY**700.6**bn

**Average  
Property Age**  
**7.0**years

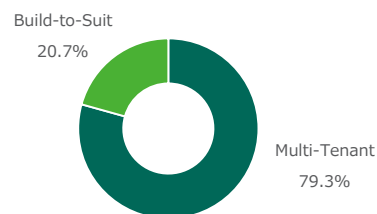
**Occupancy Rate**  
**98.6%**

**Average NOI Yield**  
**5.2%** <sup>(2)</sup>  
**5.3%** <sup>(3)</sup>

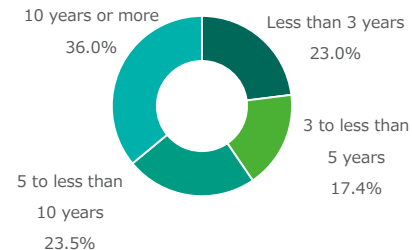
**Portfolio PML**  
**1.2%** <sup>(4)</sup>

## Portfolio Composition

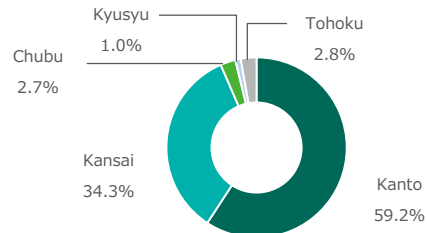
### Property Type



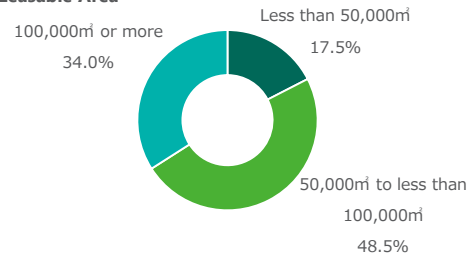
### Property Age



### Area



### Leasable Area



M-32 Prologis Park Chiba 1



M-04 Prologis Park Osaka 2



B-05 Prologis Park Narashino 4



M-10 Prologis Park Zama 2



M-02 Prologis Park Zama 1



M-26 Prologis Park Ibaraki



M-09 Prologis Park Tokyo-Ohta



M-01 Prologis Park Ichikawa 1



M-03 Prologis Park Kawajima  
M-20 Prologis Park Kawajima 2

1. Calculated base on the 49 properties.  
2. Appraisal NOI as of Nov. 30, 2019 divided by total acquisition price.  
3. Annualized forecasted NOI excluding specific factors divided by total acquisition price.  
4. Calculated based on Portfolio Seismic Review Reports as of Nov. 18, 2019 for the aggregate of the 49 properties.

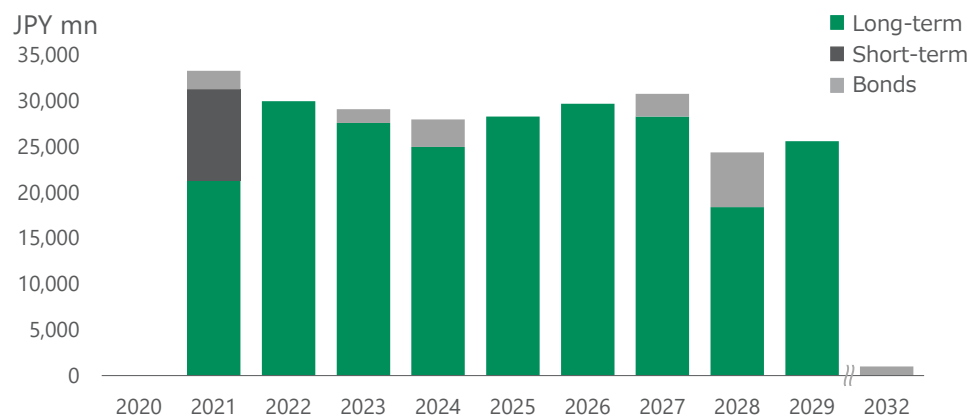


# Financial Structure Positioned for Strategic Future Optionality

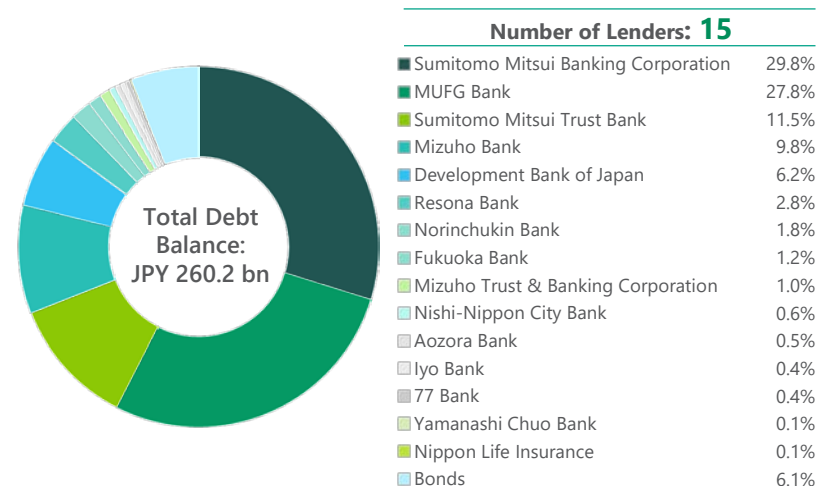
## DEBT METRICS / FINANCIAL HIGHLIGHTS (POST-ACQUISITION)

<b>Credit Rating (JCR)</b>  <b>AA (Stable)</b>	<b>LTV <sup>(1)</sup></b> <b>37.8%</b> (as of the end of 14th FP) <b>37.7%</b> (post-acquisition)	<b>Appraisal LTV</b> (as of the end of 14th FP) <b>30.3%</b>	<b>Borrowing Capacity</b>  Approx. JPY <b>160</b> bn
<b>Long-term Debt Ratio</b>  <b>96.2%</b>	<b>Fixed Interest Ratio</b>  <b>96.2%</b>	<b>Average Remaining Debt Term <sup>(2)</sup></b> <b>5.1</b> 年	<b>Average Debt Cost <sup>(3)</sup></b>  <b>0.6%</b>

## DEBT MATURITY SCHEDULE



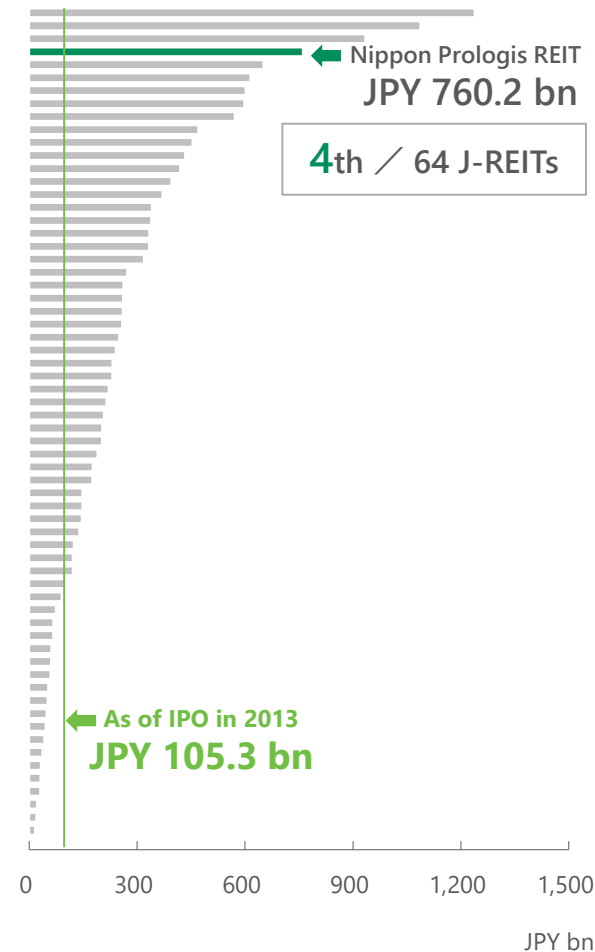
## DIVERSIFICATION OF INTEREST-BEARING DEBT



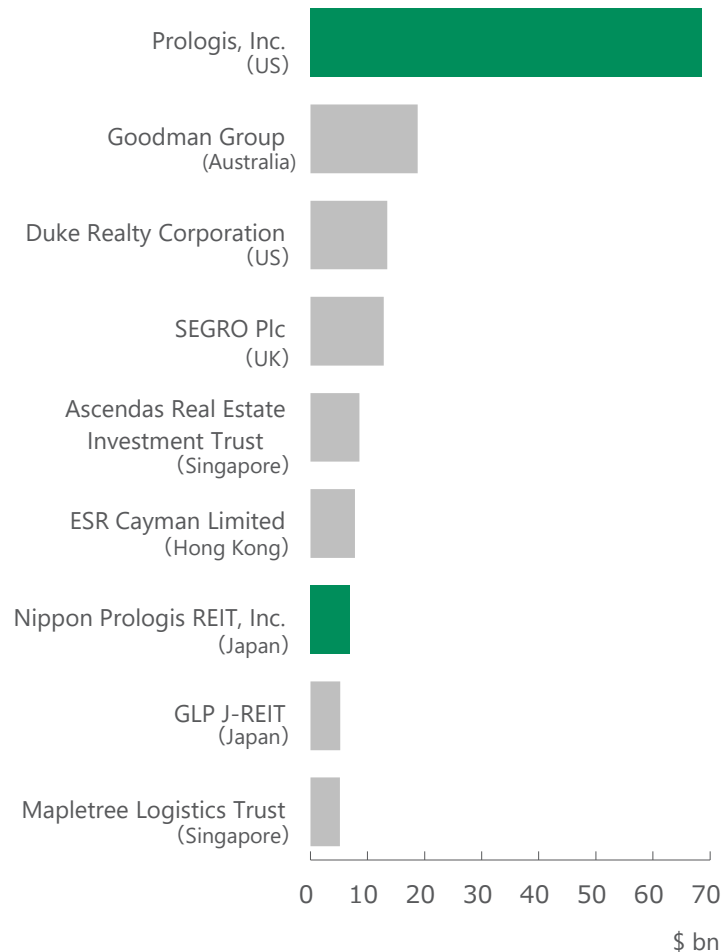
- Adjusted all the numerical information, assuming that the short-term loan of JPY 3,800 mn in connection with the consumption tax incurred upon the acquisition of the new properties is to be prepaid.
- Average remaining debt term is calculated with the weighted average based on remaining interest-bearing debt balances.
- Includes financing-related costs paid to the financial institutions and calculated with the weighted averaged based on borrowings or the face value of each bond.

# Our Premier Global Position

## MARKET CAP OF J-REITS



## MARKET CAP AMONG GLOBAL PEERS <sup>(2)</sup>



## INCLUSION IN 10 MAJOR INDICES

- TSE REIT Index
- TSE REIT Core Index
- MSCI Global Standard Index
- MSCI Japan ESG Select Leaders Index
- FTSE EPRA / NAREIT Global Real Estate Index Series
- Dow Jones Sustainability Asia/Pacific Index
- S&P Global BMI Index
- S&P Global Property / REIT Index
- GPR / APREA Investable 100 Index
- GPR 250 Index

# NPR is Fully Committed to ESG

## Global Real Estate Sustainability Benchmark (GRESB) Survey 2019



- Recognized as the Asian Listed Industrial Sector Leader
- Awarded the prestigious "5 Stars" for five consecutive years

## MSCI Japan ESG Select Leaders Index



MSCI Japan ESG  
Select Leaders Index

ESG Rating

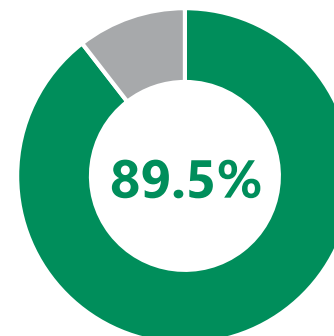
**A**

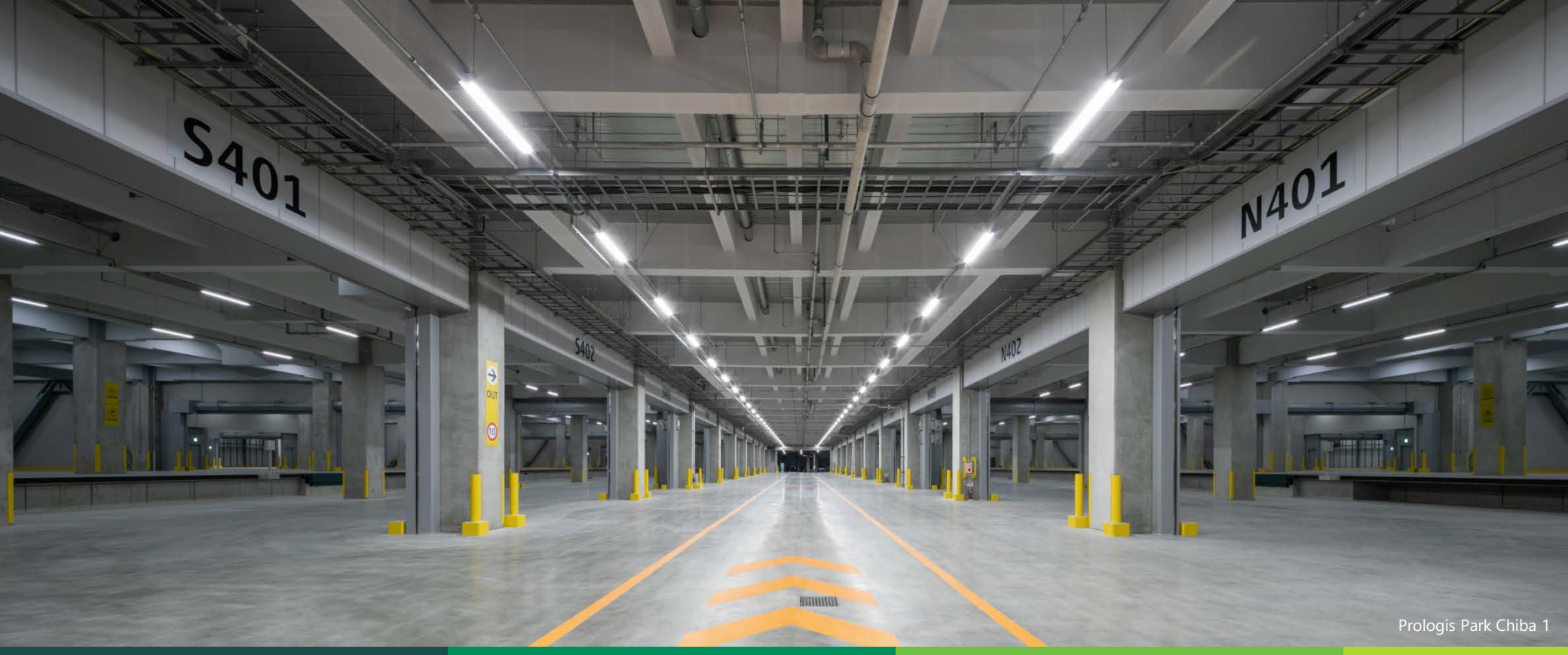
## Dow Jones Sustainability Asia/Pacific Index

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM 

- The only J-REIT included in the Index as of 2019

## Percentage of Eligible Green Projects<sup>(1)</sup>





Prologis Park Chiba 1

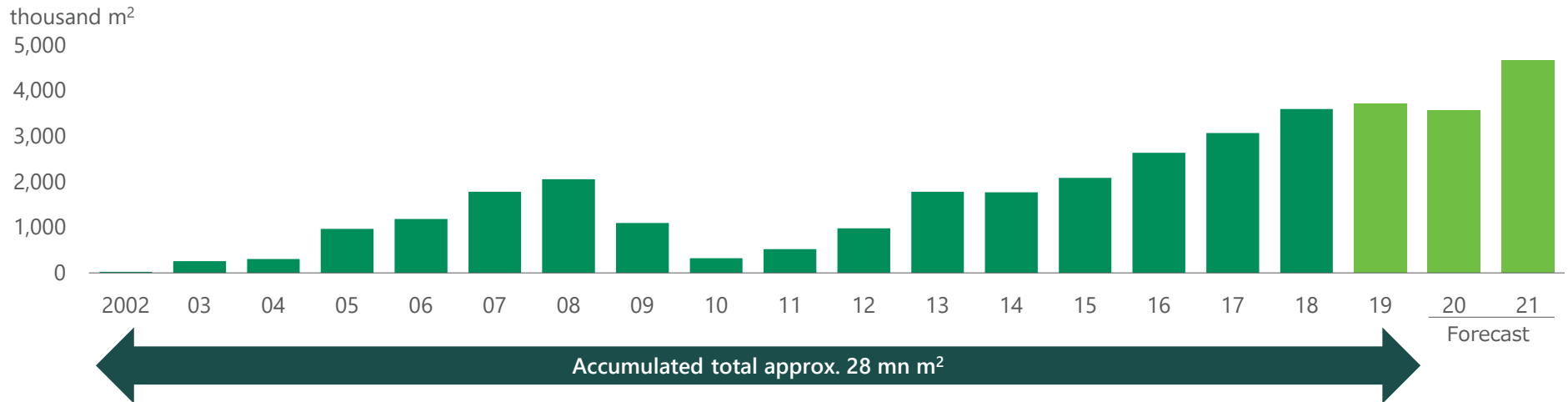
## SECTION 04

# Logistics Real Estate Market Fundamentals

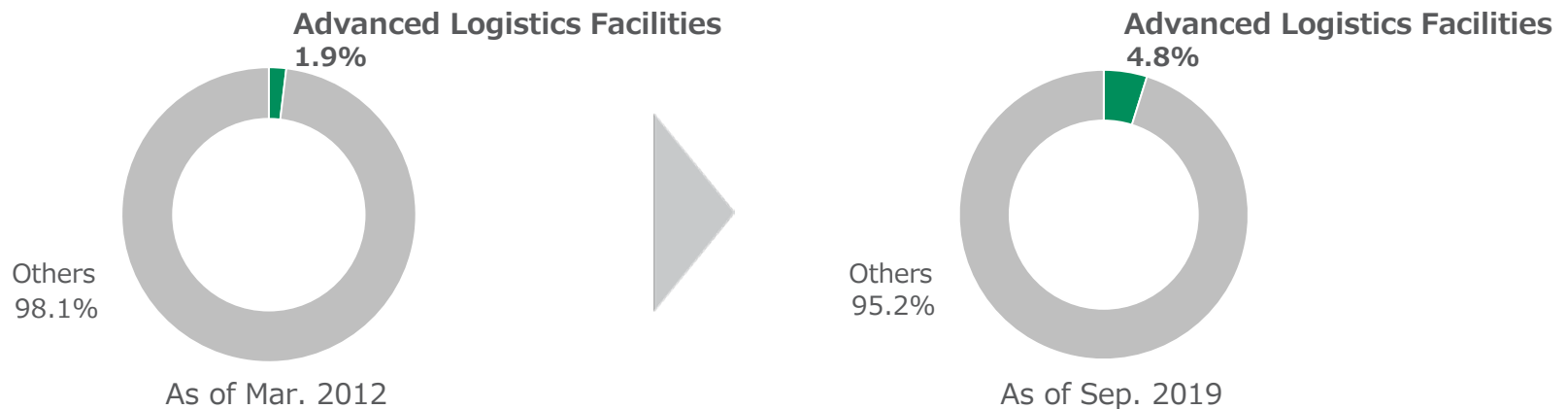


# Stock of High-Quality Logistics Facilities Remains Scarce

## NEW SUPPLY OF ADVANCED LOGISTICS FACILITIES IN JAPAN <sup>(1)</sup>



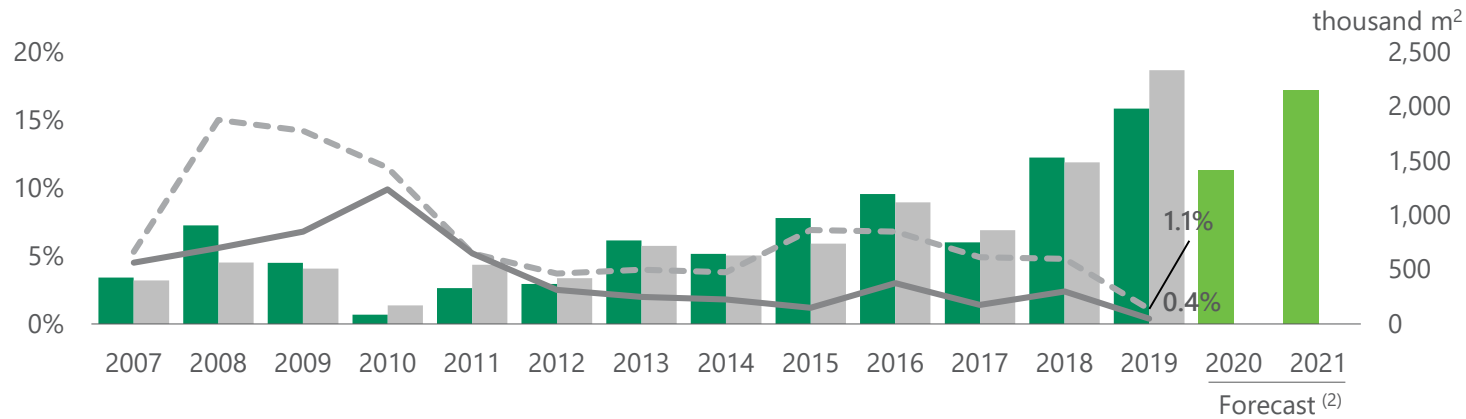
## STOCK OF ADVANCED LOGISTICS FACILITIES <sup>(2)</sup>



1. As of Dec. 2019. Survey data covers logistics facilities for lease held by corporations investing in real estate and real estate development companies with a gross floor area of 5,000 tsubo or more. The survey does not include logistics facilities owned by logistics companies and therefore did not cover all logistics facilities for lease having a gross floor area of 5,000 tsubo or more. The forecasted supply volume in 2020 and 2021 is based on data as of Dec. 2019 and may vary in the future.
2. As of Sep. 2019. Based on a survey conducted by CBRE at our and the Asset Manager's request. In calculating the proportion of advanced logistics facilities, the estimated total gross floor area is based on data as of March 31, 2019 and the gross floor area for advanced logistic facilities is based on data as of Sep. 30, 2019.

# Strong Demand and Moderating Supply

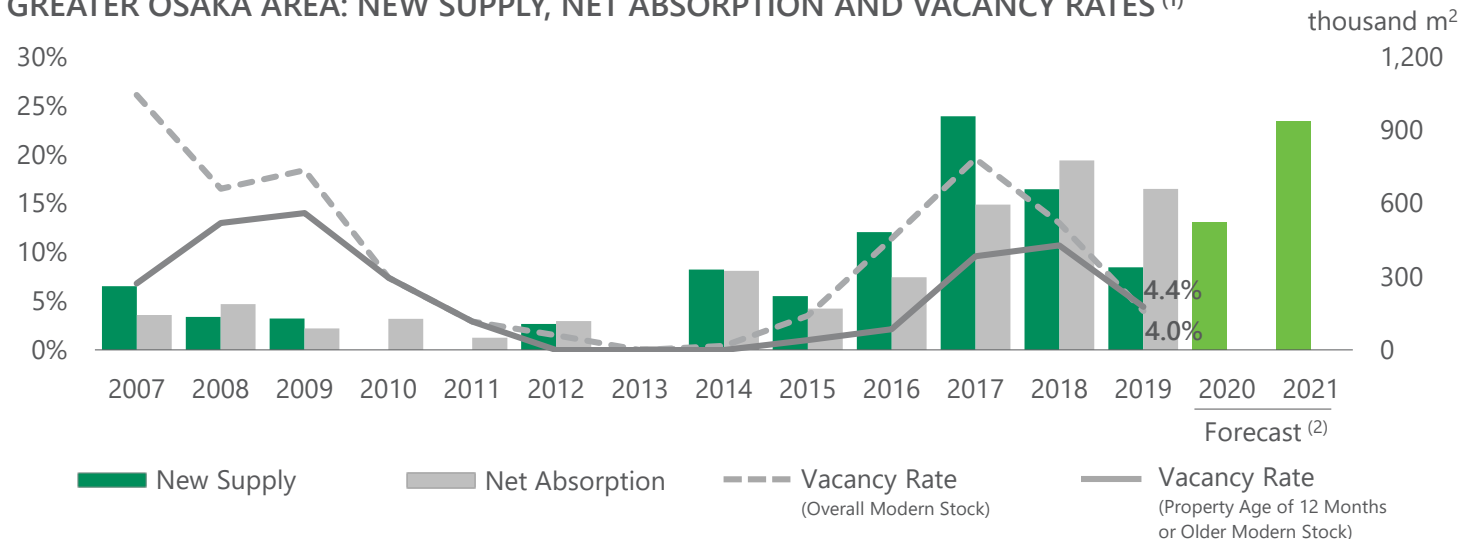
GREATER TOKYO AREA: NEW SUPPLY, NET ABSORPTION AND VACANCY RATES <sup>(1)</sup>



## Greater Tokyo Area

- Vacancy rate as of December 31, 2019 was 1.1% (0.4% for properties which are one year old or more)
- Estimated supply for 2020 is approx. 1,400,000m<sup>2</sup>  
Estimated supply for 2021 is approx. 2,140,000m<sup>2</sup>

GREATER OSAKA AREA: NEW SUPPLY, NET ABSORPTION AND VACANCY RATES <sup>(1)</sup>



## Greater Osaka Area

- Vacancy rate as of December 31, 2019 was 4.0% (4.4% for properties which are one year old or more)
- Estimated supply for 2020 is approx. 520,000m<sup>2</sup>  
Estimated supply for 2021 is approx. 930,000m<sup>2</sup>

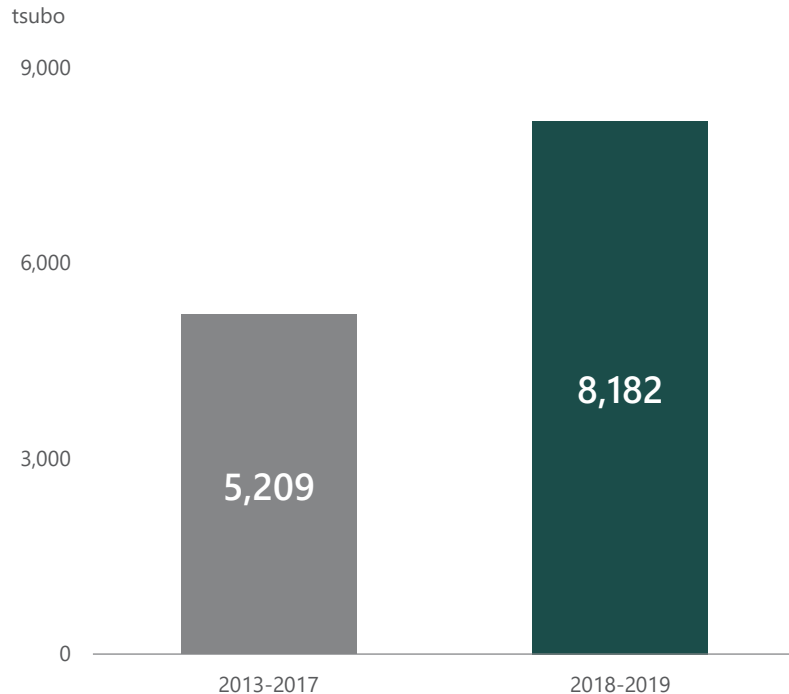
1. Survey data covers logistics facilities for lease held by corporations investing in real estate and real estate development companies with a gross floor area of 10,000 tsubo or more.

2. The forecasted supply volume in 2020 and 2021 are based on data as of December 31, 2019 and may vary in the future.

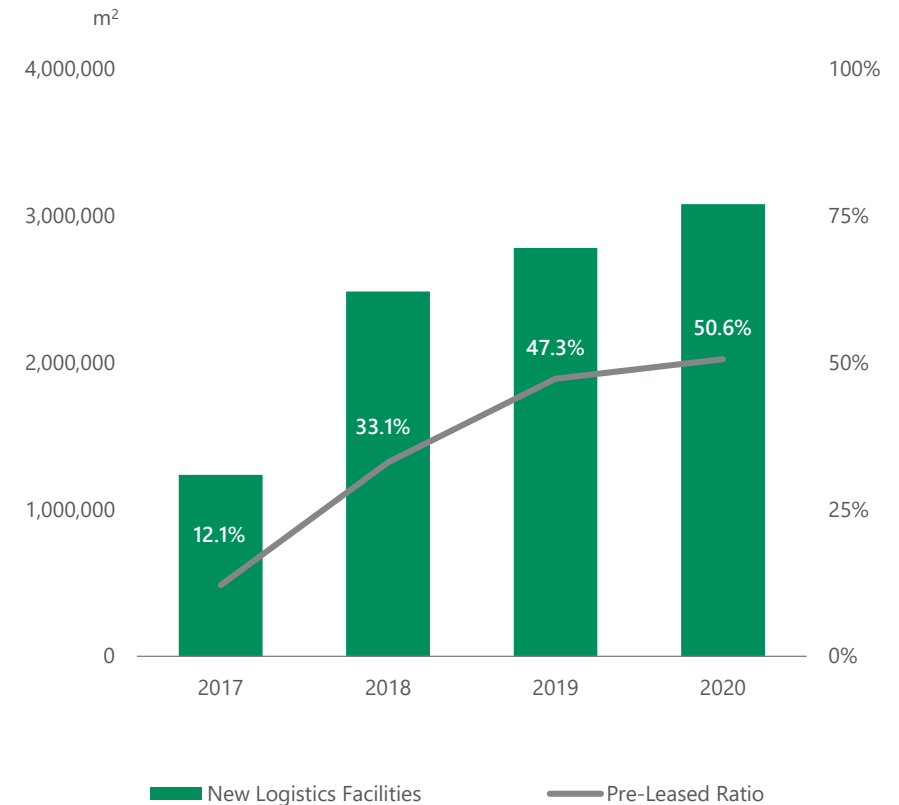
Source: CBRE

# Rate of Pre-Leasing is Increasing

AVERAGE LEASED AREA BY CONTRACT IN LARGE-SCALE MULTI-TENANT FACILITIES <sup>(1)</sup>



INCREASE IN PRE-LEASING FOR NEW LARGE-SCALE LOGISTICS FACILITIES IN THE GREATER TOKYO AREA <sup>(2)</sup>



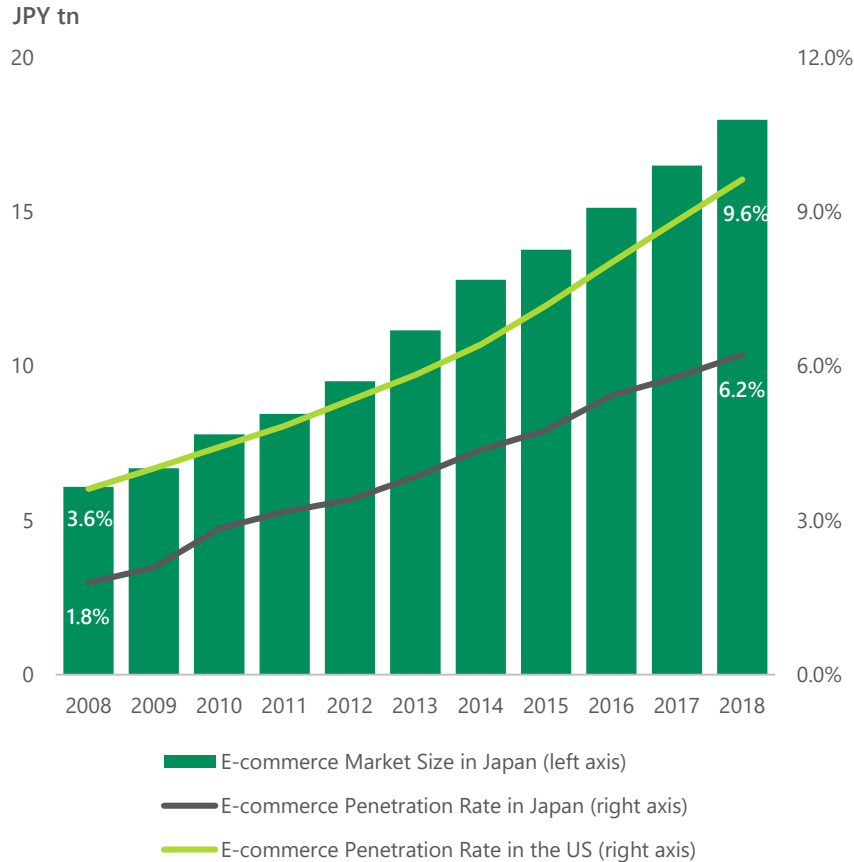
1. Survey data covers logistics facilities for lease held by corporations investing in real estate and real estate development companies with a gross floor area of 10,000 tsubo or more.

2. Estimated supply and pre-leased ratio as of the end of the previous year for new logistics facilities scheduled to be completed during the indicated year.

Source: CBRE, Japan Logistics Field Institute, Inc.

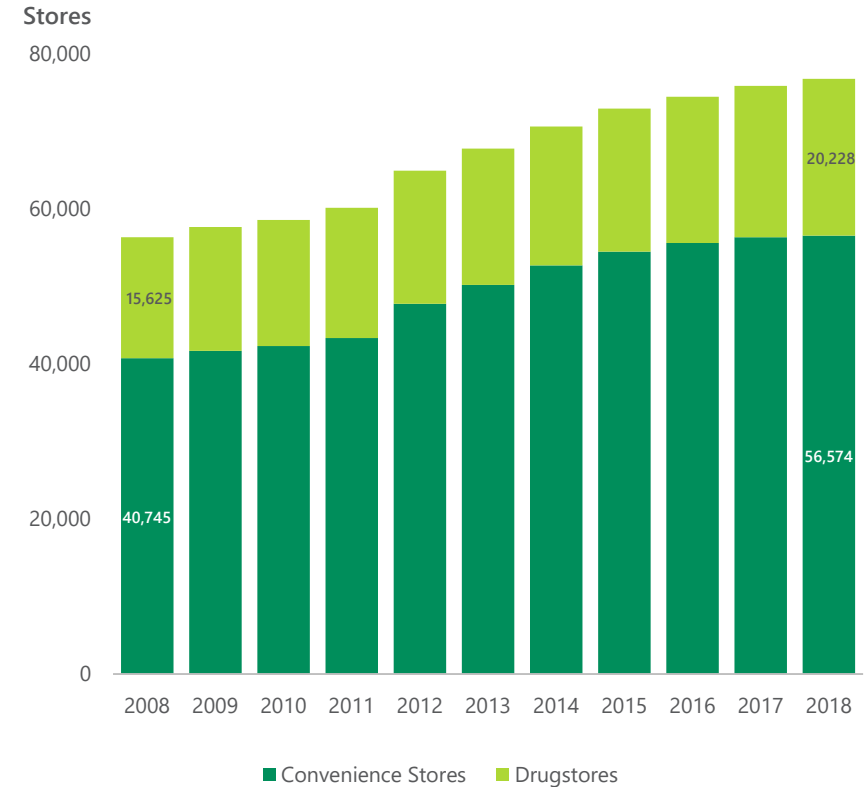
# Positive Structural Trends Driving Demand

## E-COMMERCE MARKET SIZE & COMPARATIVE PENETRATION RATE



Source: METI "E-Commerce", U.S Census Bureau

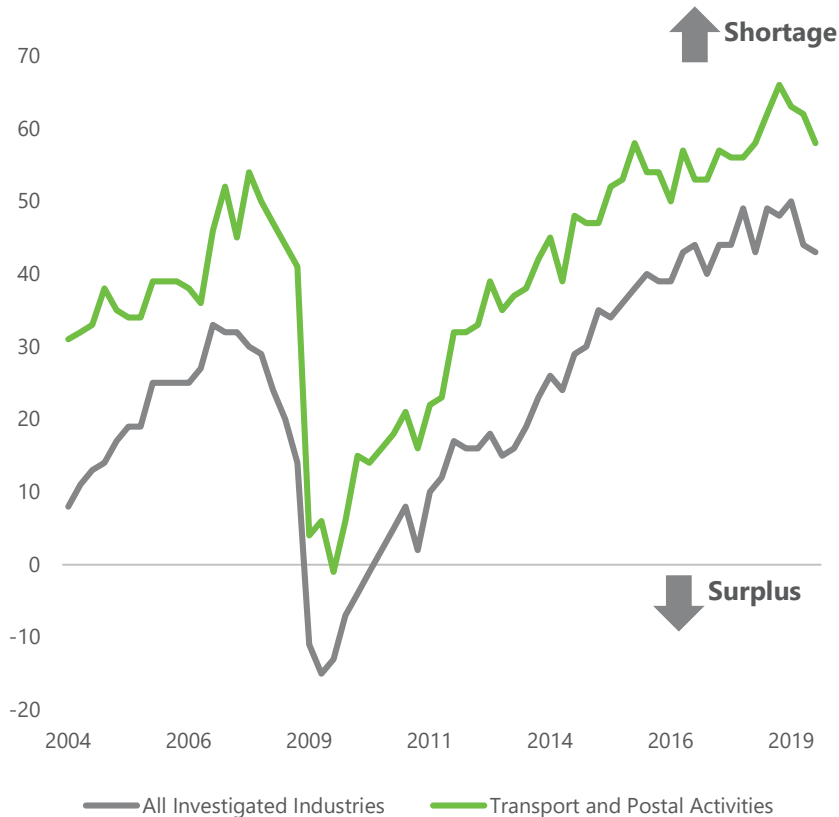
## TOTAL NUMBER OF CONVENIENCE STORES & DRUGSTORES



Source: METI "Yearbook of the Current Survey of Commerce" and "White Paper on Specialty Store Chains Market 2019" by Yano Research Institute Ltd.

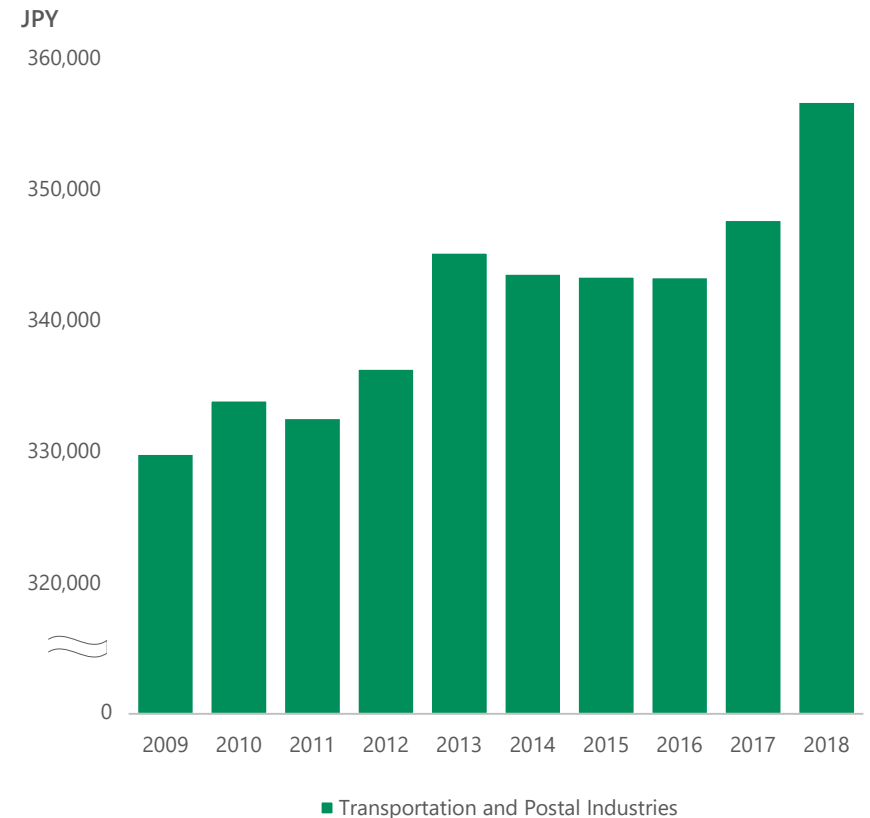
# Labor Shortage Enhances Demand

DIFFUSION INDEX FOR LABOR IN THE LOGISTICS MARKET



Source: MHLW "Survey on Labour Economy Trend"

LABOR EXPENSES IN THE LOGISTICS MARKET  
(TOTAL VALUE OF AVERAGE MONTHLY SALARIES)



Source: MHLW "Monthly Labour Survey"



# Key Takeaways

- 1 Delivering strong performance both operationally and financially
- 2 Growth strategies backed by our sponsor pipeline, quality portfolio, operations and balance sheet
- 3 Improving Japanese logistics real estate market backed by the structural transformation of logistics industry



Prologis Park Kyotanabe

## SECTION 05

# Appendix

# Summary of Nov. 2019 Fiscal Period Earnings

Asset	Equity	Debt
<ul style="list-style-type: none"> <li>Portfolio Size JPY 641.3bn</li> <li>Unrealized Gain JPY 157.8 bn (Ratio 25.9%)</li> <li>NOI Yields Average Appraisal NOI Yield <sup>(2)</sup> 5.3 % 14th FP Actual NOI Yield <sup>(3)</sup> 5.3 %</li> <li>Occupancy Rate Average Occupancy Rate 99.0 % As of the end of Fiscal Period 98.8 %</li> </ul>	<ul style="list-style-type: none"> <li>Market Cap <sup>(1)</sup> JPY 689.9 bn</li> <li>DPU <sup>(4)</sup> 14th FP Result JPY 4,575 15th FP Forecast JPY 4,572 16th FP Forecast JPY 4,760</li> <li>NAV per Unit JPY 222,223 (+2.5% over previous FP )</li> </ul>	<ul style="list-style-type: none"> <li>Total Debt Balance JPY 241.1 bn</li> <li>LTV 37.8% (Appraisal LTV 30.3%) (16th FP Forecast 37.7%)</li> <li>Borrowing Capacity approx. JPY 160 bn (16th FP Forecast)</li> <li>JCR Credit Ratings AA (Stable)</li> </ul>

1. As of Nov. 30, 2019.

2. Appraisal NOI divided by total acquisition price.

3. Annualized actual NOI of 14th FP excluding specific factors divided by total acquisition price.

4. Including SCD.

# Financial Highlights – Nov. 2019 Fiscal Period

		14th FP (Nov. 30, 2019)		13th FP (May 31, 2019)
	Forecast (A) (as of July 18, 2019)	Actual (B)	(B) – (A)	Actual
<b>Operating Results (JPY mn)</b>				
Operating Revenues	21,611	<b>21,680</b>	+68	<b>19,771</b>
Operating Income	10,030	<b>10,147</b>	+117	<b>9,240</b>
Ordinary Income	9,157	<b>9,324</b>	+167	<b>8,559</b>
Net Income	9,156	<b>9,323</b>	+167	<b>8,601</b>
<b>Distributions Per Unit (JPY)</b>				
Distributions Per Unit (total)	4,503	<b>4,575</b>	+72	<b>4,502</b>
Distributions per unit (excl. SCD)	3,898	<b>3,969</b>	+71	<b>3,935</b>
Surplus Cash Distributions (SCD)	605	<b>606</b>	+1	<b>567</b>
<b>Other Statistics (JPY mn)</b>				
NOI	17,017	<b>17,168</b>	+151	<b>15,574</b>
LTV	37.8%	<b>37.8%</b>	-0.0%	<b>37.7%</b>
Total Assets	637,652	<b>638,461</b>	+809	<b>577,647</b>
Interest-Bearing Debt	241,100	<b>241,100</b>	0	<b>217,500</b>
CAPEX	724	<b>649</b>	-75	<b>768</b>
AFFO	13,615	<b>13,865</b>	+249	<b>12,508</b>
AFFO Payout Ratio	77.7%	<b>77.5%</b>	-0.2%	<b>78.7%</b>

- Maintained high occupancy rates
  - Average occupancy : 99.0%
  - Period-end occupancy : 98.8%

## Factors of Variance in 14th FP Net Income Forecast vs. Actual Results

- Average Occupancy Rate
  - Forecast 98.1% → Actual 99.0%
- Change in NOI: JPY +151 mn

# Forecasts for May 2020 and Nov. 2020 Fiscal Periods

	14th FP (Nov 30, 2019)		15th FP (May 31, 2020)		16th FP (Nov. 30, 2020)
	Actual (A)	Forecast (as of July 18, 2019)	Revised Forecast (B)	(B) – (A)	Forecast
<b>Operating Results (JPY mn)</b>					
Operating Revenues	<b>21,680</b>	21,400	<b>22,535</b>	+854	<b>23,657</b>
Operating Income	<b>10,147</b>	9,812	<b>10,489</b>	+341	<b>11,030</b>
Ordinary Income	<b>9,324</b>	9,029	<b>9,551</b>	+227	<b>10,161</b>
Net Income	<b>9,323</b>	9,028	<b>9,550</b>	+227	<b>10,160</b>
<b>Distributions Per Unit (JPY)</b>					
Distributions Per Unit (total)	<b>4,575</b>	4,454	<b>4,572</b>	-3	<b>4,760</b>
Distributions per unit (excl. SCD)	<b>3,969</b>	3,844	<b>3,874</b>	-95	<b>4,120</b>
Surplus Cash Distributions (SCD)	<b>606</b>	610	<b>698</b>	+92	<b>640</b>
<b>Other Statistics (JPY mn)</b>					
NOI	<b>17,168</b>	16,806	<b>17,934</b>	+765	<b>18,768</b>
LTV	<b>37.8%</b>	37.9%	<b>38.0%</b>	+0.2%	<b>37.7%</b>
Total Assets	<b>638,461</b>	636,104	<b>694,679</b>	+56,217	<b>689,781</b>
Interest-Bearing Debt	<b>241,100</b>	241,100	<b>264,000</b>	+22,900	<b>260,200</b>
CAPEX	<b>649</b>	684	<b>750</b>	+100	<b>668</b>
AFFO	<b>13,865</b>	13,569	<b>14,364</b>	+499	<b>15,235</b>
AFFO Payout Ratio	<b>77.5%</b>	77.1%	<b>78.5%</b>	+1.0%	<b>77.0%</b>

- Anticipate high occupancy rates
  - Average occupancy for 15th FP: 98.8%
  - Average occupancy for 16th FP: 98.8%

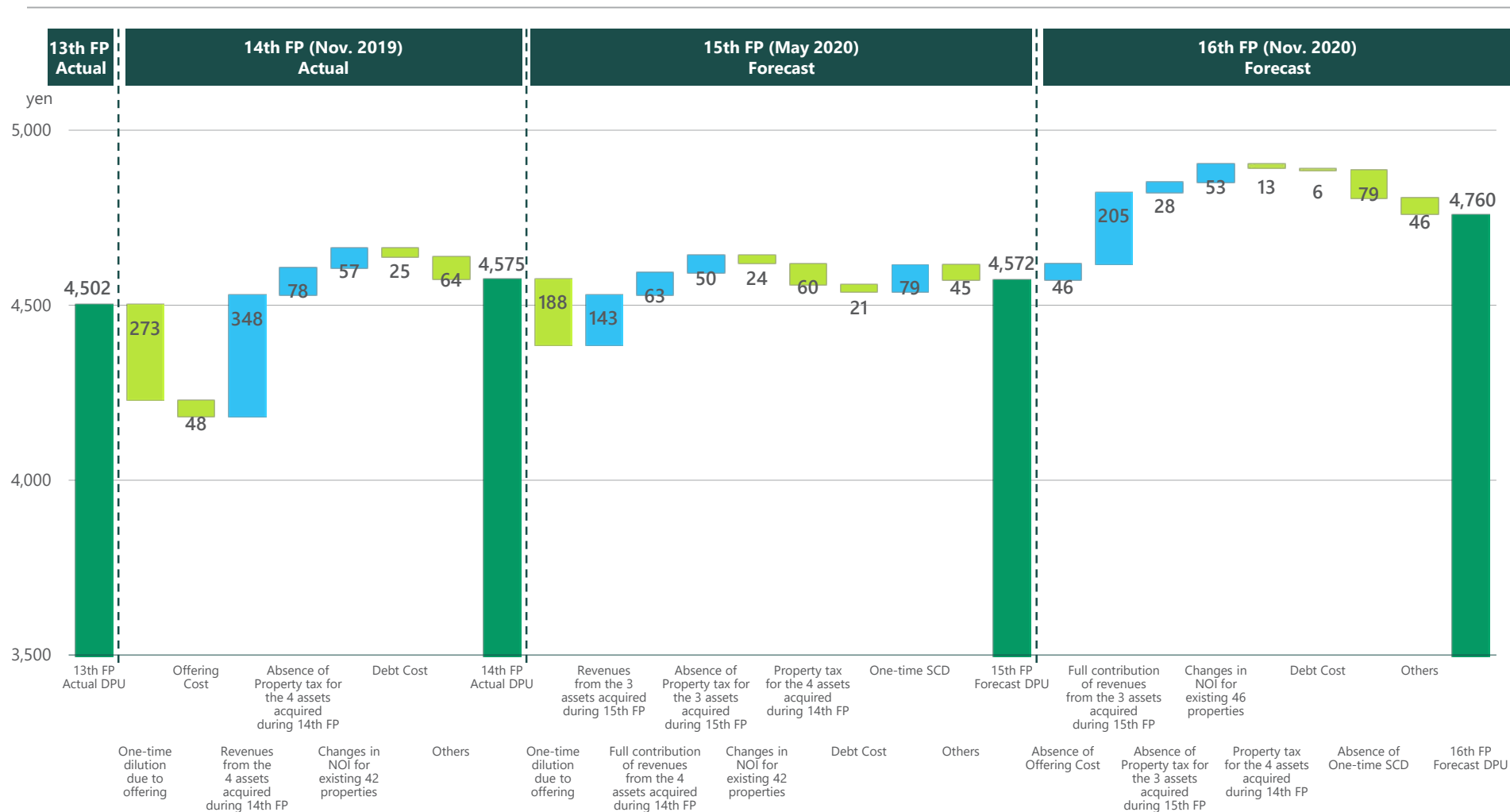
## 14th FP vs. 15th FP Variance Factors of Revenues & DPU

- Revenues
  - Revenues from the 3 assets acquired during 15th FP (+)
  - Full contribution of revenues from the 4 assets acquired during 14th FP (+)
- Expenses
  - Property tax to be incurred for the 4 assets acquired during 14th FP (–)
- Distribution
  - One-time dilution due to offering (–)
  - One-time SCD (+)

## 15th FP vs. 16th FP Variance Factors of Revenues & DPU

- Revenues
  - Full contribution of revenues from the 3 assets acquired during 15th FP (+)
- Expenses
  - Absence of costs related to offering (+)
- Distribution
  - Absence of One-time SCD (–)

# DPU Variance Factors





# Nov. 2019 FP – Balance Sheet

Assets (JPY, thousands)	13th FP (As of May 31, 2019)	14th FP (As of Nov. 30, 2019)
<b>I Current assets</b>		
Cash and deposits	20,380,422	19,409,839
Cash and deposits in trust	4,336,217	5,101,730
Operating accounts receivable	1,373,710	1,417,858
Prepaid expenses	405,159	411,354
Consumption taxes receivable	338,417	2,219,569
Other current assets	130	32
Total current assets	26,834,057	28,560,383
<b>II Fixed assets</b>		
Property and equipment		
Buildings, net	6,417,601	6,331,366
Structures, net	132,126	122,841
Tools, furniture and fixtures, net	2,276	2,080
Land	3,834,204	3,834,204
Buildings in trust, net	312,558,107	348,346,744
Structures in trust, net	6,049,239	7,700,754
Machinery and equipment in trust, net	10,140	17,702
Tools, furniture and fixtures in trust, net	463,133	570,159
Land in trust	219,810,580	241,111,797
Construction in progress in trust	16,687	644
Total property and equipment	549,294,096	608,038,294
Intangible assets		
Other intangible assets in trust	10,469	178,474
Total intangible assets	10,469	178,474
Investments and other assets		
Long-term prepaid expenses	1,422,231	1,605,259
Deferred tax assets	19	7
Security deposit	10,000	10,000
Other	400	400
Total investments and other assets	1,432,650	1,615,666
Total fixed assets	550,737,217	609,832,436
<b>III Deferred assets</b>		
Total deferred assets	75,739	68,979
<b>Total assets</b>	<b>577,647,014</b>	<b>638,461,800</b>

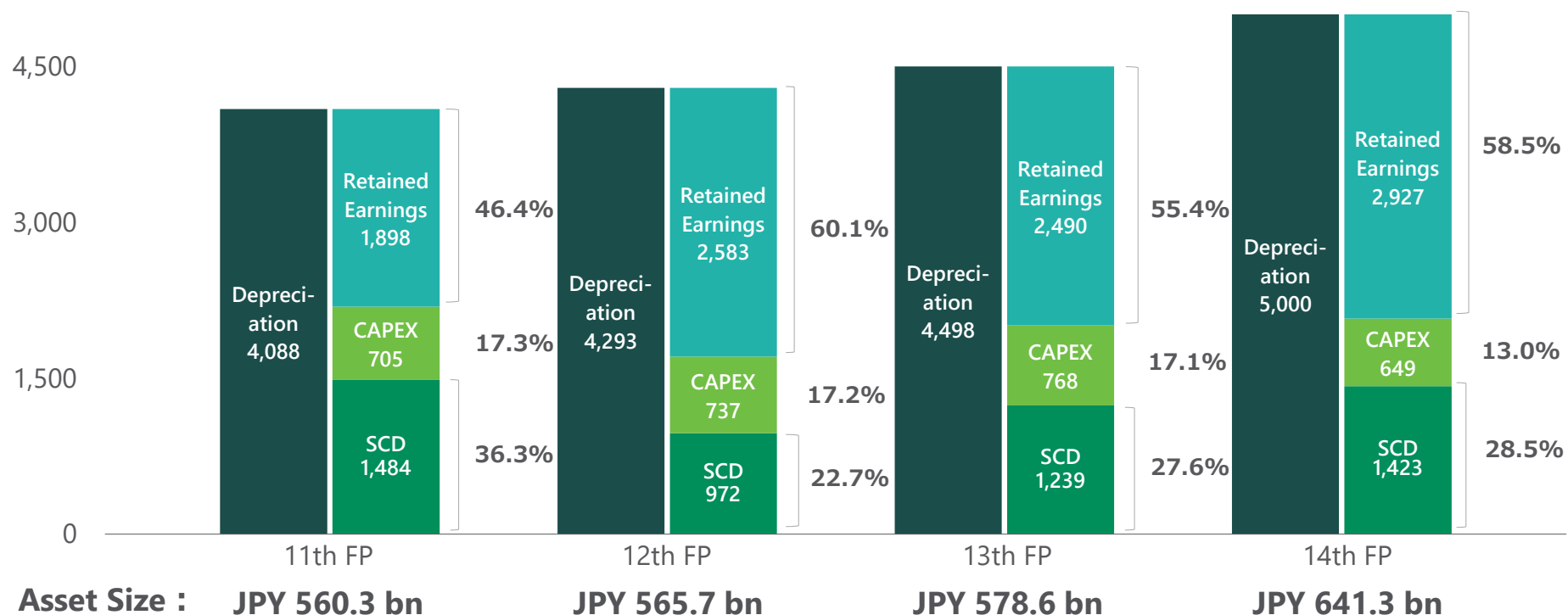
Liabilities (JPY, thousands)	13th FP (As of May 31, 2019)	14th FP (As of Nov. 30, 2019)
<b>I Current liabilities</b>		
Operating accounts payable	1,330,813	1,779,273
Short-term loans payable	6,500,000	-
Current portion of investment corporation bonds payable	2,000,000	-
Current portion of long-term loans payable	1,000,000	-
Accounts payable	578,082	232,102
Accrued expenses	1,923,071	2,145,288
Income taxes payable	990	739
Advances received	3,381,118	3,773,909
Other current liabilities	94,779	83,554
Total current liabilities	16,808,855	8,014,867
<b>II Non-current liabilities</b>		
Investment corporation bonds payable	16,000,000	16,000,000
Long-term loans payable	192,000,000	225,100,000
Tenant leasehold and security deposits	247,773	247,773
Tenant leasehold and security deposits in trust	14,435,224	15,553,784
Other non-current liabilities	6,546	5,487
Total non-current liabilities	222,689,544	256,907,044
<b>Total liabilities</b>	<b>239,498,399</b>	<b>264,921,911</b>
Net assets (JPY, thousands)		
<b>I Unit holders' equity</b>		
Unit holders' capital		
Unit holders' capital, gross	338,516,767	374,425,663
Deduction of unit holders' capital	△8,972,139	△10,211,573
Unit holders' capital	329,544,627	364,214,089
Surplus		
Unappropriated retained earnings (undisposed loss)	8,603,987	9,325,798
Total surplus	8,603,987	9,325,798
Total unit holders' equity	338,148,614	373,539,888
Total net assets	338,148,614	373,539,888
<b>Total liabilities and net assets</b>	<b>577,647,014</b>	<b>638,461,800</b>

# Nov. 2019 FP – Income Statement

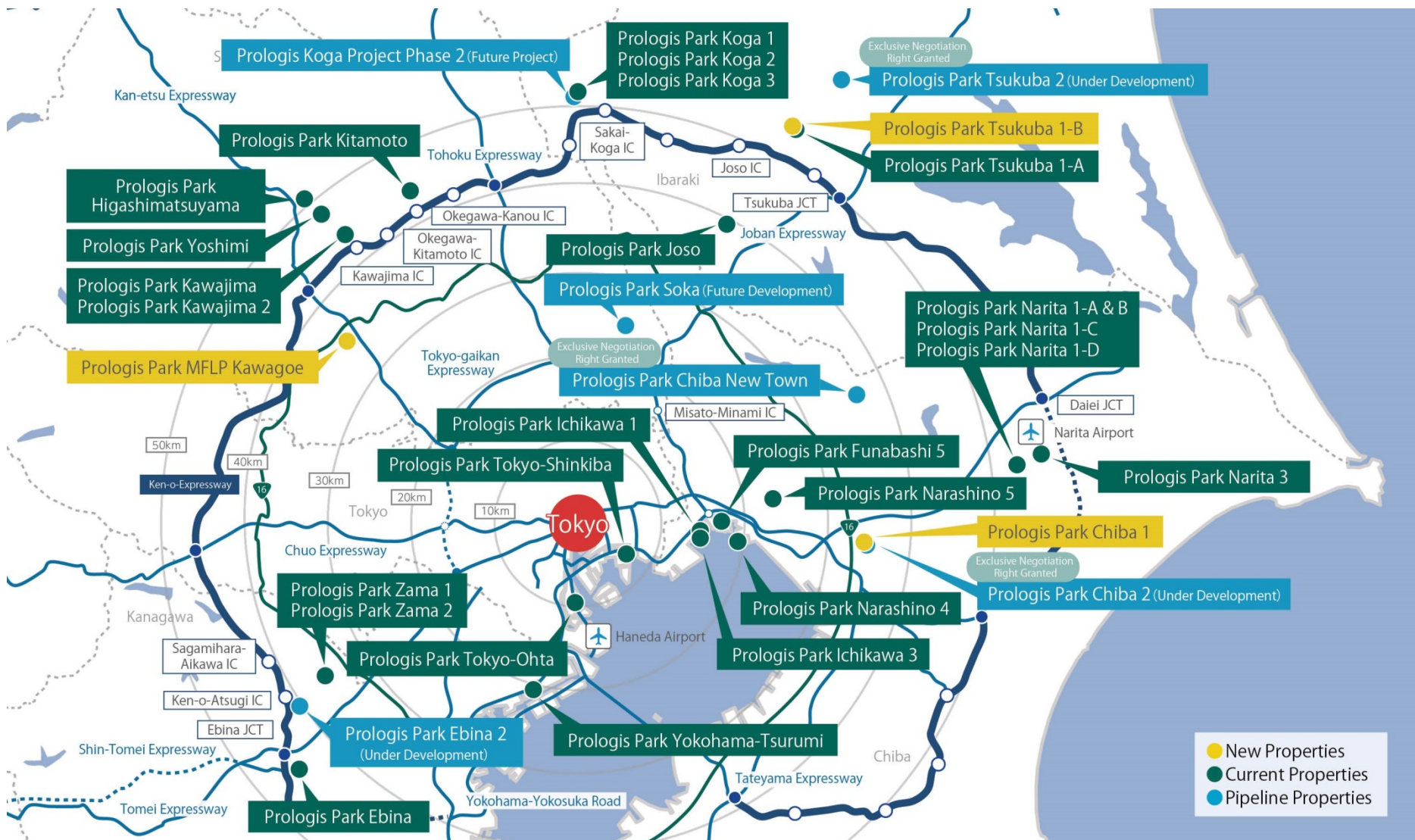
JPY, thousands	13th FP	14th FP		13th FP	14th FP
Operating revenues			Extraordinary income		
Operating rental revenues	18,470,266	20,139,002	Insurance income	759,531	-
Other rental revenues	1,300,995	1,541,237	Total extraordinary income	759,531	-
Total operating revenues	19,771,261	21,680,240	Extraordinary losses		
Operating expenses			Loss on disaster	716,390	-
Expenses related to property rental business	8,695,897	9,512,082	Total extraordinary losses	716,390	-
Asset management fee	1,717,183	1,882,842	<b>Income before income taxes</b>	<b>8,602,976</b>	<b>9,324,291</b>
Asset custody fee	42,988	45,304	Incomes taxes – current	1,007	754
Directors' compensation	7,200	7,200	Incomes taxes – deferred	△4	12
Audit fee	15,000	15,000	Total income taxes	1,002	767
Other operating expenses	52,735	70,537	<b>Net Income</b>	<b>8,601,974</b>	<b>9,323,524</b>
Total operating expenses	10,531,005	11,532,966	<b>Retained earnings brought forward</b>	2,013	2,274
<b>Operating income</b>	<b>9,240,255</b>	<b>10,147,273</b>	<b>Unappropriated retained earnings (undisposed loss)</b>	<b>8,603,987</b>	<b>9,325,798</b>
Non-operating income					
Interest income	114	97			
Reversal of distributions payable	587	531			
Interest on refund of consumption taxes	-	1,551			
Refund of real estate taxes and other	-	25,799			
Total non-operating income	701	27,981			
Non-operating expenses					
Interest expense on loans payable	431,919	475,350			
Interest expense on investment corporation bonds	51,378	51,725			
Amortization of investment corporation bond issuance costs	6,740	6,759			
Borrowing related expenses	191,061	210,530			
Investment unit issuance expenses	-	28,143			
Offering costs associated with the issuance of investment units	-	78,412			
Others	21	40			
Total non-operating expenses	681,121	850,962			
<b>Ordinary income</b>	<b>8,559,835</b>	<b>9,324,291</b>			

# Historical Uses of Surplus Cash

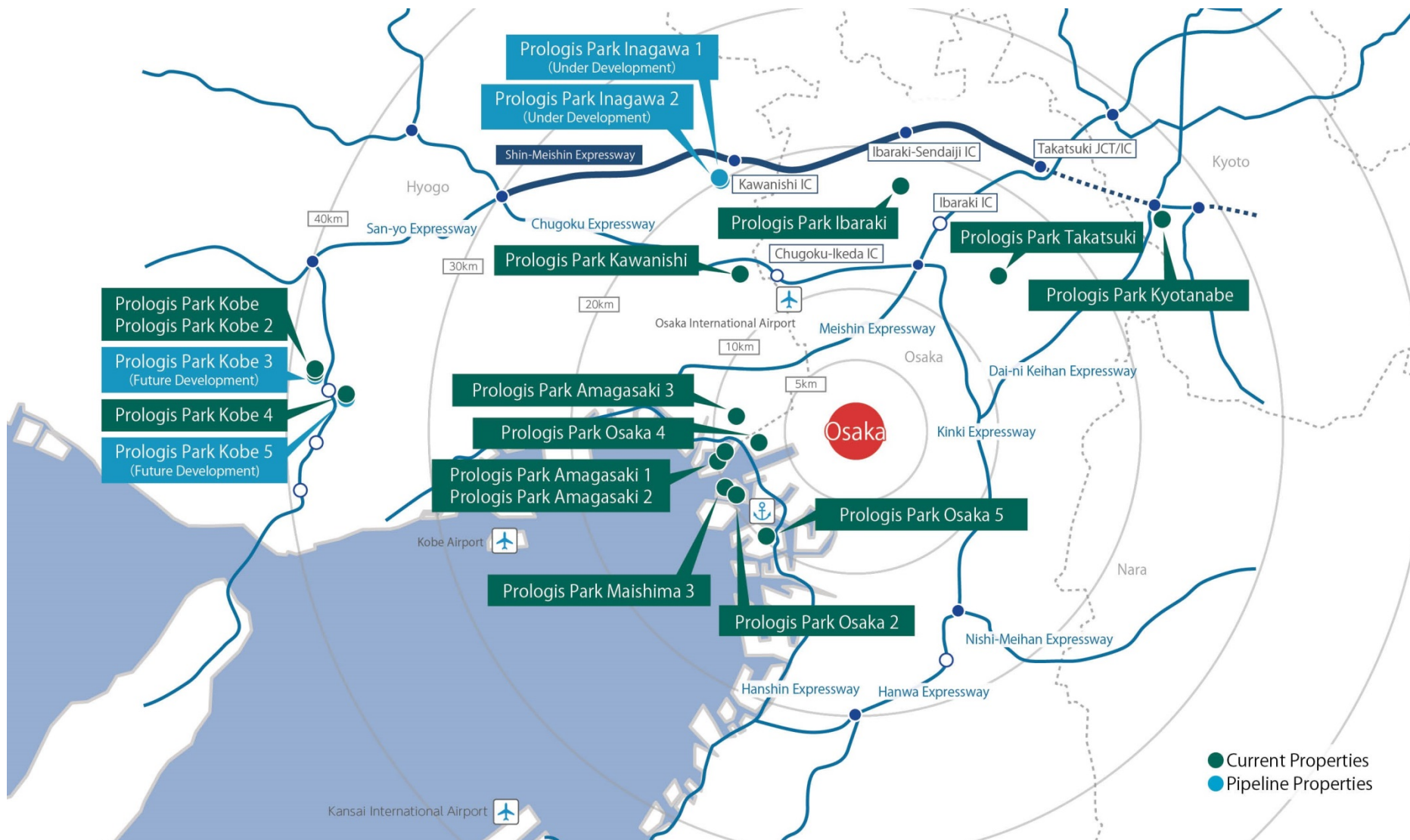
JPY mn  
6,000



# NPR Portfolio and Pipeline Properties – Tokyo Metropolitan Area



# NPR Portfolio and Pipeline Properties - Osaka Metropolitan Area





# Portfolio Summary (Post-Acquisition)

No.	Property Name	Location	Acquisition Price (JPY mn)	Appraisal Value (JPY mn)	Leasable Area (m <sup>2</sup> )	Share	Age (years)	Appraisal NOI Yield (%) <sup>(2)</sup>	Actual NOI Yield (%) <sup>(3)</sup>	Occupancy Rate	PML
M-01	Prologis Park Ichikawa 1	Ichikawa, Chiba	33,900	44,600	125,026	4.8%	11.1	5.4%	5.4%	100.0%	0.6%
M-02	Prologis Park Zama 1	Zama, Kanagawa	27,900	34,000	113,471	4.0%	10.6	5.3%	5.7%	99.8%	0.8%
M-03	Prologis Park Kawajima	Hiki, Saitama	25,600	33,200	144,897	3.7%	8.5	6.0%	6.2%	99.8%	7.5%
M-04	Prologis Park Osaka 2	Osaka, Osaka	25,000	33,700	130,553	3.6%	12.6	5.8%	5.7%	99.3%	0.8%
M-05	Prologis Park Maishima 3	Osaka, Osaka	13,500	16,100	74,874	1.9%	11.8	5.5%	5.3%	90.0%	8.9%
M-06	Prologis Park Kasugai	Kasugai, Aichi	12,500	18,400	91,455	1.8%	11.9	6.8%	6.7%	98.1%	3.9%
M-07	Prologis Park Kitanagoya	Kitanagoya, Aichi	6,500	9,420	42,751	0.9%	10.5	6.6%	6.0%	100.0%	7.7%
B-02	Prologis Park Takatsuki	Takatsuki, Osaka	4,410	5,340	19,898	0.6%	7.9	5.5%	5.7%	100.0%	5.3%
B-03	Prologis Park Tosu 2	Tosu, Saga	3,030	3,920	21,778	0.4%	7.4	6.3%	6.0%	100.0%	0.5%
B-04	Prologis Park Tosu 4	Tosu, Saga	3,810	4,930	28,765	0.5%	7.9	6.4%	5.8%	100.0%	0.6%
M-09	Prologis Park Tokyo-Ohta	Ota, Tokyo	29,500	39,800	73,115	4.2%	14.2	5.0%	5.0%	99.7%	3.6%
M-10	Prologis Park Zama 2	Zama, Kanagawa	21,900	29,100	95,121	3.1%	7.4	5.6%	5.9%	100.0%	0.8%
M-11	Prologis Park Funabashi 5 Annex	Funabashi, Chiba	11,000	14,300	56,556	1.6%	15.0	5.5%	6.0%	100.0%	4.3%
M-12	Prologis Park Narita 1-A&B	Narita, Chiba	8,420	10,500	62,058	1.2%	14.8	6.4%	6.8%	96.0%	3.9%
M-13	Prologis Park Narita 1-C	Narita, Chiba	4,810	5,990	32,230	0.7%	12.6	6.3%	6.7%	100.0%	3.9%
M-14	Prologis Park Amagasaki 1	Amagasaki, Hyogo	17,600	21,200	91,446	2.5%	14.3	5.5%	5.3%	100.0%	4.6%
M-15	Prologis Park Amagasaki 2	Amagasaki, Hyogo	19,200	22,300	91,399	2.7%	12.7	5.4%	5.4%	99.9%	4.4%
B-05	Prologis Park Narashino 4	Narashino, Chiba	20,000	26,500	91,529	2.9%	6.4	5.3%	5.2%	100.0%	1.1%
M-16	Prologis Park Tokyo-Shinkiba	Koto, Tokyo	13,600	18,600	31,022	1.9%	12.5	5.0%	5.2%	97.1%	5.9%
M-17	Prologis Park Yokohama-Tsurumi	Yokohama, Kanagawa	13,800	18,500	63,973	2.0%	11.6	5.5%	5.6%	99.4%	1.1%
M-18	Prologis Park Osaka 4	Osaka, Osaka	21,000	26,100	106,135	3.0%	7.6	5.4%	5.5%	100.0%	2.7%
M-19	Prologis Park Iwanuma 1	Iwanuma, Miyagi	5,670	8,010	40,520	0.8%	11.2	6.8%	6.9%	100.0%	3.2%
M-20	Prologis Park Kawajima 2	Hiki, Saitama	8,180	9,490	42,005	1.2%	5.8	5.4%	5.9%	100.0%	9.0%
B-06	Prologis Park Ebina	Ebina, Kanagawa	8,250	10,900	32,500	1.2%	9.7	5.3%	4.8%	100.0%	6.0%
B-07	Prologis Park Kawanishi	Kawanishi, Hyogo	13,600	15,000	75,493	1.9%	6.0	5.0%	6.0%	100.0%	3.7%
B-08	Prologis Park Amagasaki 3	Amagasaki, Hyogo	9,090	10,600	39,527	1.3%	6.2	5.1%	5.1%	100.0%	4.4%
B-09	Prologis Park Kobe	Kobe, Hyogo	6,410	7,180	32,511	0.9%	6.0	5.6%	5.8%	100.0%	0.4%
M-21	Prologis Park Kitamoto	Kitamoto, Saitama	12,600	14,000	69,432	1.8%	5.7	5.3%	5.2%	100.0%	3.6%
M-22	Prologis Park Josu	Josu, Ibaraki	7,120	7,550	37,165	1.0%	5.1	5.0%	4.5%	100.0%	4.5%
M-23	Prologis Park Osaka 5	Osaka, Osaka	17,600	19,100	78,087	2.5%	4.9	4.8%	5.1%	100.0%	3.5%
B-10	Prologis Park Sendai Izumi	Sendai, Miyagi	4,820	5,390	26,353	0.7%	4.2	5.7%	5.9%	100.0%	1.4%
M-24	Prologis Park Narita 3	Sambu, Chiba	9,240	10,500	52,982	1.3%	11.5	5.6%	5.1%	88.5%	0.3%
B-11	Prologis Park Koga 1	Koga, Ibaraki	7,680	8,320	34,158	1.1%	3.1	5.3%	5.3%	100.0%	0.3%
B-12	Prologis Park Kobe 2	Kobe, Hyogo	13,700	14,400	62,468	2.0%	3.1	5.1%	5.2%	100.0%	0.3%
M-25	Prologis Park Narashino 5	Narashino, Chiba	13,600	15,100	58,159	1.9%	3.7	4.5%	4.7%	100.0%	4.6%
M-26	Prologis Park Ibaraki	Ibaraki, Osaka	38,300	42,400	154,182	5.5%	3.2	4.6%	4.7%	100.0%	2.1%
B-13	Prologis Park Koga 2	Koga, Ibaraki	3,930	4,020	19,699	0.6%	2.6	5.0%	5.0%	100.0%	3.5%
M-27	Prologis Park Ichikawa 3	Ichikawa, Chiba	17,000	18,000	50,714	2.4%	2.0	4.2%	4.4%	100.0%	3.4%
M-28	Prologis Park Narita 1-D	Narita, Chiba	5,260	5,350	27,960	0.8%	4.9	5.1%	5.2%	100.0%	3.5%
M-29	Prologis Park Yoshimi	Hiki, Saitama	21,300	21,900	98,076	3.0%	4.0	4.8%	4.9%	100.0%	3.1%
B-14	Prologis Park Koga 3	Koga, Ibaraki	5,440	5,550	29,196	0.8%	1.4	5.1%	4.9%	100.0%	4.6%
B-15	Prologis Park Tsukuba 1-A	Tsukuba, Ibaraki	12,900	13,000	65,168	1.8%	1.2	4.8%	4.9%	100.0%	2.1%
M-30	Prologis Park Higashimatsuyama	Higashimatsuyama, Saitama	12,600	12,800	60,540	1.8%	1.9	4.8%	3.3%	76.0%	3.0%
M-31	Prologis Park Kyotanabe	Kyotanabe, Kyoto	35,800	36,700	135,024	5.1%	1.1	4.5%	4.7%	100.0%	3.2%
B-16	Prologis Park Sendai Izumi 2	Sendai, Miyagi	9,250	9,260	36,542	1.3%	1.2	5.1%	5.1%	100.0%	1.0%
B-17	Prologis Park Kobe 4	Kobe, Hyogo	5,020	5,020	24,154	0.7%	0.5	4.9%	4.9%	100.0%	1.5%
M-32	Prologis Park Chiba 1	Chiba, Chiba	31,000	31,000	127,045	4.4%	0.2	4.5%	-	92.9%	2.3%
M-33	Prologis Park MFLP Kawagoe	Kawagoe, Saitama	14,800	14,800	56,723	2.1%	1.1	4.4%	-	100.0%	3.1%
B-18	Prologis Park Tsukuba 1-B	Tsukuba, Ibaraki	13,500	13,500	65,570	1.9%	0.3	4.7%	-	100.0%	2.8%
<b>Total / Average (49 properties)</b>			<b>700,640</b>	<b>825,340</b>	<b>3,220,027</b>	<b>100.0%</b>	<b>7.0</b>	<b>5.2%</b>	-	<b>98.6%</b>	<b>1.2%</b>

1. As of Nov. 30, 2019.

2. Appraisal NOI divided by total acquisition price. Average appraisal NOI yield is a weighted average based on acquisition prices.

3. Actual NOI yield is calculated based on the annualized actual net operating income excluding specific factors. Average actual NOI yield is a weighted average based on acquisition prices.

4. Acquisition price of Prologis Park Zama1 does not reflect prices related to the partial acquisition and disposition of Land executed on Oct. 3, 2018.



# Summary of Appraisals (Post-Acquisition)

No.	Property Name	Location	Acquisition Price (JPY mn)	Appraisal Value (JPY mn)	13th FP		14th FP		Book Value (JPY mn)	Unrealized Gain (JPY mn)	Appraisal Value (JPY mn)	Direct Cap Rate
					Change from 13th FP	Direct Cap Rate	Change from 13th FP					
M-01	Prologis Park Ichikawa 1	Ichikawa, Chiba	33,900	44,600	900	3.9	-0.1		31,766	12,833	43,700	4.0
M-02	Prologis Park Zama 1	Zama, Kanagawa	27,900	34,000	100	4.2	0.0		25,594	8,405	33,900	4.2
M-03	Prologis Park Kawajima	Hiki, Saitama	25,600	33,200	100	4.5	0.0		22,870	10,329	33,100	4.5
M-04	Prologis Park Osaka 2	Osaka, Osaka	25,000	33,700	900	4.3	0.0		22,684	11,015	32,800	4.3
M-05	Prologis Park Maishima 3	Osaka, Osaka	13,500	16,100	200	4.4	0.0		12,088	4,011	15,900	4.4
M-06	Prologis Park Kasugai	Kasugai, Aichi	12,500	18,400	400	4.5	-0.1		11,222	7,177	18,000	4.6
M-07	Prologis Park Kitanagoya	Kitanagoya, Aichi	6,500	9,420	220	4.3	0.0		5,819	3,600	9,200	4.3
B-02	Prologis Park Takatsuki	Takatsuki, Osaka	4,410	5,340	-10	4.5	0.0		4,103	1,236	5,350	4.5
B-03	Prologis Park Tosu 2	Tosu, Saga	3,030	3,920	50	4.0	0.0		2,719	1,200	3,870	4.6
B-04	Prologis Park Tosu 4	Tosu, Saga	3,810	4,930	60	4.6	0.0		3,467	1,462	4,870	4.6
M-09	Prologis Park Tokyo-Ohta	Ota, Tokyo	29,500	39,800	1,600	3.6	-0.1		28,852	10,947	38,200	3.7
M-10	Prologis Park Zama 2	Zama, Kanagawa	21,900	29,100	100	4.1	0.0		20,230	8,869	29,000	4.1
M-11	Prologis Park Funabashi 5 Annex	Funabashi, Chiba	11,000	14,300	300	4.0	-0.1		10,381	3,918	14,000	4.1
M-12	Prologis Park Narita 1-A&B	Narita, Chiba	8,420	10,500	100	4.9	0.0		7,850	2,649	10,400	4.9
M-13	Prologis Park Narita 1-C	Narita, Chiba	4,810	5,990	90	4.9	0.0		4,555	1,434	5,900	4.9
M-14	Prologis Park Amagasaki 1	Amagasaki, Hyogo	17,600	21,200	0	4.5	0.0		16,625	4,574	21,200	4.5
M-15	Prologis Park Amagasaki 2	Amagasaki, Hyogo	19,200	22,300	0	4.5	0.0		18,214	4,085	22,300	4.5
B-05	Prologis Park Narashino 4	Narashino, Chiba	20,000	26,500	400	3.9	0.0		18,381	8,118	26,100	3.9
M-16	Prologis Park Tokyo-Shinkiba	Koto, Tokyo	13,600	18,600	600	3.6	-0.1		13,300	5,299	18,000	3.7
M-17	Prologis Park Yokohama-Tsurumi	Yokohama, Kanagawa	13,800	18,500	100	4.0	0.0		12,725	5,774	18,400	4.0
M-18	Prologis Park Osaka 4	Osaka, Osaka	21,000	26,100	500	4.3	0.0		19,285	6,814	25,600	4.3
M-19	Prologis Park Iwanuma 1	Iwanuma, Miyagi	5,670	8,010	130	4.7	-0.1		5,002	3,007	7,880	4.8
M-20	Prologis Park Kawajima 2	Hiki, Saitama	8,180	9,490	-150	4.5	0.0		7,577	1,912	9,640	4.5
B-06	Prologis Park Ebina	Ebina, Kanagawa	8,250	10,900	100	4.0	0.0		7,936	2,963	10,800	4.0
B-07	Prologis Park Kawanishi	Kawanishi, Hyogo	13,600	15,000	0	4.4	0.0		12,812	2,187	15,000	4.4
B-08	Prologis Park Amagasaki 3	Amagasaki, Hyogo	9,090	10,600	300	4.3	-0.1		8,583	2,016	10,300	4.4
B-09	Prologis Park Kobe	Kobe, Hyogo	6,410	7,180	-150	4.8	0.0		5,936	1,243	7,330	4.8
M-21	Prologis Park Kitamoto	Kitamoto, Saitama	12,600	14,000	200	4.7	0.0		12,053	1,946	13,800	4.7
M-22	Prologis Park Joso	Joso, Ibaraki	7,120	7,550	70	4.6	0.0		6,733	816	7,480	4.6
M-23	Prologis Park Osaka 5	Osaka, Osaka	17,600	19,100	-100	4.3	0.0		16,846	2,253	19,200	4.3
B-10	Prologis Park Sendai Izumi	Sendai, Miyagi	4,820	5,390	0	5.0	0.0		4,476	913	5,390	5.0
M-24	Prologis Park Narita 3	Sambu, Chiba	9,240	10,500	0	4.7	0.0		8,934	1,565	10,500	4.7
B-11	Prologis Park Koga 1	Koga, Ibaraki	7,680	8,320	0	4.8	0.0		7,306	1,013	8,320	4.8
B-12	Prologis Park Kobe 2	Kobe, Hyogo	13,700	14,400	0	4.8	0.0		13,107	1,292	14,400	4.8
M-25	Prologis Park Narashino 5	Narashino, Chiba	13,600	15,100	100	4.0	0.0		13,202	1,897	15,000	4.0
M-26	Prologis Park Ibaraki	Ibaraki, Osaka	38,300	42,400	1,000	4.1	-0.1		37,502	4,897	41,400	4.2
B-13	Prologis Park Koga 2	Koga, Ibaraki	3,930	4,020	0	4.8	0.0		3,779	240	4,020	4.8
M-27	Prologis Park Ichikawa 3	Ichikawa, Chiba	17,000	18,000	400	3.8	-0.1		16,768	1,231	17,600	3.9
M-28	Prologis Park Narita 1-D	Narita, Chiba	5,260	5,350	0	4.9	0.0		5,202	147	5,350	4.9
M-29	Prologis Park Yoshimi	Hiki, Saitama	21,300	21,900	100	4.5	0.0		20,887	1,012	21,800	4.5
B-14	Prologis Park Koga 3	Koga, Ibaraki	5,440	5,550	0	4.8	0.0		5,346	203	5,550	4.8
B-15	Prologis Park Tsukuba 1-A	Tsukuba, Ibaraki	12,900	13,000	0	4.6	0.0		12,685	314	13,000	4.6
M-30	Prologis Park Higashimatsuyama	Higashimatsuyama, Saitama	12,600	12,800	-	4.5	-		12,595	204	-	-
M-31	Prologis Park Kyotanabe	Kyotanabe, Kyoto	35,800	36,700	-	4.3	-		35,886	813	-	-
B-16	Prologis Park Sendai Izumi 2	Sendai, Miyagi	9,250	9,260	-	5.0	-		9,267	-7	-	-
B-17	Prologis Park Kobe 4	Kobe, Hyogo	5,020	5,020	-	4.8	-		5,045	-25	-	-
M-32	Prologis Park Chiba 1	Chiba, Chiba	31,000	31,000	-	4.4	-		-	-	-	-
M-33	Prologis Park MFLP Kawagoe	Kawagoe, Saitama	14,800	14,800	-	4.3	-		-	-	-	-
B-18	Prologis Park Tsukuba 1-B	Tsukuba, Ibaraki	13,500	13,500	-	4.6	-		-	-	-	-
Total / Average (49 properties)			700,640	825,340	8,710	-	-		608,216	157,823	693,550	-

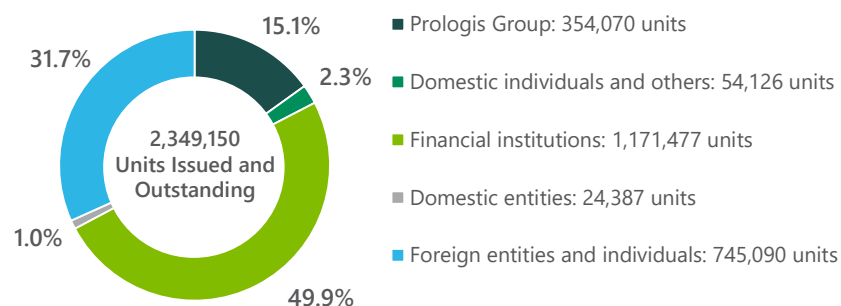
# Summary of Interest Bearing Debt (Post-Acquisition)

	Lenders	Amount (JPY mn)	Interest Rate	Borrowing Date	Maturity Date <sup>(2)</sup>	Collateral
Long-term Borrowings	Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd.	14,000	0.5749% <sup>(3)</sup>	Mar. 30, 2015	Mar. 31, 2022	Unsecured and non- guaranteed
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	7,300	0.0757% <sup>(3)</sup>	Feb. 15, 2016	Feb. 15, 2021	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	6,000	0.1726% <sup>(3)</sup>	Feb. 15, 2016	Feb. 15, 2022	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	10,000	0.39% <sup>(3)</sup>	Feb. 15, 2016	Feb. 15, 2024	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	7,600	0.4129% <sup>(3)</sup>	Mar. 15, 2016	Mar. 15, 2023	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	4,000	0.528% <sup>(3)</sup>	Dec. 20, 2016	Dec. 20, 2024	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	9,400	0.7167% <sup>(3)</sup>	Dec. 20, 2016	Dec. 18, 2026	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	14,000	0.2236% <sup>(3)</sup>	Apr. 28, 2017	Apr. 28, 2021	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	10,000	0.262% <sup>(3)</sup>	Apr. 28, 2017	Apr. 28, 2022	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	20,000	0.3125% <sup>(3)</sup>	Apr. 28, 2017	Apr. 28, 2023	
	Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd.	6,000	0.3725% <sup>(3)</sup>	Apr. 28, 2017	Apr. 30, 2024	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	23,300	0.4369% <sup>(3)</sup>	Apr. 28, 2017	Apr. 28, 2025	
	Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Development Bank of Japan	13,900	0.524% <sup>(3)</sup>	Apr. 28, 2017	Apr. 28, 2026	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	23,300	0.6327% <sup>(3)</sup>	Apr. 28, 2017	Apr. 28, 2027	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	11,800	0.6198% <sup>(3)</sup>	Mar. 13, 2018	Mar. 13, 2028	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	5,000	0.4483% <sup>(3)</sup>	Oct. 1, 2018	Oct. 1, 2024	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	6,400	0.5138% <sup>(3)</sup>	Dec. 3, 2018	Nov. 30, 2026	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	6,600	0.3652% <sup>(3)</sup>	Jun. 19, 2019	Jun. 19, 2028	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	12,000	0.4300% <sup>(3)</sup>	Jun. 19, 2019	Jun. 19, 2029	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	5,000	0.1877% <sup>(3)</sup>	Oct. 1, 2019	Oct. 1, 2025	
Investment Corporation Bonds	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	6,500	0.4970% <sup>(3)</sup>	Oct. 31, 2019	Oct. 31, 2029	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	3,000	0.4980% <sup>(3)</sup>	Nov. 27, 2019	Oct. 31, 2029	
	2nd Unsecured Investment Corporation Bonds	3,000	0.930%	Nov. 27, 2014	Nov. 27, 2024	
	3rd Unsecured Investment Corporation Bonds	2,000	0.180%	Jun. 15, 2017	Jun. 15, 2021	
	4th Unsecured Investment Corporation Bonds	1,500	0.280%	Jun. 15, 2017	Jun. 15, 2023	
	5th Unsecured Investment Corporation Bonds	2,500	0.500%	Jun. 15, 2017	Jun. 15, 2027	
	6th Unsecured Investment Corporation Bonds	1,000	0.860%	Jun. 15, 2017	Jun. 15, 2032	
	7th Unsecured Investment Corporation Bonds	6,000	0.660%	Aug. 17, 2018	Aug. 17, 2028	
<b>Total</b>		<b>241,100</b>	-	-	-	

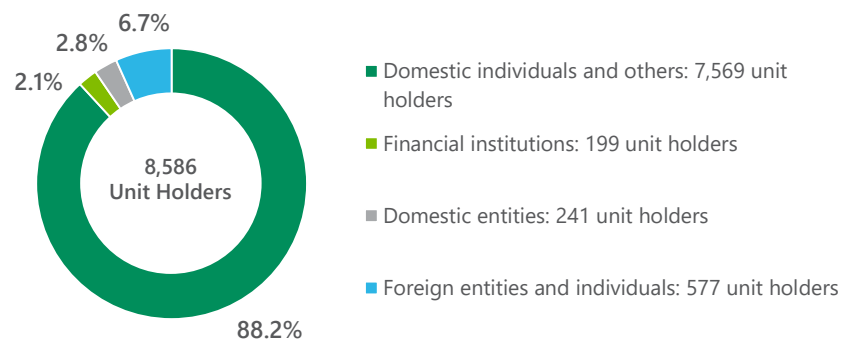
1. As of Nov. 30, 2019. In addition, we have entered into a commitment line agreement of JPY 20 bn with Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd. and Mizuho Bank, Ltd..
2. The maturity date will be the immediately following business day in case such date falls on a day that is not a business day and the immediate preceding business day in case such date falls in the next calendar month.
3. These borrowings are at floating interest rates. We have entered into interest rate swap agreements to hedge the risks of interest rate volatility. We are showing the interest rates including the effect of the swaps (i.e., fixed interest rates).

# Unit Holder Composition

## BREAKDOWN BY UNITS



## BREAKDOWN BY UNIT HOLDERS



## MAJOR UNIT HOLDERS

No.	Name	Units Owned	% of Units Issued <sup>(2)</sup>
1	Prologis Property Japan SPC	352,070	14.98%
2	Japan Trustee Services Bank, Ltd. (Trust Acct.)	334,188	14.22%
3	The Master Trust Bank of Japan, Ltd. (Trust Acct.)	311,630	13.26%
4	The Nomura Trust and Banking Company, Ltd. (Trust Acct.)	88,286	3.75%
5	STATE STREET BANK WEST CLIENTS-TREATY 505234	73,898	3.14%
6	Trust and Custody Services Bank, Ltd. (Securities Investment Trust Acct.)	61,565	2.62%
7	SMBC Nikko Securities Inc.	35,211	1.49%
8	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	33,577	1.42%
9	STATE STREET BANK AND TRUST COMPANY 505103	29,317	1.24%
10	BNYM AS AGT/CLTS 10 PERCENT	26,837	1.14%
<b>Total</b>		<b>1,346,579</b>	<b>57.32%</b>

# Prologis - Logistics Real Estate Leader in Japan and Globally

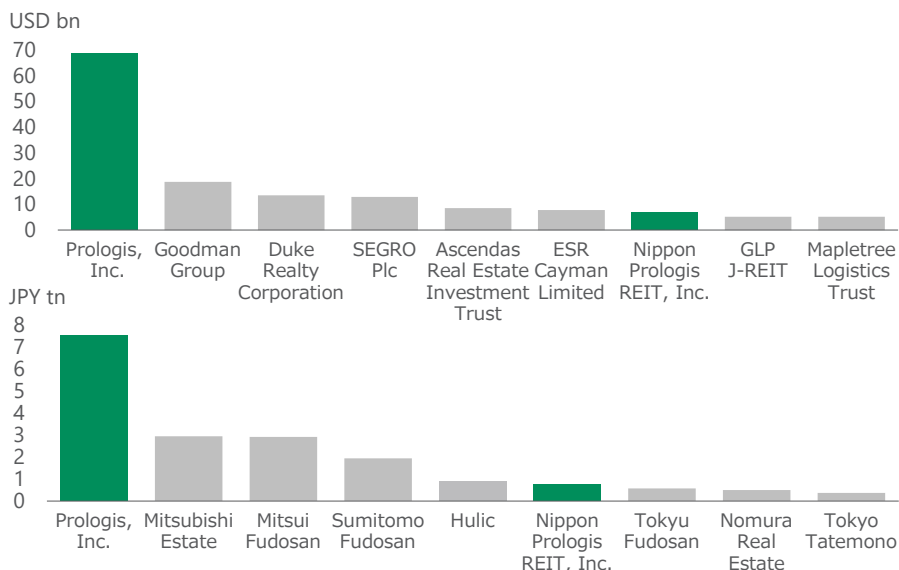
## Prologis, Inc. World Largest Logistics Real Estate Company

- Listed on NYSE as US REIT specialized in logistics real estate (Founded in 1983, HQ: San Francisco)
- Developed/owned/operated 3,840 logistics facilities with total floor area of approx. 7,600 mn m<sup>2</sup> in 19 countries worldwide
- Serves approx. 5,000 customers
- Credit ratings : A3 (Moody's) / A- (S&P)

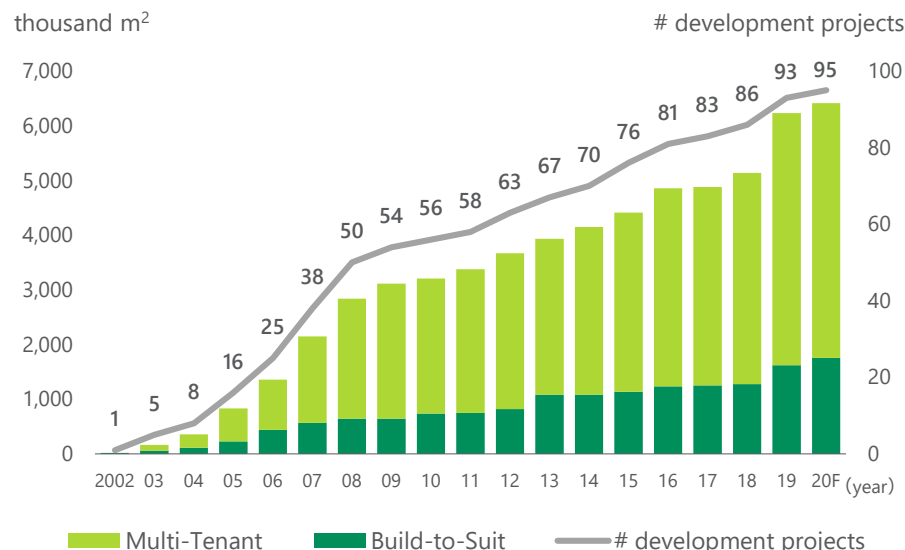
## Prologis Japan Pioneer in Advanced Logistics Facilities

- Developed 95 logistics facilities, total floor space of approx. 6.4 mn m<sup>2</sup> (during 2002 – Nov. 2019)
- Provides one-stop service of development and operation of logistics real estate
- Committed to our customers' wellness and business continuity and supports for customers' employees by installing various amenities

## LARGEST MARKET CAP AMONG PEERS (2)



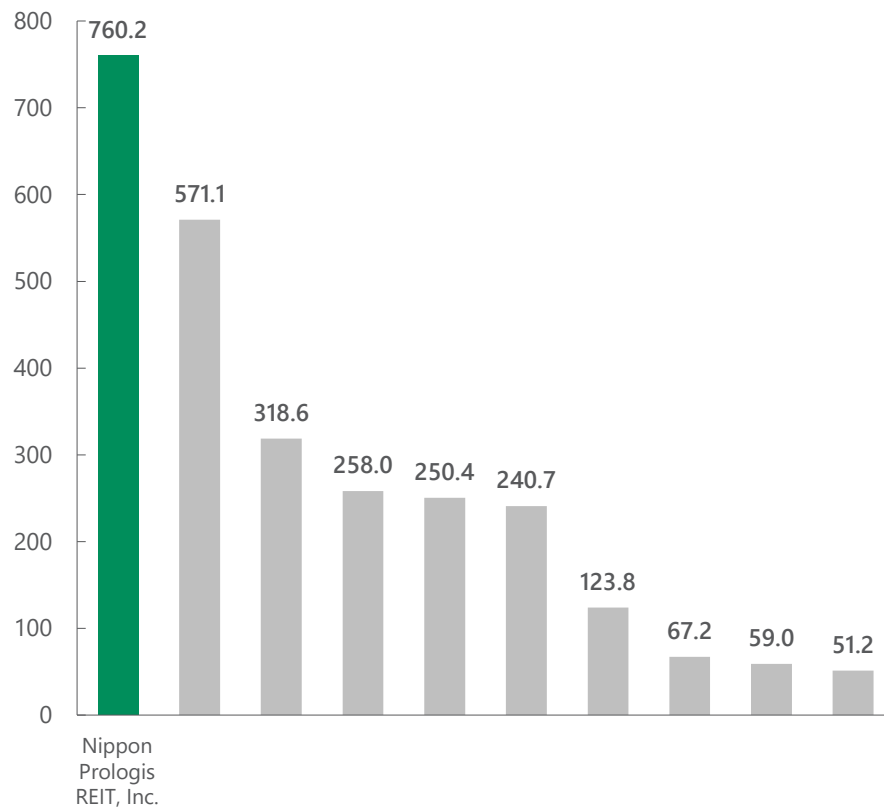
## DEVELOPMENT TRACK RECORD IN JAPAN



# Largest Market Cap & AUM among Logistics J-REITs

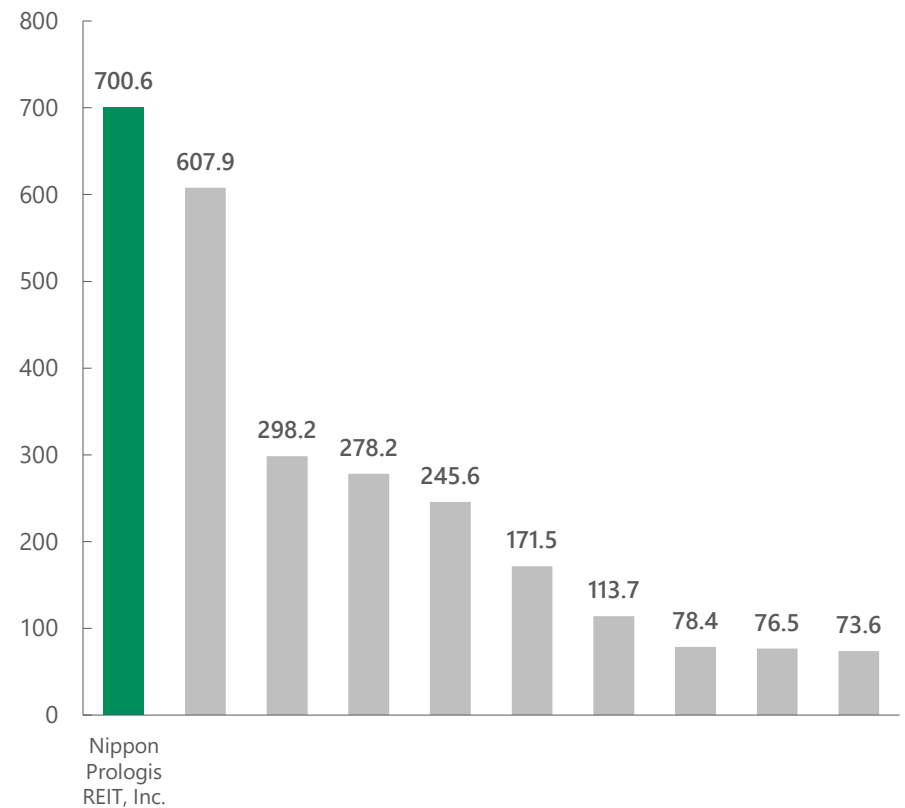
Market Cap

JPY bn



AUM (Based on Acquisition Price)

JPY bn



# Focus on Class-A Logistics Facilities

## Features:

- Gross floor area of approximately 16,500 m<sup>2</sup> (177,600 ft<sup>2</sup>) or more
- Proximity to population clusters and transportation hubs such as expressway interchanges and major airports or seaports
- Large floor area exceeding approximately 5,000 m<sup>2</sup> (53,820 ft<sup>2</sup>) per level with a floor weight capacity of approximately 1.5 t/m<sup>2</sup> (16.1 t/ft<sup>2</sup>) or more, an effective ceiling height of approximately 5.5 m (18 ft) or more and column spacing of approximately 10 m (33 ft) or more
- Spiral ramps or slopes that allow trucks direct access to upper-floor distribution space
- Safety and resiliency features such as seismic isolation and earthquake-proofing

### Spiral Rampways



### Large Loading Zones



### Wide-Column Spacing



### Renewable Energy



### Restaurant



### Convenience Store



### 24-Hour Security



### Seismic Isolators





# Automation and Robotics Technologies

- Increasing labor shortage causing increased wages in Japanese logistics industry
- Automation and robotics technology installation being accelerated to offset labor shortage
  - IoT technology
  - Integration of robotics system and AI for advanced supply chain management
- Modern logistics facilities can effectively accommodate automation/robotics
  - Large floor plans
  - High functionality
  - Flexibility for future space expansion needs



# Our Philosophy of ESG Builds upon Prologis Group

An aerial photograph of a large industrial facility, likely a warehouse or distribution center, with a vast roof covered in rows of solar panels. The sun is setting in the background, creating a warm, orange glow over the scene. The solar panels are arranged in neat, parallel rows, extending across the entire roof area.

## **Prologis Statement of Purpose**

We strive to be an exemplary corporate citizen, to minimize our environmental impacts and to maximize beneficial outcomes for our stakeholders.

# Our Facilities Built to the Highest Standards

## ENVIRONMENTAL STEWARDSHIP

- We continue to prevail our sustainability philosophy and ultimately contribute to the realization of low-carbon society
- We strive to reduce energy/water consumption and emission of green-house gas, which would contribute the prevention of global warming
- We will maximize the usage of renewable energy
- Prologis Group constructs logistics facilities that are highly friendly to environment and local community

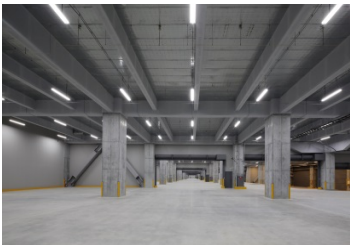
## ENVIRONMENTAL FRIENDLY FACILITY DEVELOPMENTS



- Installation of large-scale solar panel on rooftops as an initiative for renewable energy



- Greening efforts for roof tops and exterior walls



- Installation of LED lighting facilities allows to reduce environmental impact through electricity usage and GHG emission



- Installation of highly functional heat insulation materials on rooftops and facades of our facilities



# Solar Panels Installed Generate Substantial Power

- Solar Power Facilities at 30 properties managed by Prologis Japan <sup>(1)</sup>



Prologis Park Yoshimi



Prologis Park Tosu 2



Prologis Park Osaka 5



Prologis Park Osaka 4



Prologis Park Narashino 4



Prologis Park Kasugai



Prologis Park Sendai Izumi 2



Prologis Park Narashino 5



Prologis Park Kyotanabe



Prologis Park Ichikawa 1



Prologis Park Ebina



Prologis Park Ibaraki



Prologis Park Narita 1-D



Prologis Park Amagasaki 3



Prologis Park  
Chiba New Town



Prologis Park Kitanagoya



Prologis Park Amagasaki 1  
Prologis Park Amagasaki 2



Prologis Park Zama 1  
Prologis Park Zama 2



Prologis Park Tosu 4



Prologis Park Koga 2



Prologis Park Kawanishi

# Prologis Group Fully Committed to Social Wellness

## SOCIAL RESPONSIBILITIES

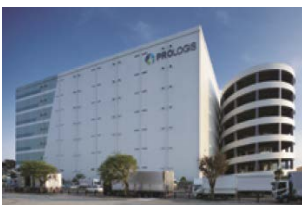
- Our commitment to social responsibility extends to all our stakeholders, including employees, customers, communities, suppliers and investors
- We strive to be a good neighbor and to strengthen the communities where we work and live
- Our employees demonstrate their personal commitment by putting time and resources into welfare organizations that promote education and environmental and social well-being

## COMMITMENT TO CUSTOMERS



- Introducing an earthquake early warning system
- Installing satellite telephones in a control center

## IMPROVEMENT OF WORKING ENVIRONMENT



- Construction of an annex as break room and outside wall renewal at Prologis Park Tokyo-Ohta

## OUR SOCIAL ACTIVITIES IN JAPAN



Impact Day 2019  
(Volunteer for inspection /packaging/do nation of children's used school bags)



Prologis staff volunteering for education of children



Educational field trip for elementary school students (Prologis Park Narita 3)



Chair course at Waseda University hosted by Prologis

# Sound Governance Structure Promotes Our Investor Value

## ALIGNMENT OF INTERESTS BETWEEN UNIT HOLDERS AND SPONSOR PROLOGIS

### Same Boat investment by Prologis Group

- Prologis Group maintains **15%** ownership of our outstanding units since our IPO to date

### Performance-based Asset Management Fees

- Asset Management Fees payable to Prologis REIT Management K.K. are fully linked with our financial performance; the amount of cash flows/earnings being generated by our portfolio
- Structure of Asset Management Fees

#### Type 1 Management Fee

NOI X 7.5%

+

#### Type 2 Management Fee

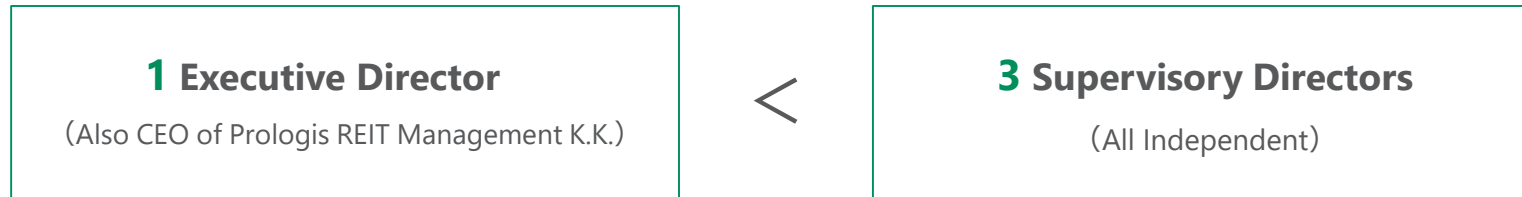
Net Income X 6%



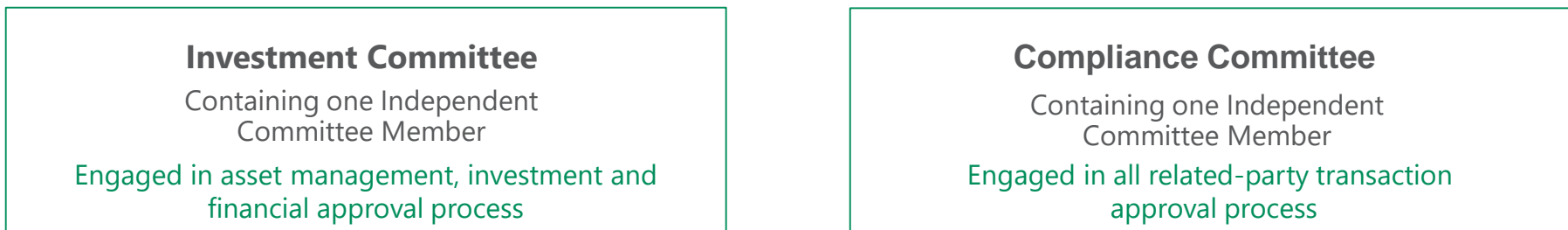
# Sound Governance Structure Promotes Our Investor Value

## NPR'S INDEPENDENT APPROVAL PROCESS

### Structure of NPR's Board



### All Governance Subject to Approvals by Independent Committee Members





This presentation includes forward-looking information that reflects the plans and expectations of Nippon Prologis REIT, Inc. and Prologis REIT Management K.K. Such forward-looking information is based on current assumptions and beliefs, and involves known and unknown risks, uncertainties, and other factors. Such risks, uncertainties and other factors may cause the actual results to be materially different from those expressed or implied by such forward-looking information.



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Member of The Investment Trusts Association, Japan