



Prologis Park Tsukuba 1-A  
Prologis Park Tsukuba 1-B

# Nippon Prologis REIT, Inc.

## Fiscal Period Ended May 31, 2020

Unaudited

July 2020

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Prologis Park Chiba 1



Prologis Park Chiba 1

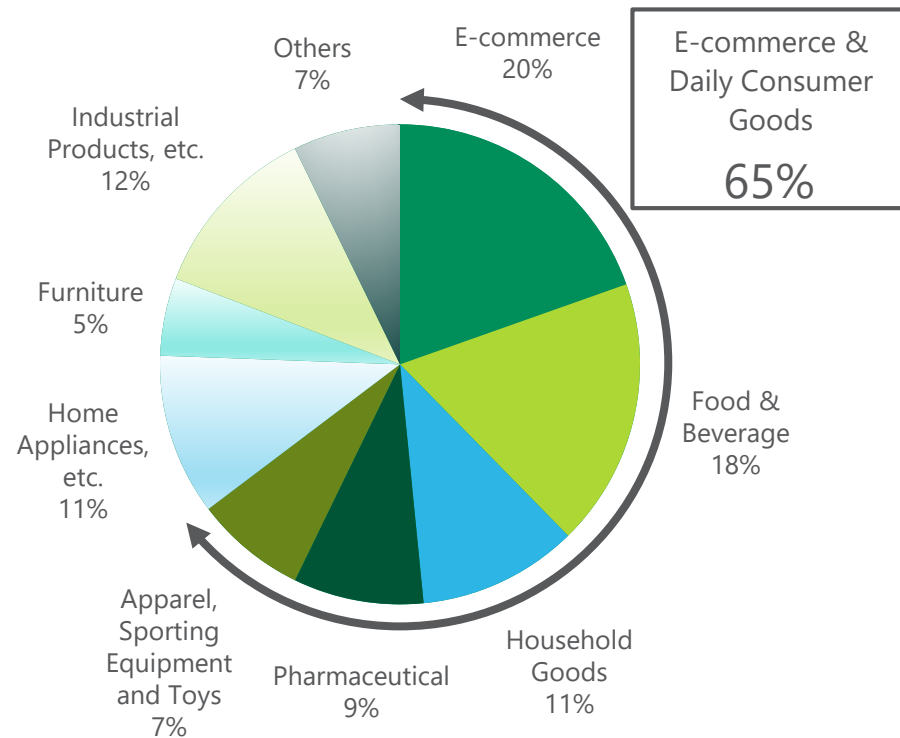
## SECTION 01

# Highlights for Fiscal Period Ended May 31, 2020

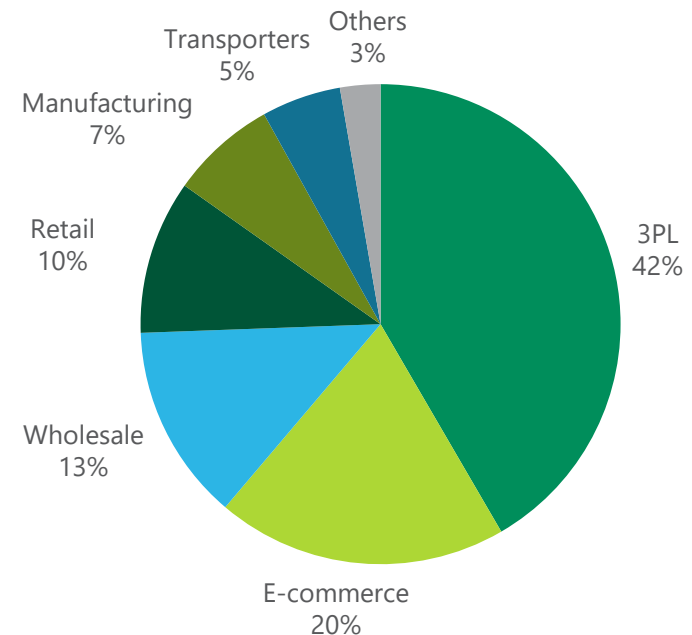


# Impact from COVID-19 Will Likely Be Limited

**PRODUCTS HANDLED IN NPR PORTFOLIO**  
(BASED ON RENTAL AREA)



**CUSTOMER BUSINESSES IN NPR PORTFOLIO**  
(BASED ON RENTAL AREA)



# The 9th Follow-on Offering and Acquisitions

## Offering Summary

- Offering Type : Global Offering  
(Reg S + U.S.144A)
- Pricing Date : Jan. 27, 2020
- Issue Price : 292,824 yen
- Total Capital Raised : JPY 34.1 bn (Including OA)
- Discount Rate : 2.0%

## Summary of Newly Acquired Properties

Total Acquisition Price

JPY **59.3** bn

Average NOI yield <sup>(2)</sup>

**4.5**%

Average Property Age <sup>(3)</sup>

**0.4** years

WALE <sup>(4)</sup>

**7.1** years

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



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



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



1. Asset size is calculated based on acquisition prices. On page 4 and 5, the asset size includes the original acquisition price of the building of Prologis Park Iwanuma 1.

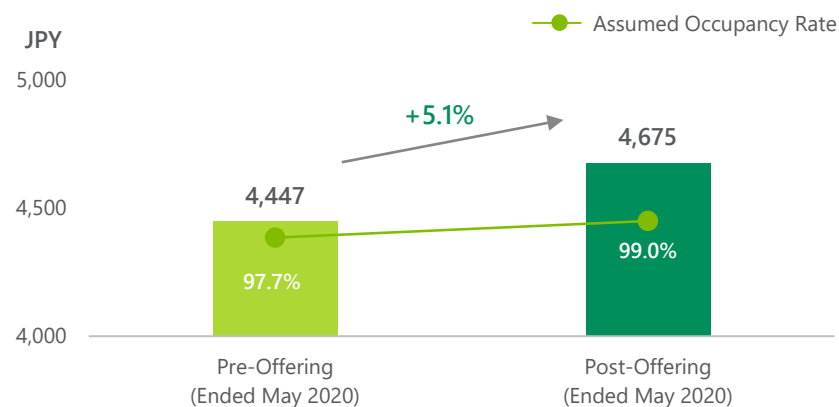
2. Appraisal NOI as of Nov. 30, 2019 divided by total acquisition price.

3. As of Nov. 30, 2019.

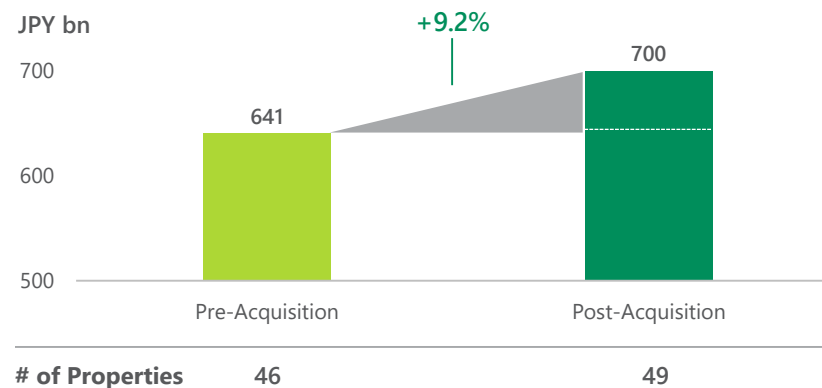
4. Calculated based on the lease contracts as of Nov. 30, 2019.

# Offering Enhanced Unit Holder Value

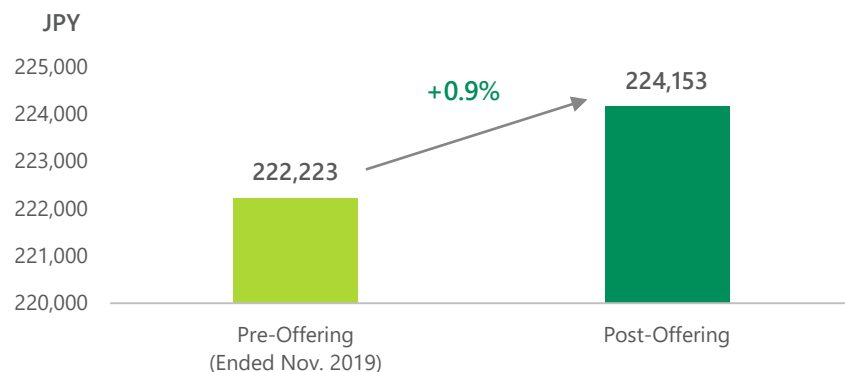
## STABILIZED DISTRIBUTIONS PER UNIT (ILLUSTRATIVE)<sup>(2)</sup>



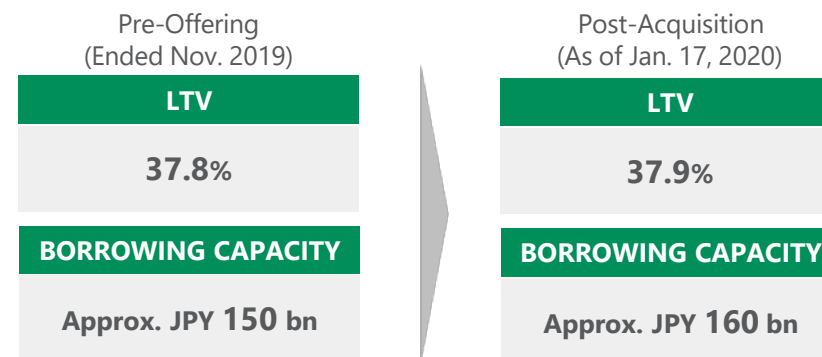
## ASSET SIZE



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



## LTV • BORROWING CAPACITY



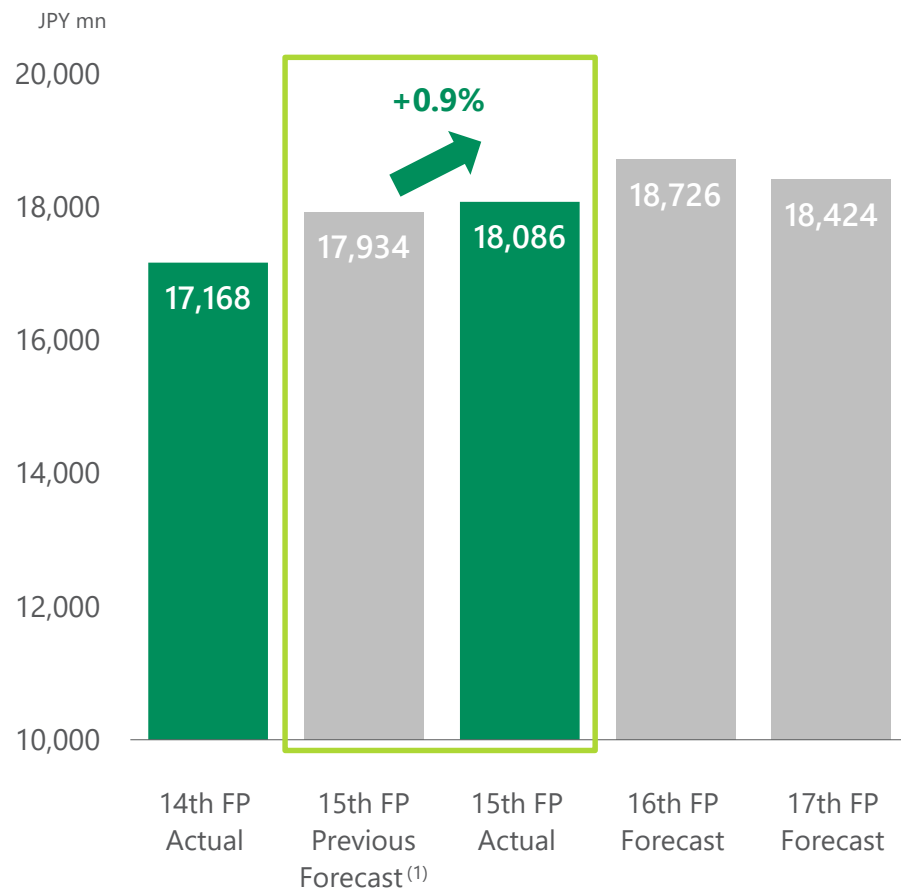
1. All numerical information is based on the assumptions pertaining to the announcement on Jan. 17, 2020.

2. Estimates of stabilized DPU including SCD.

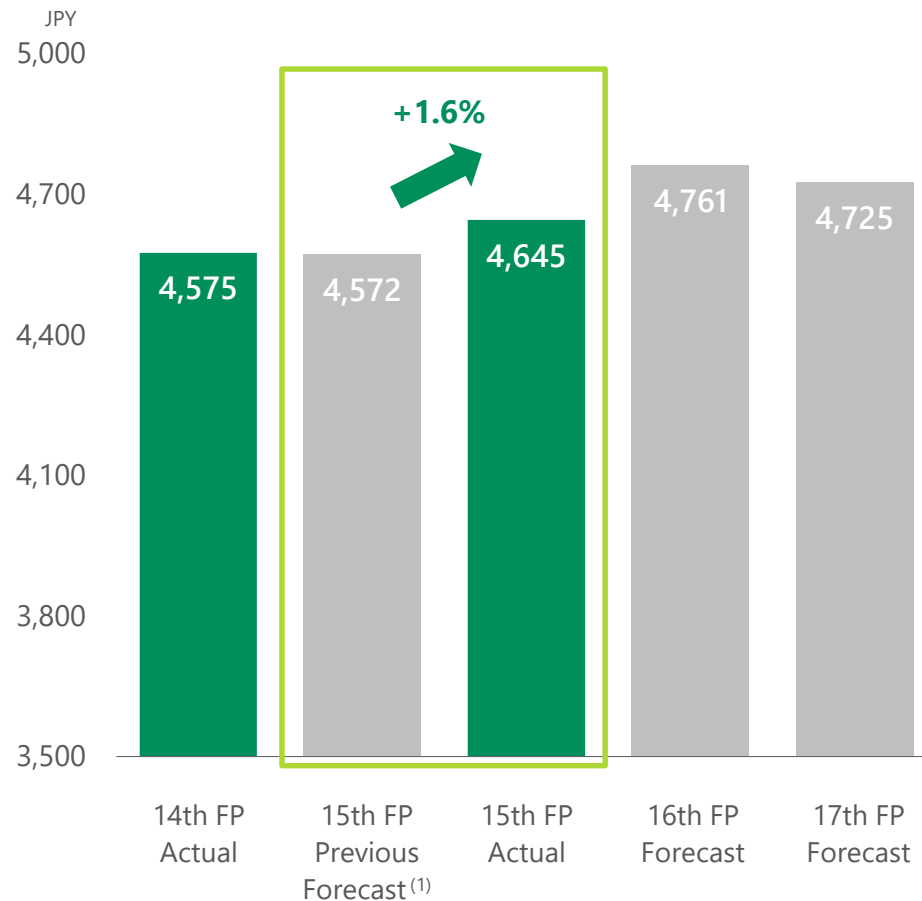
3. NAV per unit is calculated as {(net assets – surplus + appraisal based unrealized gain) / total number of investment units issued and outstanding}.

# Solid Operational/Financial Performance Continues

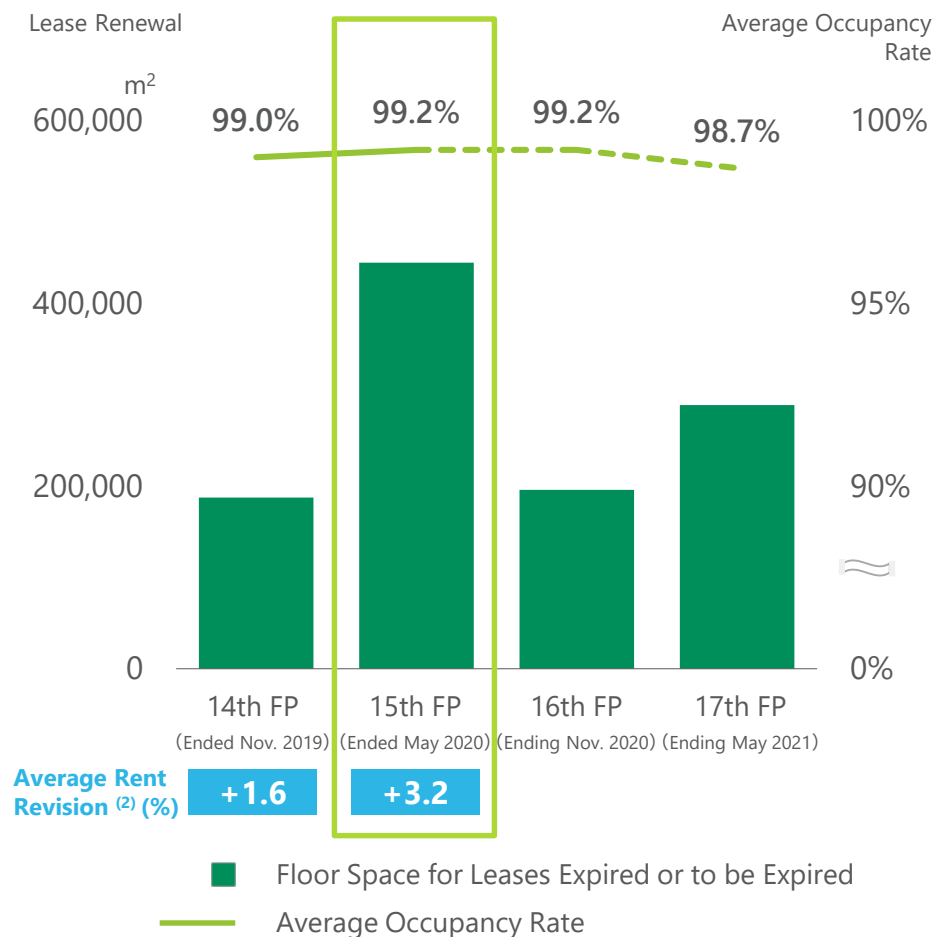
## NOI



## DISTRIBUTION PER UNIT

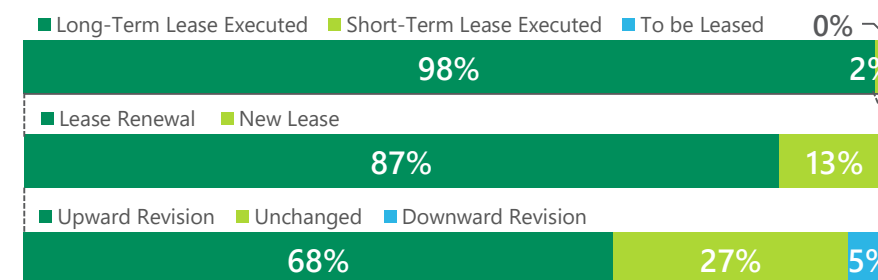


# Increased Occupancy and Improved Rent Growth

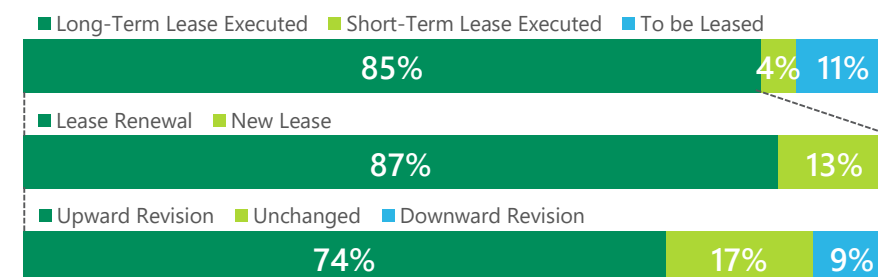


## SUMMARY OF LEASE RENEWAL<sup>(1)</sup>

### 15th FP (Fiscal Period Ended May 2020)



### 16th FP (Fiscal Period Ending Nov. 2020)



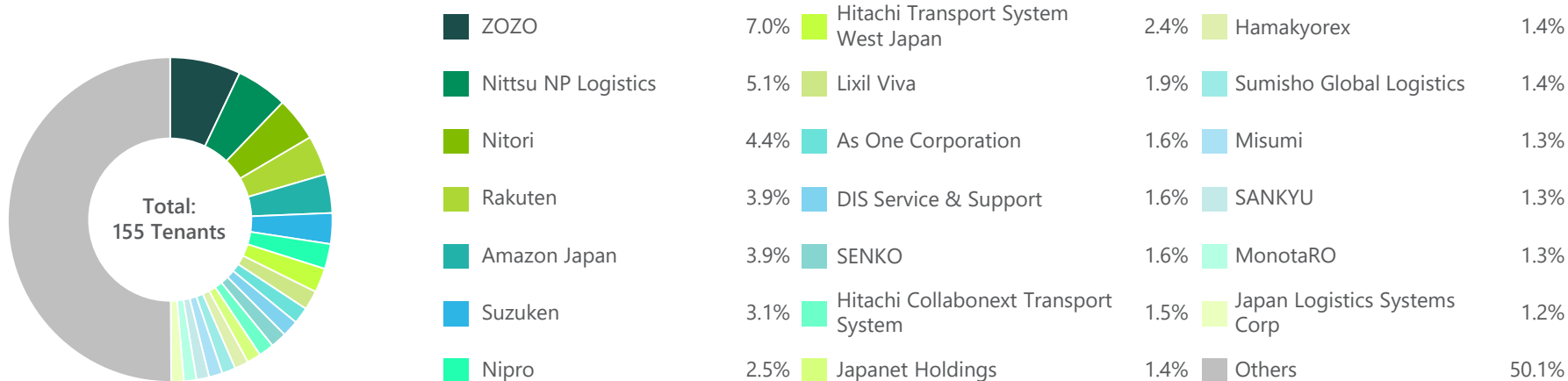


# Strong Sponsor Pipeline

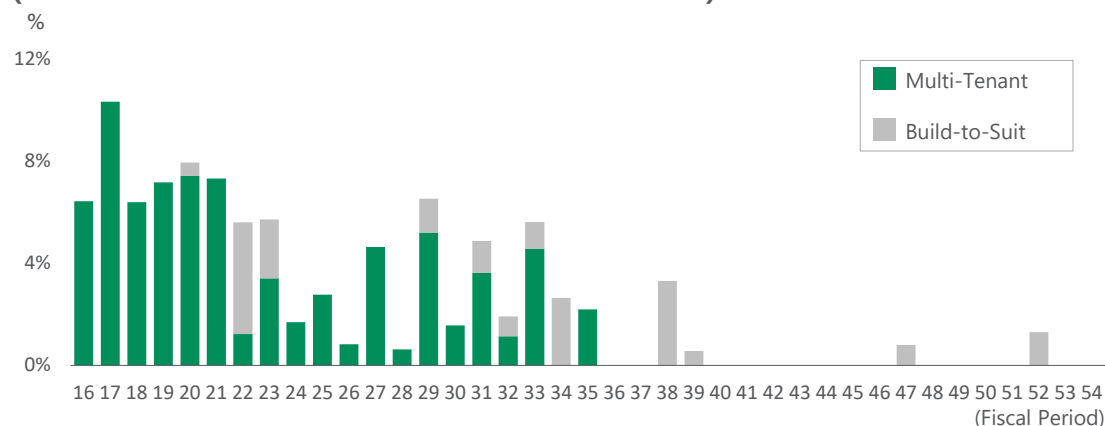
	Status	Region / Area	Property Name	(Expected) Year Built	Property Type	(Expected) GFA (sqm)
Exclusive Negotiation Rights Granted	Completed	Kanto	Prologis Park Chiba New Town	Apr. 2016	Multi-Tenant	109,981
	Under Development	Kanto	Prologis Park Tsukuba 2	Sep. 2020	Build-to-Suit	111,757
			Prologis Park 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	218,152
			Prologis Park Inagawa 2	Aug. 2021	TBD	158,646
			Prologis Park Kobe 5	Mar. 2021	TBD	46,000
	Future Development		Prologis Park Soka	TBD	TBD	151,000
		Kanto	Prologis Park Yachiyo 1	Sep. 2022	TBD	159,700
			Prologis Park Yachiyo 2	TBD	TBD	113,000
		Kansai	Prologis Park Kobe 3	TBD	TBD	38,700
		Kyushu	Prologis Park Ogori	TBD	TBD	29,000
					Total	1,242,150
Future Project		Kanto	Prologis Koga Project Phase 2	TBD	TBD	TBD <sup>(2)</sup>

# Diversified Portfolio/Lease Maturities and Quality Customers

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



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



## OVERVIEW OF CONTRACT OF LEASE

Number of Tenants

**155**

Top 20 Tenants Leased Floor Area <sup>(1)</sup>

**49.9%**

Fixed Term Lease <sup>(2)</sup>

**100.0%**

WALE <sup>(3)</sup>

**4.6**

1. Calculated based on size of leased area.

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

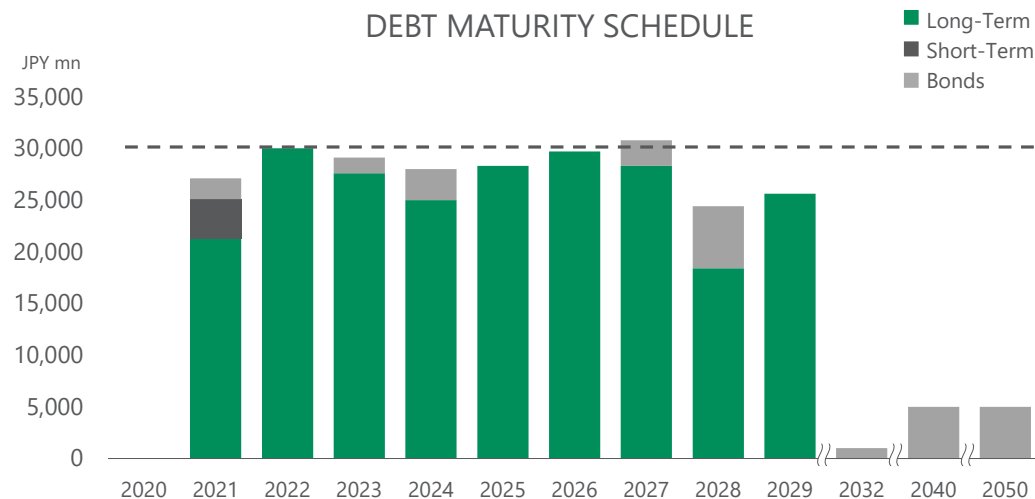
3. WALE stands for Weighted Average Lease Expiry. Calculated based on anticipated annual rent as of May 31, 2020.

# Maintain Strong Balance Sheet

## Conservative Leverage

● Outstanding Interest-Bearing Debt	● LTV (Based on Book Value)	38.2%	➔ 37.7%
JPY 264 bn	● LTV (Based on Appraisal Value)	(As of May 2020)	(As of Nov. 2020)
		30.9%	

## Liquidity & Laddered Debt Maturities



Line of Credit JPY 20 bn  
 Cash JPY 10 bn+  
 Total Liquidity JPY 30 bn+

## Green Bonds

- Issued long-term bonds of JPY 10 bn in total in Apr. 2020
- Attractive coupons of 0.9% for 20 years and 1.0% for 30 years

# Fire at Prologis Park Iwanuma 1

## PROPERTY SUMMARY

- |                    |                            |                     |   |
|--------------------|----------------------------|---------------------|---|
| ● Location         | : Inanuma, Miyagi          | ● Completion        | : Oct. 2008                               |
| ● Land Area        | : 45,704.30 m <sup>2</sup> | ● Acquisition       | : Dec. 2013                               |
| ● Gross Floor Area | : 39,957.47 m <sup>2</sup> | ● Acquisition Price | : JPY 5,670 mn<br>(0.8% of the Portfolio) |

## LOSSES & COVERAGE

### Expected Losses

- |                          |                              |
|--------------------------|------------------------------|
| ● Loss of Building, etc. | JPY 3.7 bn (15th FP)         |
| ● Initial Expenses       | JPY 0.2 bn (16th FP)         |
| ● Demolition Cost        | JPY 0.8 bn (16th & 17th FPs) |

Total	JPY 4.8 bn
-------	------------

### Expected Coverage

- |                    |                              |
|--------------------|------------------------------|
| ● Fire Insurance   | JPY 4.0 bn (16th FP)         |
| ● Profit Insurance | JPY 0.7 bn (17th – 20th FPs) |

Total	JPY 4.7 bn
-------	------------

## EXPECTED RECONSTRUCTION SCHEDULE

- |              |   |
|--------------|---|
| Demolition   | : July 2020 to Feb. 2021                    |
| Construction | : Spring 2021 to Summer 2022 <sup>(1)</sup> |





Prologis Park Kyotanabe

## SECTION 02

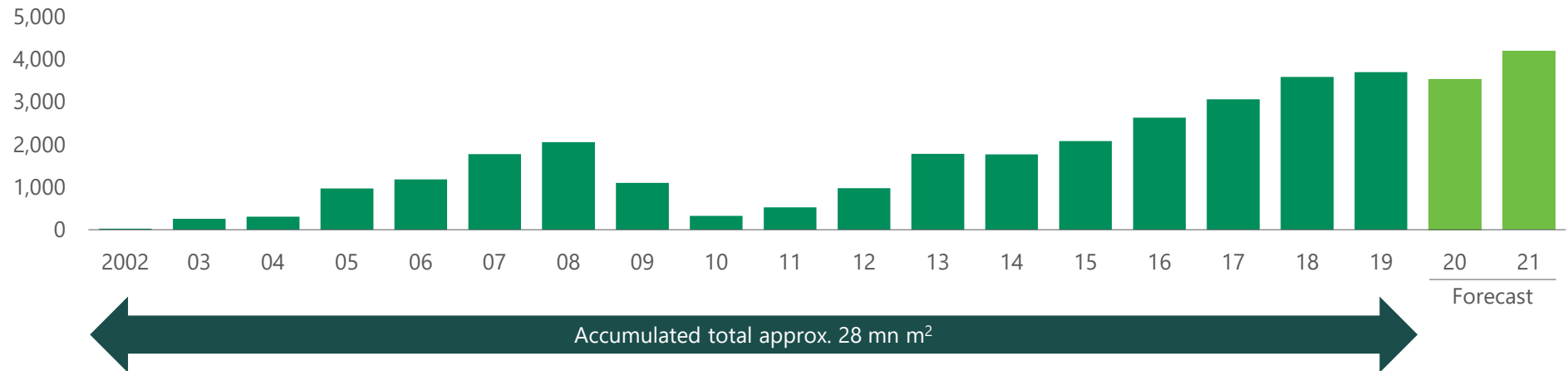
# Logistics Real Estate Market Fundamentals



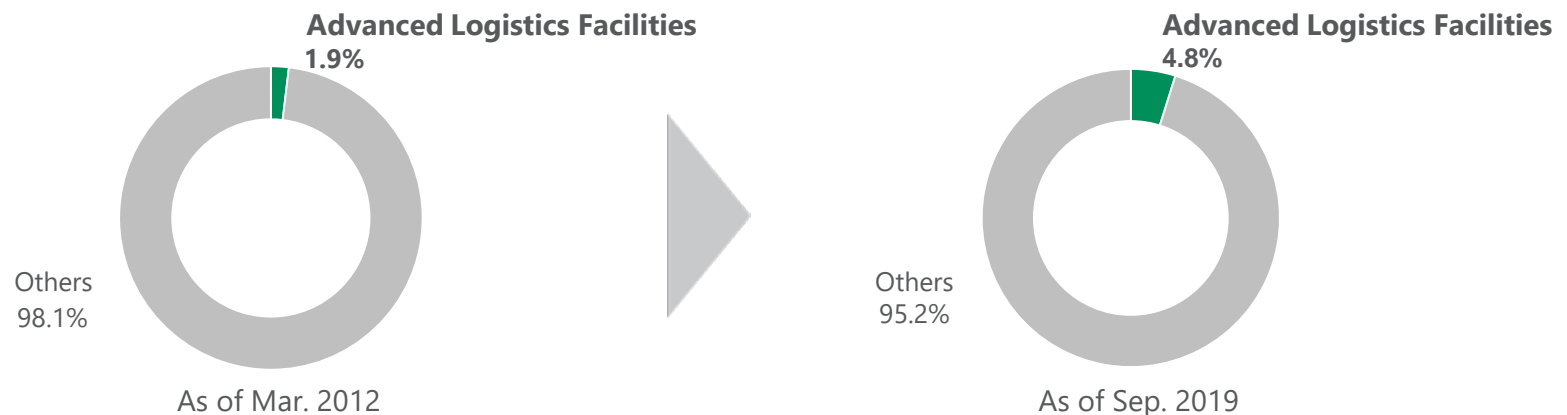
# Stock of High-Quality Logistics Facilities Remains Scarce

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

thousand m<sup>2</sup>



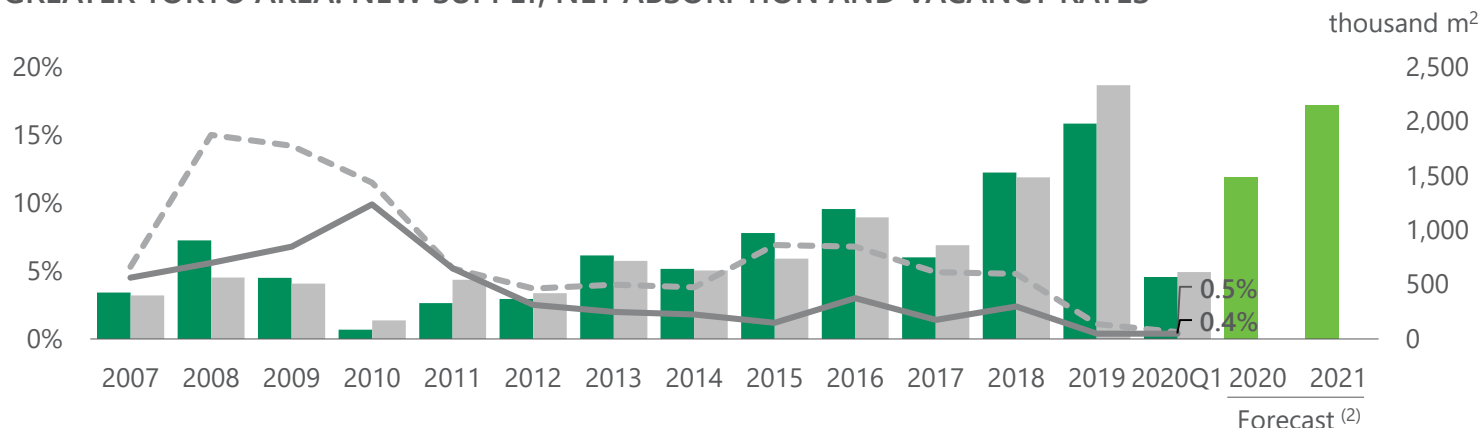
## STOCK OF ADVANCED LOGISTICS FACILITIES <sup>(2)</sup>



1. As of Mar. 2020. 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 Mar. 2020 and may vary in the future.
2. 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 Mar. 31, 2020 and the gross floor area for advanced logistic facilities is based on data as of Sep. 30, 2019.

# Strong Demand and Lowering Vacancy

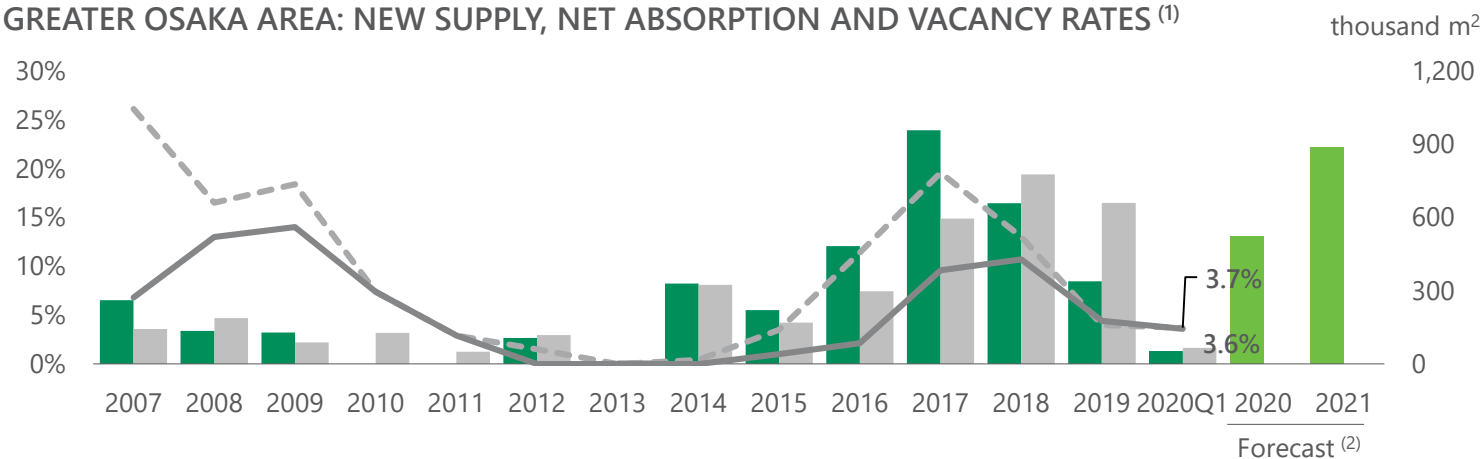
GREATER TOKYO AREA: NEW SUPPLY, NET ABSORPTION AND VACANCY RATES <sup>(1)</sup>



## Greater Tokyo Area

- Vacancy rate as of March 31, 2020 was 0.5% (0.4% for properties which are one year old or more)
- Estimated supply for 2020 is approx. 1,480,000m<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 March 31, 2020 was 3.7% (3.6% 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. 880,000m<sup>2</sup>

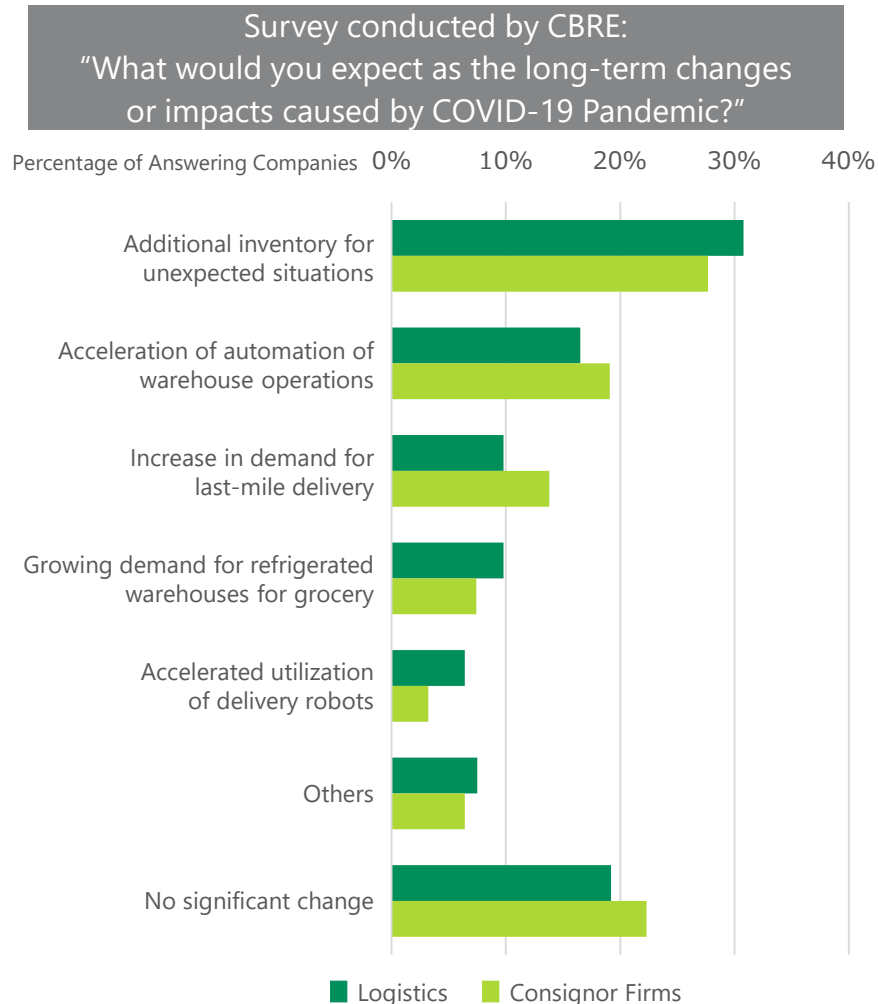
■ New Supply   
 ■ Net Absorption   
 --- Vacancy Rate (Overall Modern Stock)   
 — Vacancy Rate (Property Age of 12 Months or Older Modern Stock)

1. Survey data covers multi-tenant 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 Q2-Q4 and 2021 are based on data as of March 31, 2020 and may vary in the future.

Source: CBRE

# Post-COVID-19 Logistics Real Estate Industry



- Having observed the temporary disruption of supply chains caused by COVID-19, a number of companies expect increasing inventory volume
- Logistics volume and labor costs are rising, and more companies intend to introduce automation systems
- Necessity of social distancing within warehouse space may also accelerate introduction of automation systems

# New Trend of Urban Logistics Properties



**Prologis Urban Tokyo Shinagawa 1**

Land Area : 8,961.96 m<sup>2</sup>  
Floor Area : 28,186.05 m<sup>2</sup>



**Prologis Urban Tokyo Adachi 1**

Land Area : 2,551.43 m<sup>2</sup>  
Floor Area : 5,171.03 m<sup>2</sup>  
Expected Completion : Nov. 2020



**Prologis Urban Tokyo Adachi 2**

Land Area : 3,125.19 m<sup>2</sup>  
Floor Area : 6,430.22 m<sup>2</sup>  
Expected Completion : 2021

- Prologis has recently launched a series of new projects called “Prologis Urban” in Japan
- In urban areas of global gateway cities, the “Last Touch” demand for logistics facilities is rapidly growing, being driven by the growth of E-commerce
- Prologis Urban Tokyo Shinagawa 1 has opened in Jul. 2020. The property is master leased by Prologis and leased to customers with various space uses



Prologis Park Chiba 1

## SECTION 03

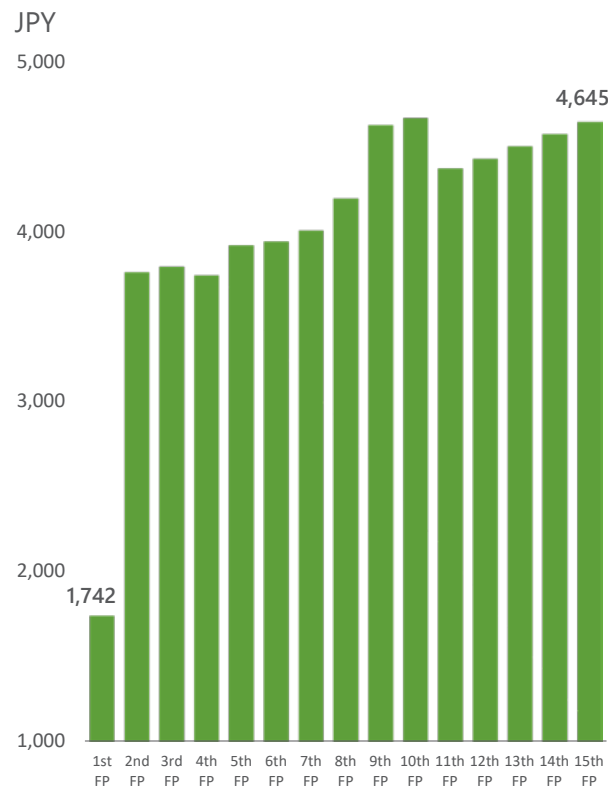
# NPR At a Glance



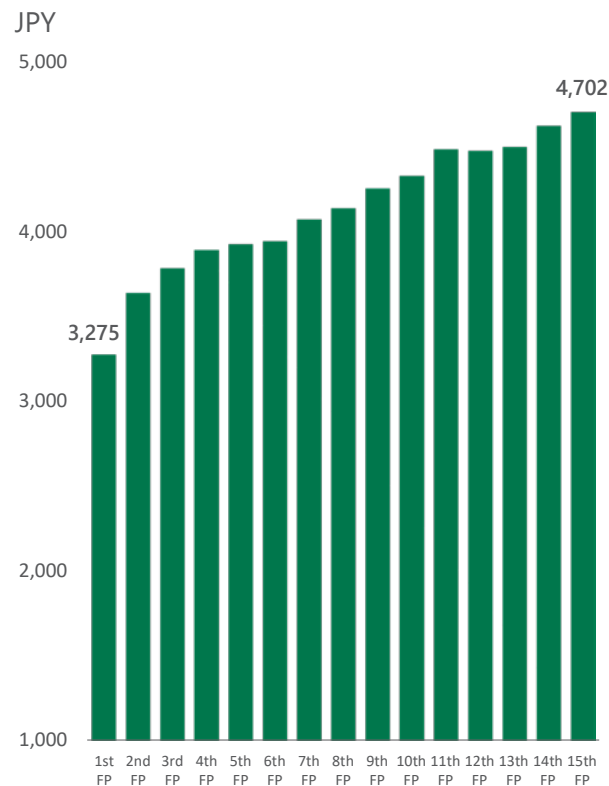
# Enhancement of Unit Holder Value Continues

- 15th FP actual DPU : JPY 4,645 (+ 1.6% vs. forecast, +1.5% over previous FP)
- Increase in DPU (stabilized) by 44% and NAV per unit by 106% since IPO

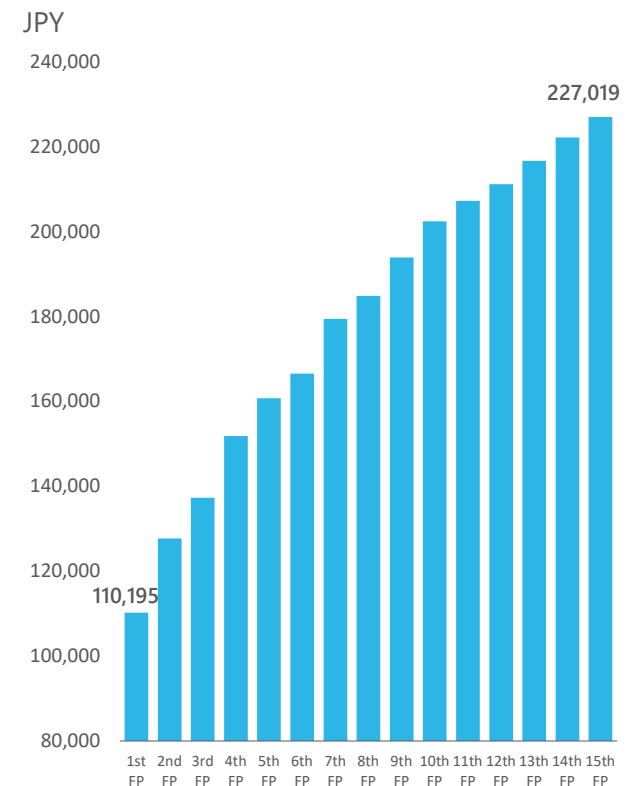
DPU (ACTUAL) <sup>(1)</sup>



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



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



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

**Class-A Logistics  
Facilities**

**100.0%**

**Total  
Acquisition Price**

JPY **696.1** bn

**Average  
Property Age**

**7.5** years

**Occupancy Rate**

**99.2%**

**Average NOI Yield**

**5.2%** <sup>(1)</sup>

**5.3%** <sup>(2)</sup>

**Portfolio PML**

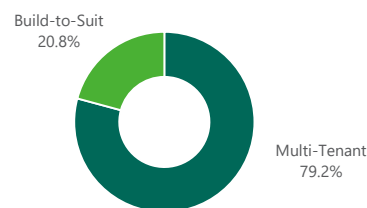
**1.2%** <sup>(3)</sup>



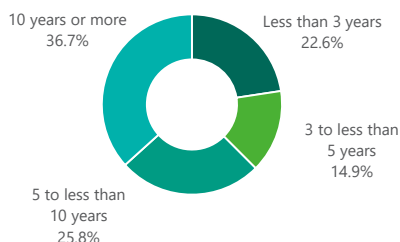
M-32 Prologis Park Chiba 1

## Portfolio Composition <sup>(4)</sup>

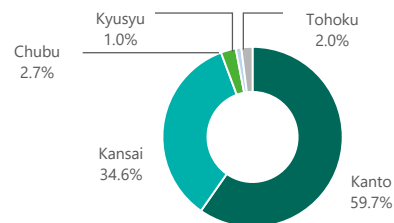
### Property Type



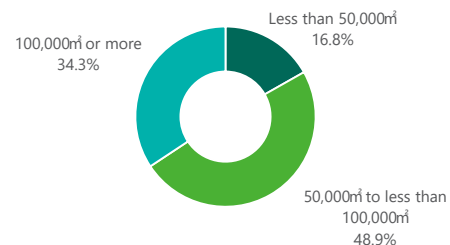
### Property Age



### Area



### Leasable Area



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

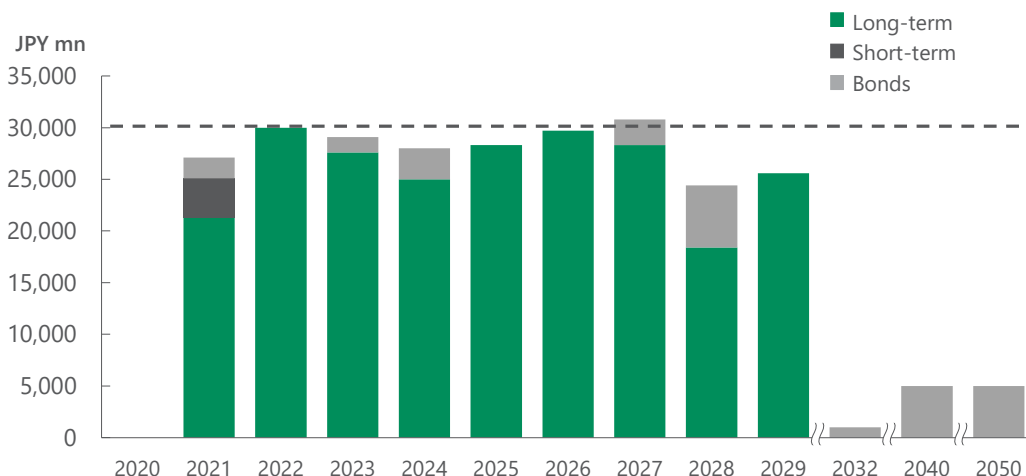
1. Appraisal NOI as of May 31, 2020 divided by total acquisition price, excluding Prologis Park Iwanuma 1.
2. Annualized forecasted NOI excluding specific factors divided by total acquisition price, excluding Prologis Park Iwanuma 1.
3. Portfolio PML is calculated based on Portfolio Seismic Review Reports as of Nov. 18, 2019 for the aggregate of the 49 properties including Prologis Park Iwanuma 1.
4. Calculated based on the total acquisition price, excluding Prologis Park Iwanuma 1.

# Financial Structure Positioned for Strategic Future Optionality

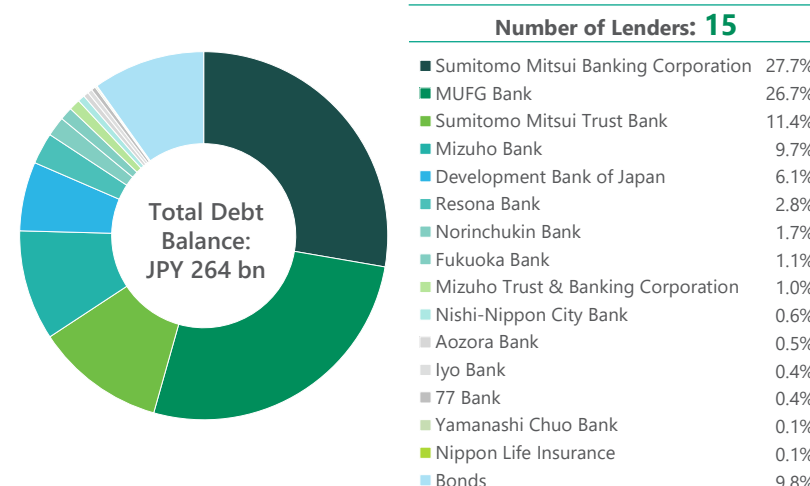
## DEBT METRICS / FINANCIAL HIGHLIGHTS

<b>Credit Rating (JCR)</b>  <b>AA (Stable)</b>	<b>LTV</b> <b>38.2%</b> (as of the end of 15th FP) <b>37.7%</b> (as of the end of 16th FP) <sup>(2)</sup>	<b>Appraisal LTV</b> (as of the end of 15th FP) <b>30.9%</b>	<b>Borrowing Capacity</b>  Approx. JPY <b>160</b> bn
<b>Long-term Debt Ratio</b>  <b>98.6%</b>	<b>Fixed Interest Ratio</b>  <b>98.6%</b>	<b>Average Remaining Debt Term</b> <sup>(3)</sup> <b>5.6</b> years	<b>Average Debt Cost</b> <sup>(4)</sup>  <b>0.6%</b>

## DEBT MATURITY SCHEDULE



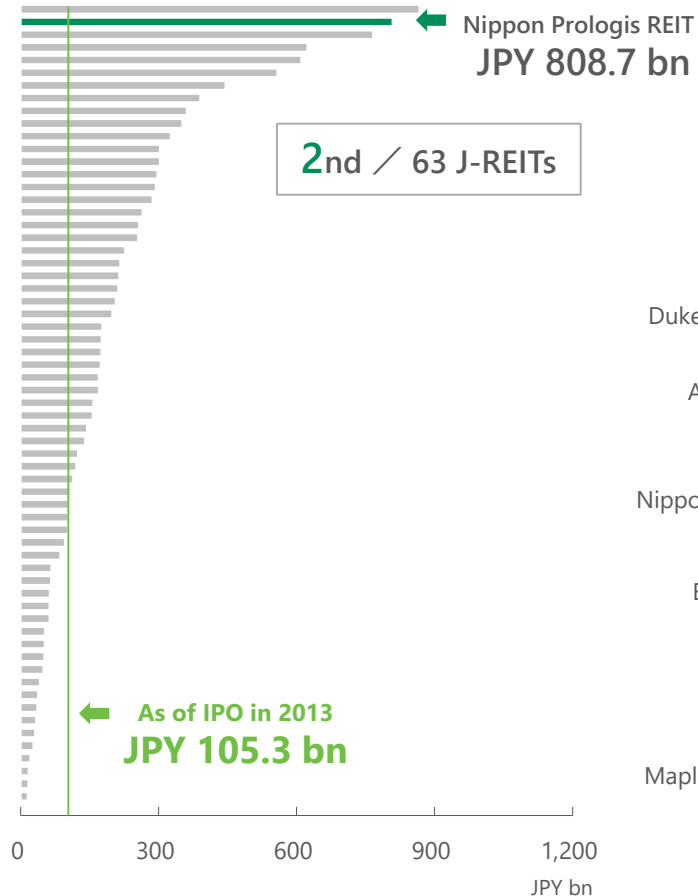
## DIVERSIFICATION OF INTEREST-BEARING DEBT



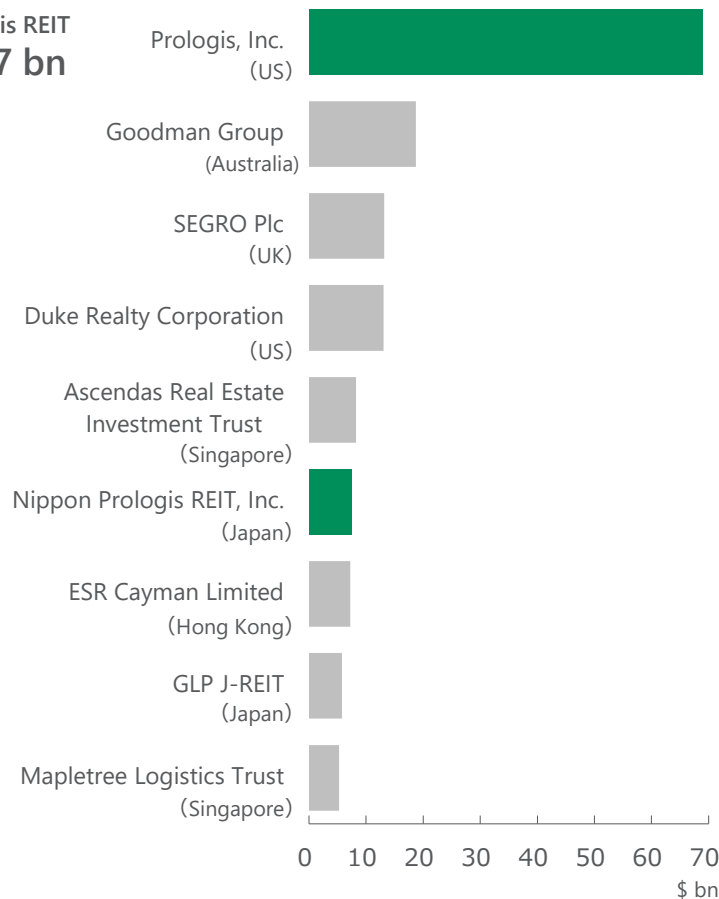
- As of May 31, 2020.
- Calculated based on the assumption that the short-term loan of JPY 3,800 mn in connection with the consumption tax incurred upon the acquisition of the properties acquired in the 15th FP is to be prepaid during the 16th FP.
- Average remaining debt term is calculated with the 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 (2)



## INCLUSION IN 12 MAJOR INDICES

- TSE REIT Index
- TSE REIT Core Index
- TSE REIT Logistics Focus Index
- Nikkei ESG-REIT Index
- MSCI Global Standard Indices
- 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



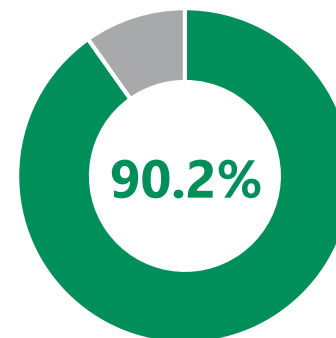
MSCI Japan ESG  
Select Leaders Index

## Dow Jones Sustainability Asia/Pacific Index



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

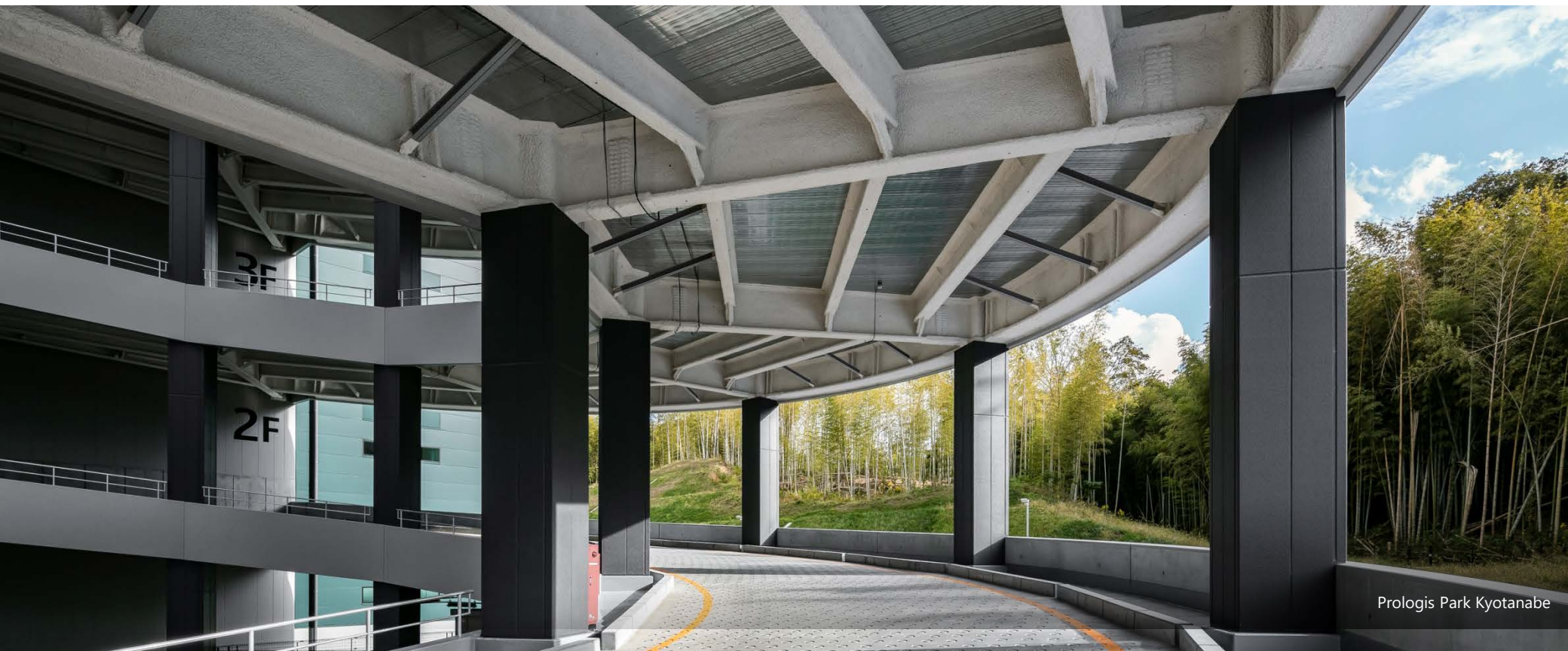
## Percentage of Eligible Green Projects<sup>(1)</sup>





# Key Takeaways

- 1 Impact from COVID-19 will likely be limited
- 2 Strong operational and financial performance continues
- 3 Growth strategies backed by our sponsor pipeline, quality portfolio, operations and the strongest balance sheet
- 4 Japanese logistics real estate market continues to be strong



## SECTION 04

# Appendix

# Summary of May 2020 Fiscal Period Earnings

Asset	Equity	Debt
<ul style="list-style-type: none"> <li>Portfolio Size <sup>(2)</sup> JPY 696.1 bn</li> <li>Unrealized Gain (Ratio) JPY 163.9 bn (24.8%)</li> <li>Appraisal NOI Yield <sup>(3)</sup> 5.2%</li> <li>15th FP Actual NOI Yield <sup>(4)</sup> 5.3%</li> <li>Occupancy Rate Average Occupancy Rate 99.2% As of the end of Fiscal Period 99.2%</li> </ul>	<ul style="list-style-type: none"> <li>Market Cap JPY 749.6 bn</li> <li>DPU <sup>(5)</sup> 15th FP Result JPY 4,645 16th FP Forecast JPY 4,761 17th FP Forecast JPY 4,725</li> <li>NAV per Unit JPY 227,019 (+2.2% over previous FP)</li> </ul>	<ul style="list-style-type: none"> <li>Total Debt Balance JPY 264.0 bn</li> <li>LTV 38.2% (Appraisal LTV <sup>(6)</sup> 30.9%) (16th FP Forecast 37.7%)</li> <li>Borrowing Capacity approx. JPY 160 bn</li> <li>JCR Credit Ratings AA (Stable)</li> </ul>

1. As of May 31, 2020.

2. Portfolio size is calculated based on acquisition prices. The original acquisition price of the building of Prologis Park Iwanuma 1 is not included for 15FP. Same hereinafter.

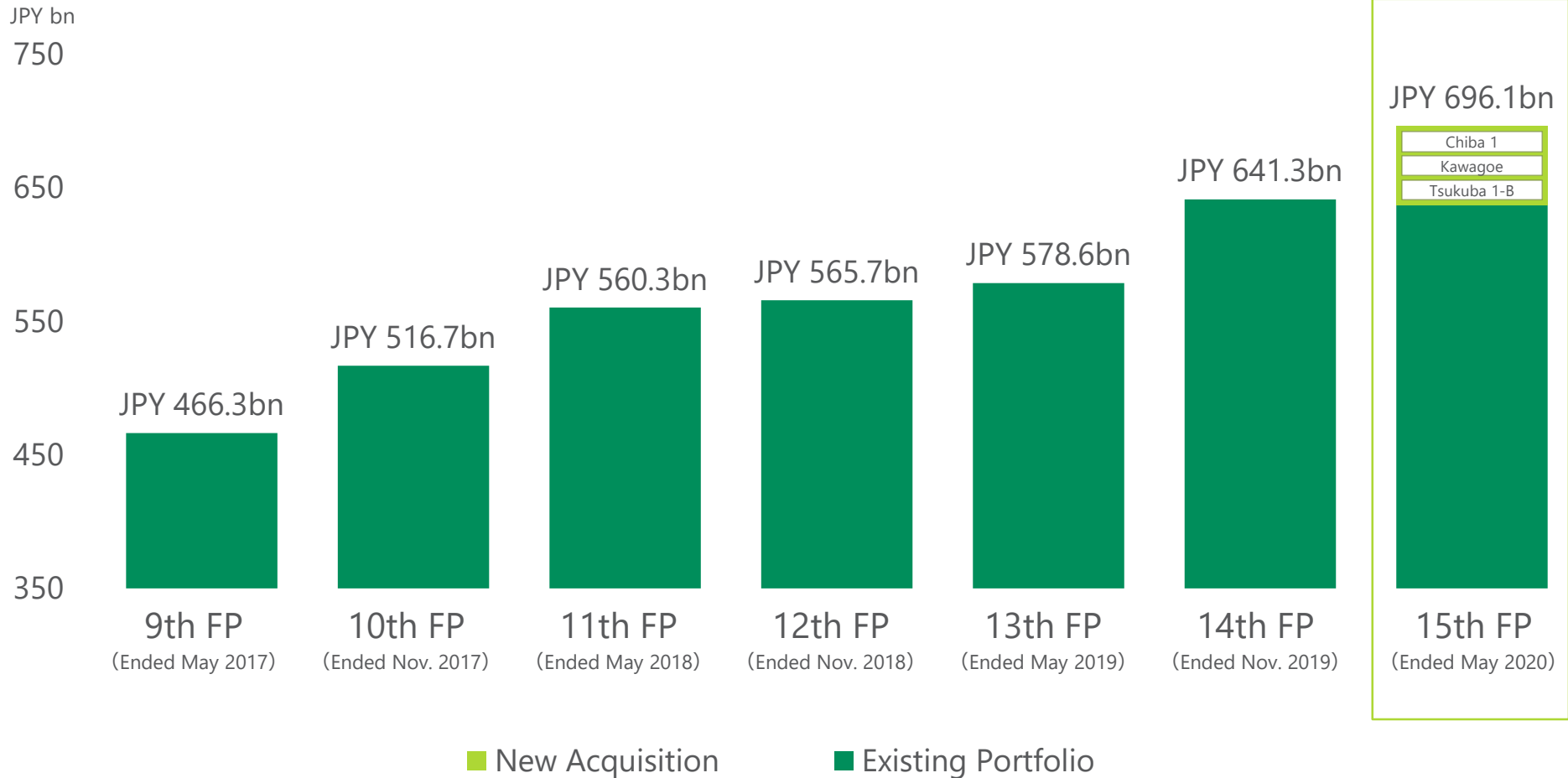
3. Appraisal NOI divided by total acquisition price. Prologis Park Iwanuma 1 is not included in the calculation. Same hereinafter.

4. Annualized actual NOI of 15th FP excluding specific factors divided by total acquisition price. Prologis Park Iwanuma 1 is not included in the calculation. Same hereinafter.

5. Including Surplus Cash Distributions (SCD).

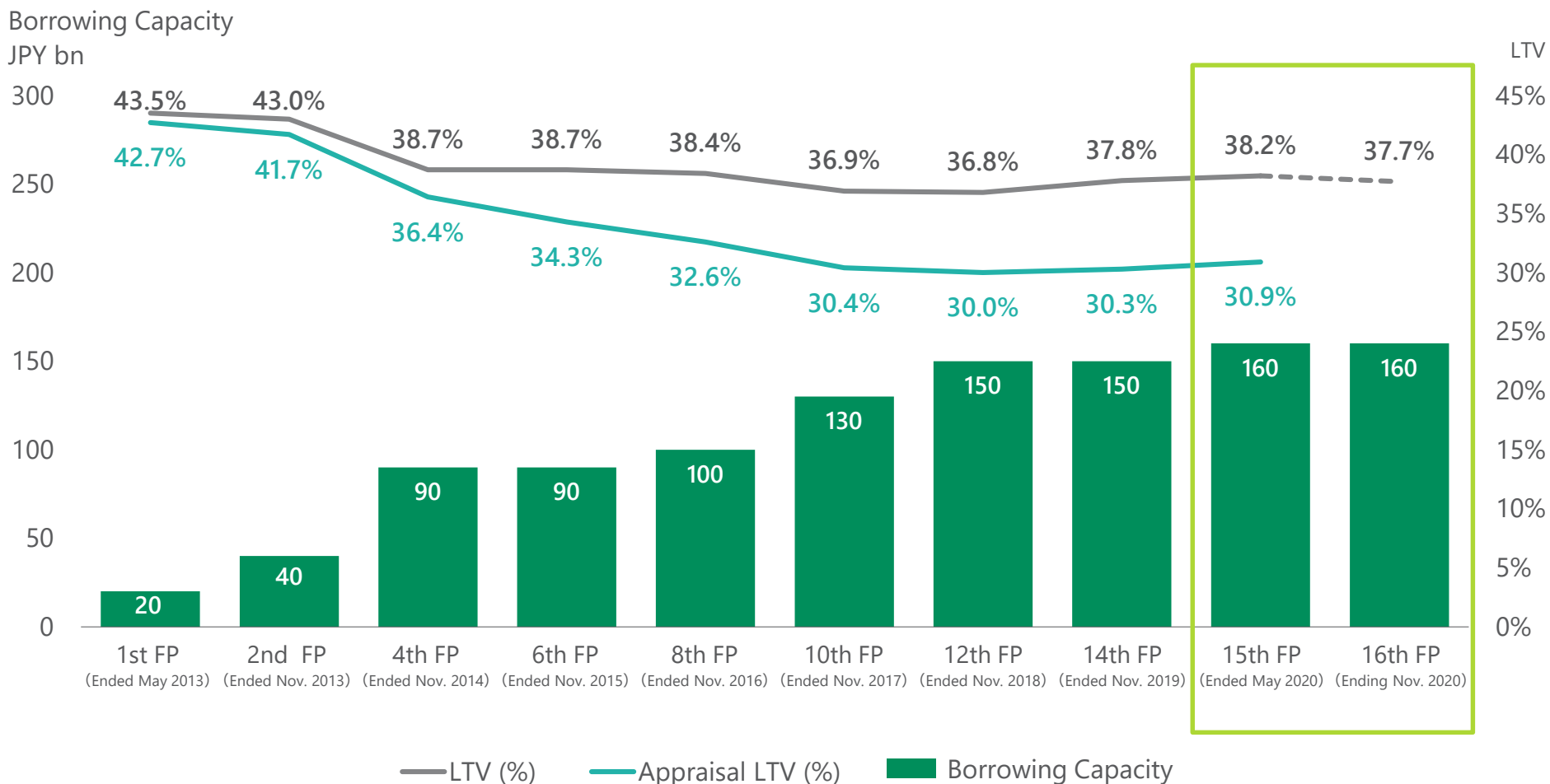
6. Appraisal LTV = total interest-bearing debt as of the end of each FP on balance sheet ÷ { total assets of each FP on balance sheet + (appraisal value of each FP — book value of each FP) }.

# Assets Under Management Continued to Grow



# Maintained Strong Balance Sheet

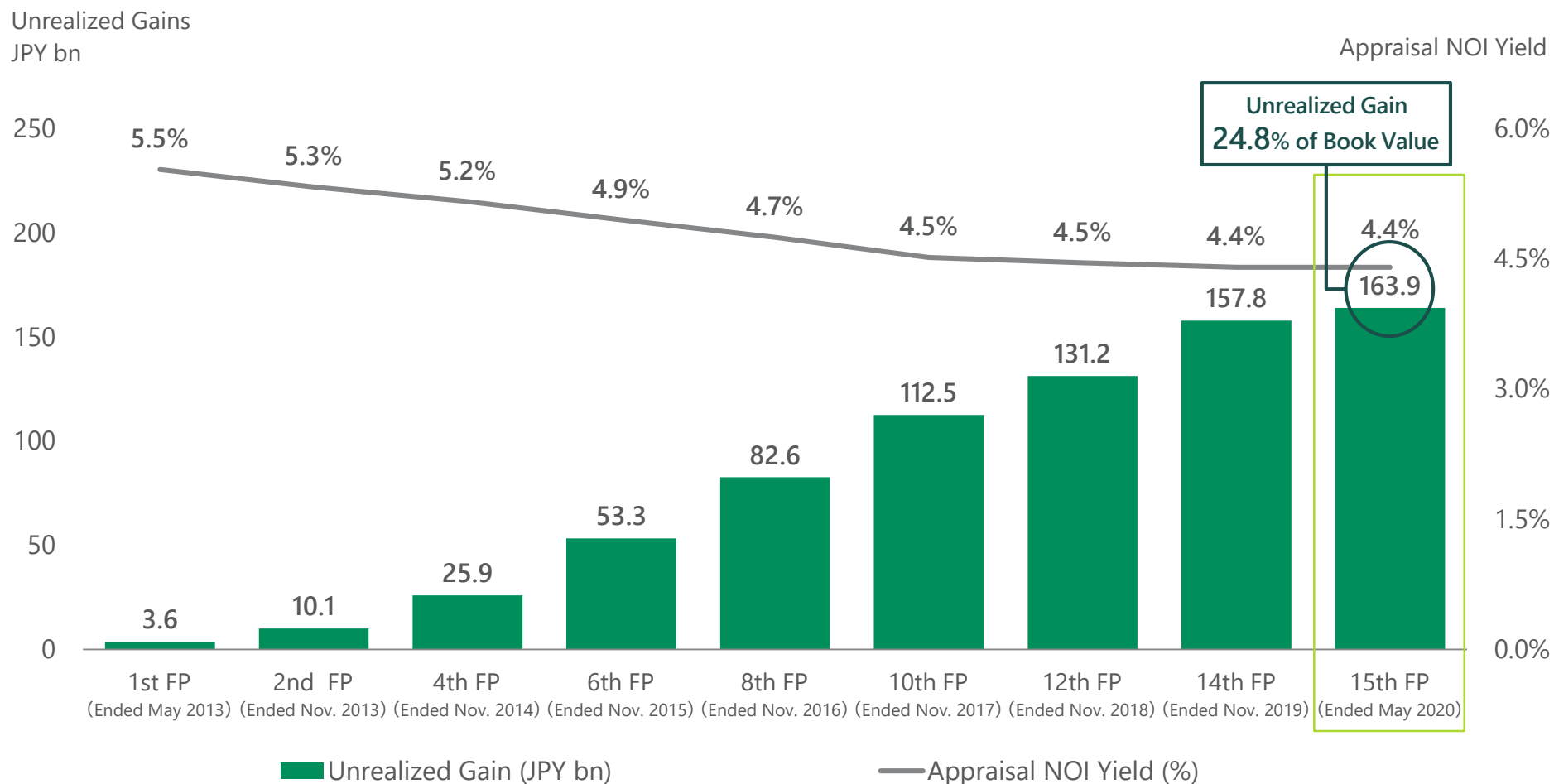
## LTV • APPRAISAL LTV <sup>(1)</sup> • BORROWING CAPACITY





# Cap Rate Trends and Increasing Asset Value

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



# Financial Highlights – May 2020 Fiscal Period

JPY mn	14th FP (Ended Nov. 2019) Actual	15th FP (Ended May 2020) Forecast (as of Jan. 17, 2020)	15th FP (Ended May 2020) Actual	vs Forecast
Operating Revenues	<b>21,680</b>	22,535	<b>22,655</b>	+120
NOI	<b>17,168</b>	17,934	<b>18,086</b>	+152
Operating Income	<b>10,147</b>	10,489	<b>10,617</b>	+128
Ordinary Income	<b>9,324</b>	9,551	<b>9,734</b>	+183
Extraordinary Income	<b>0</b>	0	<b>269</b>	+269
Extraordinary Losses	<b>0</b>	0	<b>3,994</b>	-3,994
Net Income	<b>9,323</b>	9,550	<b>6,008</b>	-3,542
Total Amount of Distributions	<b>10,747</b>	11,273	<b>11,453</b>	+180
Distribution (excl. SCD)	<b>9,323</b>	9,552	<b>6,009</b>	-3,543
Surplus Cash Distributions (SCD)	<b>1,423</b>	1,721	<b>5,444</b>	+3,723
Regular SCD	<b>1,423</b>	1,526	<b>1,526</b>	0
One-time SCD	<b>0</b>	194	<b>167</b>	-27
SCD of Allowance for Temporary Difference Adjustments (ATA) <sup>(1)</sup>	<b>0</b>	0	<b>3,750</b>	+3,750

## Factors of Variance in 15th FP Net Income Forecast vs. Actual Results

- Average Occupancy Rate  
– Forecast 98.8% → Actual 99.2%
- Change in NOI (JPY +152 mn)
- Loss on Fire (JPY -3,752 mn)
- Loss on Typhoon (JPY -242 mn)
- Insurance Payment for damages caused by Typhoon (JPY +269 mn)

## Components of DPU for the 15th FP (JPY 4,645)

- Distributions (excl. SCD) JPY 2,437
- Regular SCD JPY 619
- One-time SCD JPY 68
- SCD of ATA JPY 1,521

1. According to general J-REIT tax practices, the loss on fire incurred on 15th FP is not deductible from NPR's taxable income until the fire insurance income for such loss is recorded. Therefore, a discrepancy between NPR's taxation and accounting occurred where NPR's taxable income exceeded the accounting profit by the amount of the loss on fire for 15th FP. According to the J-REIT tax code, NPR loses its tax-exempt status in case it fails to distribute more than 90% of its taxable income in each fiscal period. Accordingly, to prevent the loss of NPR's tax-exempt status and avoid leakage of unitholders' value, NPR decided to distribute 3,750 million yen which is approximately equivalent to the amount of the loss. This tax/distribution treatment is called the "Allowance for Temporary Difference Adjustments" ("ATA"), as defined by the J-REIT tax code.

# Forecasts for Nov. 2020 and May 2021 Fiscal Periods

	16th FP (Ending Nov. 2020) Previous Forecast (as of Jan. 17, 2020)	16th FP (Ending Nov. 2020) Revised Forecast	Change from Forecast	17th FP (Ending May 2021) Forecast
JPY mn				
Operating Revenues	23,657	<b>23,612</b>	-44	<b>23,269</b>
NOI	18,768	<b>18,726</b>	-41	<b>18,424</b>
Operating Income	11,030	<b>11,068</b>	+37	<b>10,793</b>
Ordinary Income	10,161	<b>10,177</b>	+15	<b>9,913</b>
Extraordinary Income	0	<b>4,000</b>	+4,000	<b>180</b>
Extraordinary Losses	0	<b>990</b>	+990	<b>130</b>
Net Income	10,160	<b>13,186</b>	+3,025	<b>9,962</b>
Total Amount of Distributions	11,737	<b>11,739</b>	+2	<b>11,651</b>
Distribution (excl. SCD)	10,159	<b>9,436</b>	-722	<b>9,962</b>
Surplus Cash Distributions (SCD)	1,578	<b>2,303</b>	+724	<b>1,689</b>
Regular SCD	1,578	<b>1,563</b>	-14	<b>1,560</b>
One-time SCD	0	<b>739</b>	+739	<b>128</b>
JPY				
Distributions Per Unit (DPU) (JPY)	4,760	<b>4,761</b>	+1	<b>4,725</b>
DPU (excl. SCD)	4,120	<b>3,827</b>	-293	<b>4,040</b>
SCD Per Unit	640	<b>934</b>	+294	<b>685</b>

- Anticipate high occupancy rates
  - Average occupancy for 16th FP: 99.2%
  - Average occupancy for 17th FP: 98.7%

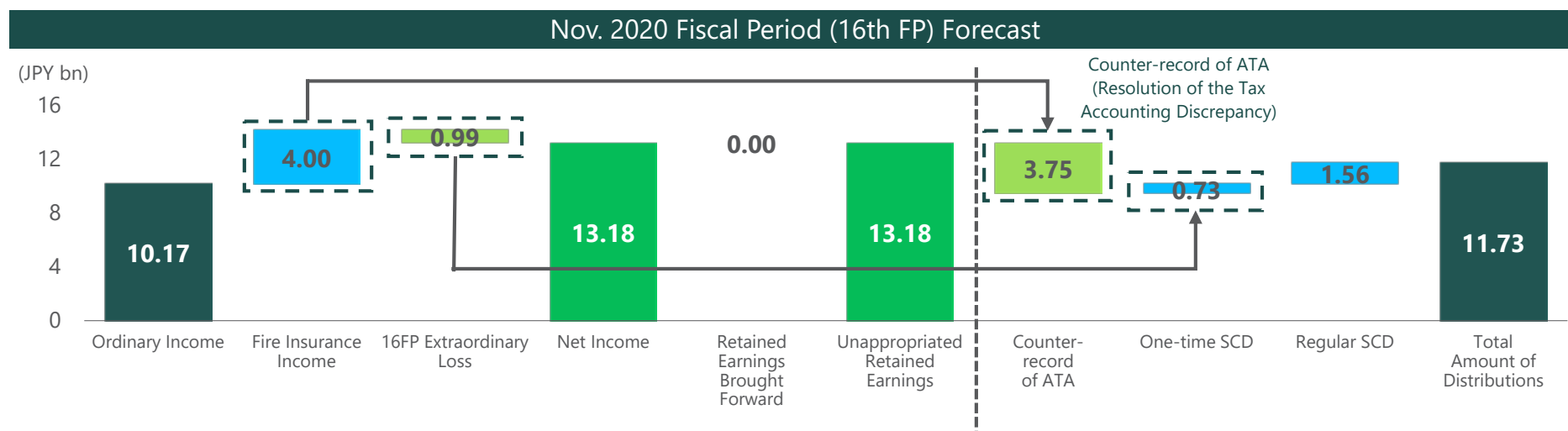
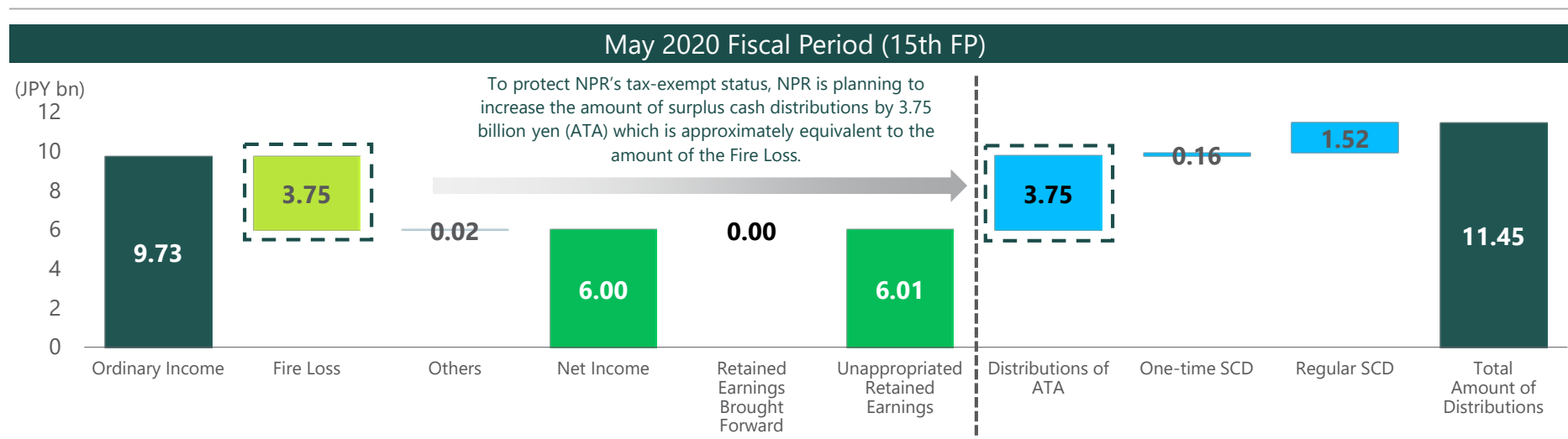
## 15th FP vs. 16th FP Variance Factors of Revenues & DPU

- Revenues
  - Fire Insurance Income of PP Iwanuma 1 (+)
  - Full Contribution of revenues from the 3 assets acquired during 15th FP (+)
- Expenses
  - Demolition Cost of PP Iwanuma 1 (-)
- Distribution
  - Counter-record of ATA (-)
  - Increase in One-time SCD (+)

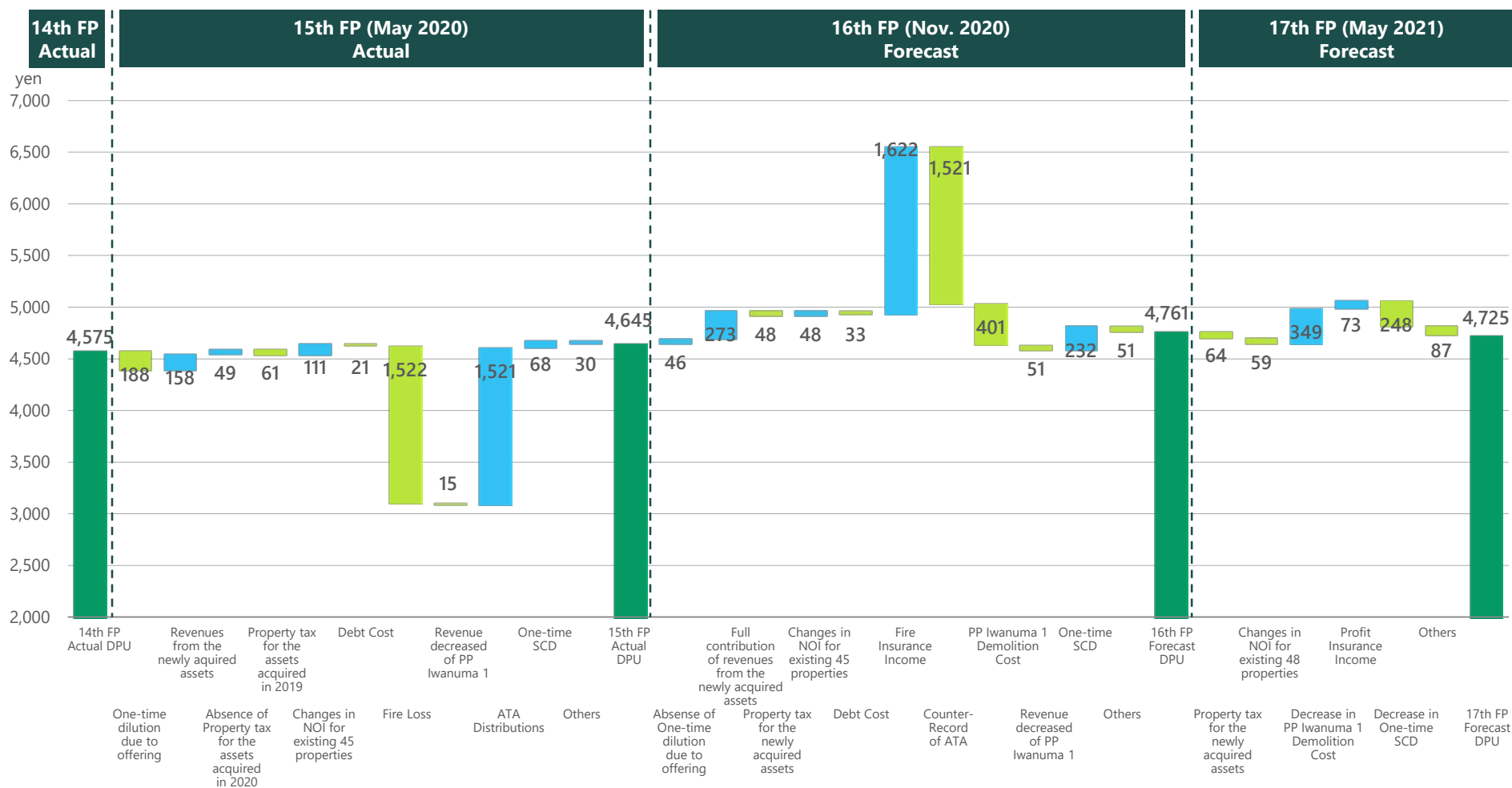
## 16th FP vs. 17th FP Variance Factors of Revenues & DPU

- Revenues
  - Profit Insurance Income from PP Iwanuma 1 (+)
- Expenses
  - Decrease in Demolition Cost of PP Iwanuma 1 (+)
  - Property tax to be incurred for the 3 assets acquired during 15th FP (-)
- Distribution
  - Decrease in One-time SCD (-)

# Components of Distributions for the 15th/16th Fiscal Period

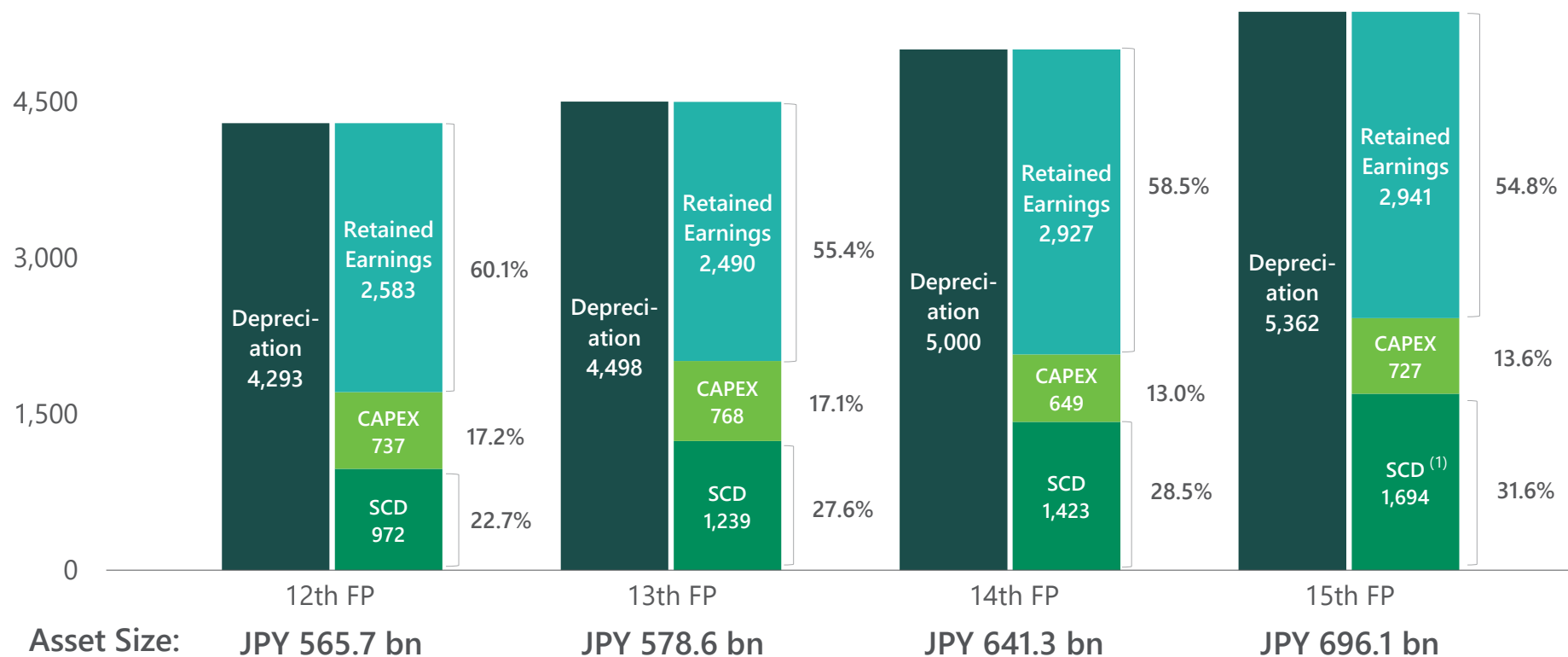


# DPU Variance Factors



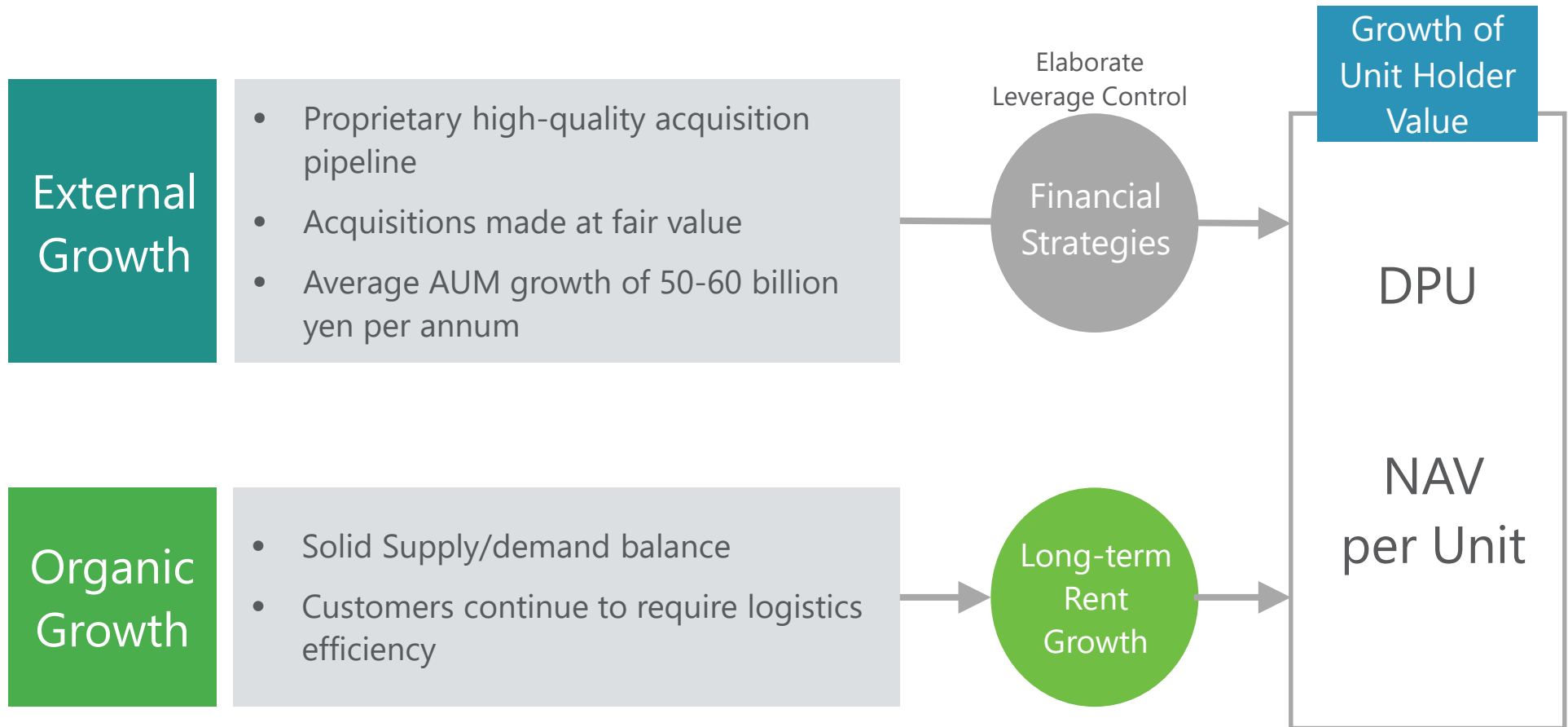
# Historical Uses of Surplus Cash

JPY mn  
6,000



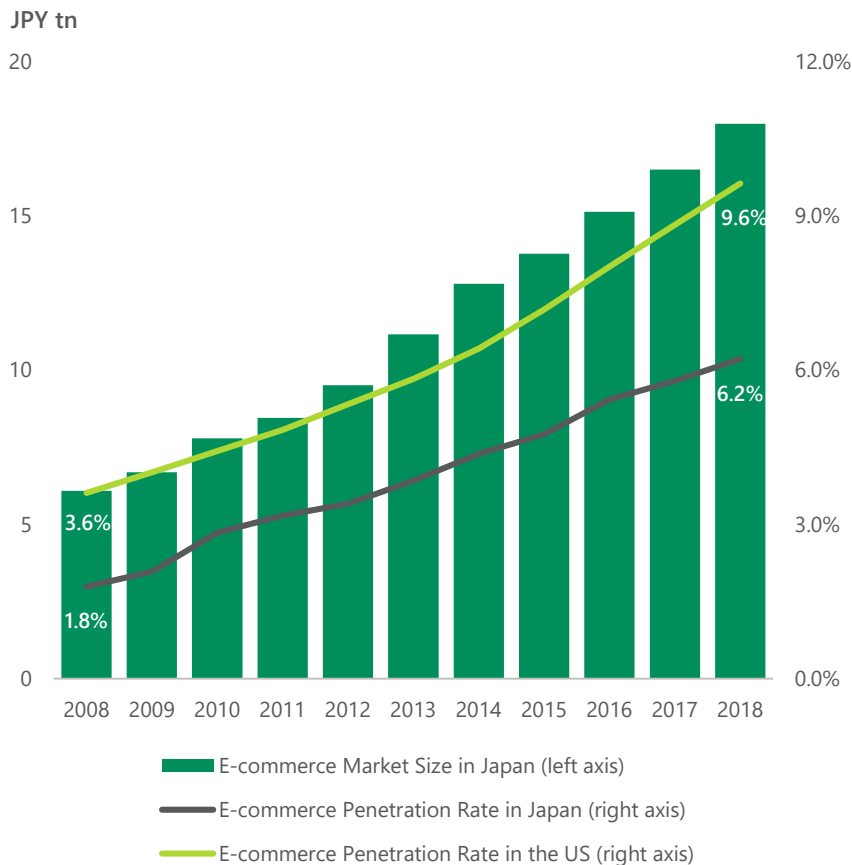


# NPR's Consistent Growth Strategy



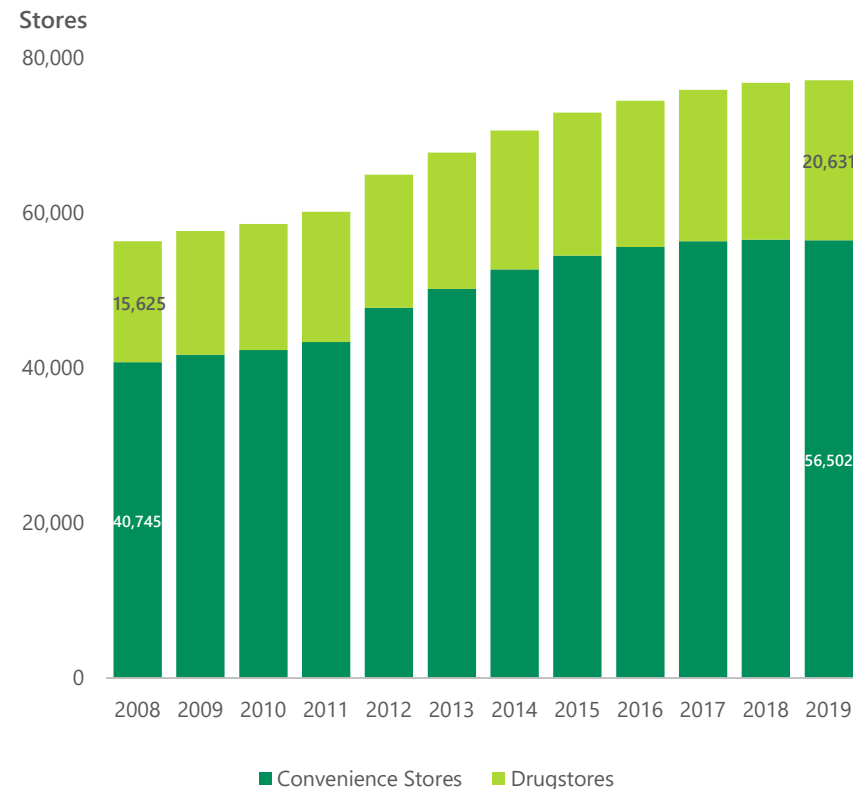
# Positive Structural Trends Driving Demand

## E-COMMERCE MARKET SIZE & COMPARATIVE PENETRATION RATE



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

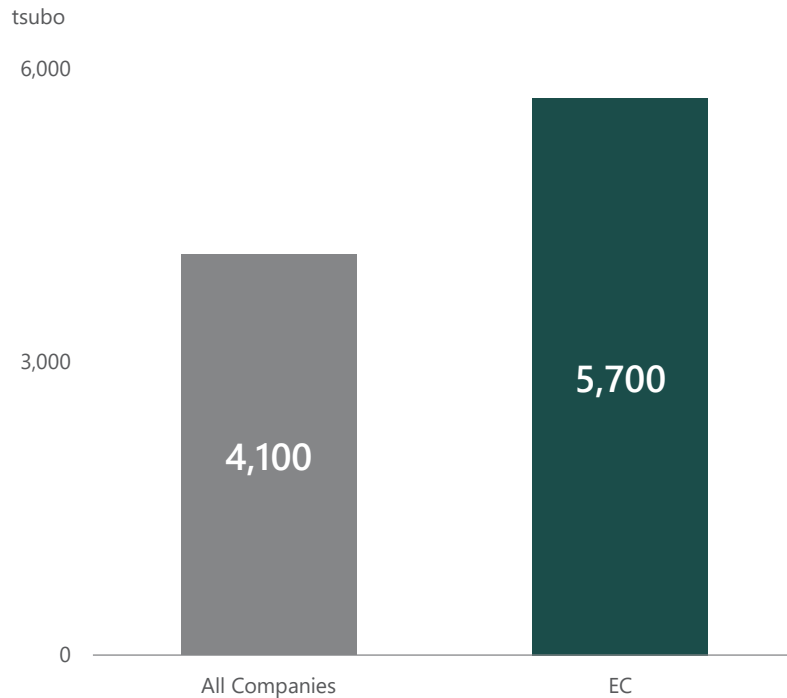
## TOTAL NUMBER OF CONVENIENCE STORES & DRUGSTORES



Source: METI "Yearbook of the Current Survey of Commerce" and JACDS "Investigation on drugstores in Japan"

# Rate of Pre-Leasing is Increasing

AVERAGE LEASED AREA BY CONTRACT <sup>(1)</sup>



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



1. As of Jan. 31, 2020. 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.

# 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



# May 2020 FP – Balance Sheet

Assets (JPY, thousands)	14th FP (As of Nov. 30, 2019)	15th FP (As of May 31, 2020)
<b>I Current assets</b>		
Cash and deposits	19,409,839	20,770,795
Cash and deposits in trust	5,101,730	5,352,128
Operating accounts receivable	1,417,858	1,395,218
Prepaid expenses	411,354	525,030
Consumption taxes receivable	2,219,569	2,224,753
Other current assets	32	147
Total current assets	28,560,383	30,268,073
<b>II Fixed assets</b>		
Property and equipment		
Buildings, net	6,331,366	6,246,113
Structures, net	122,841	113,556
Tools, furniture and fixtures, net	2,080	1,885
Land	3,834,204	3,834,204
Buildings in trust, net	348,346,744	378,302,868
Structures in trust, net	7,700,754	8,373,493
Machinery and equipment in trust, net	17,702	16,786
Tools, furniture and fixtures in trust, net	570,159	640,309
Land in trust	241,111,797	262,116,051
Construction in progress in trust	644	-
Total property and equipment	608,038,294	659,645,268
Intangible assets		
Other intangible assets in trust	178,474	198,161
Total intangible assets	178,474	198,161
Investments and other assets		
Long-term prepaid expenses	1,605,259	1,495,382
Deferred tax assets	7	45
Security deposit	10,000	10,000
Other	400	400
Total investments and other assets	1,615,666	1,505,828
Total fixed assets	609,832,436	661,349,257
<b>III Deferred assets</b>		
Total deferred assets	68,979	134,580
<b>Total assets</b>	<b>638,461,800</b>	<b>691,751,911</b>

Liabilities (JPY, thousands)	14th FP (As of Nov. 30, 2019)	15th FP (As of May 31, 2020)
<b>I Current liabilities</b>		
Operating accounts payable	1,779,273	1,579,367
Short-term loans payable	-	3,800,000
Current portion of long-term loans payable	-	21,300,000
Accounts payable	232,102	376,605
Accrued expenses	2,145,288	2,269,076
Income taxes payable	739	1,461
Advances received	3,773,909	4,034,927
Other current liabilities	83,554	512,158
Total current liabilities	8,014,867	33,873,597
<b>II Non-current liabilities</b>		
Investment corporation bonds payable	16,000,000	26,000,000
Long-term loans payable	225,100,000	212,900,000
Tenant leasehold and security deposits	247,773	247,773
Tenant leasehold and security deposits in trust	15,553,784	16,861,869
Other non-current liabilities	5,487	7,349
Total non-current liabilities	256,907,044	256,016,991
<b>Total liabilities</b>	<b>264,921,911</b>	<b>289,890,589</b>
Net assets (JPY, thousands)		
<b>I Unit holders' equity</b>		
Unit holders' capital		
Unit holders' capital, gross	374,425,663	407,485,839
Deduction of unit holders' capital	△10,211,573	△11,635,158
Unit holders' capital	364,214,089	395,850,681
Surplus		
Unappropriated retained earnings (undisposed loss)	9,325,798	6,010,640
Total surplus	9,325,798	6,010,640
Total unit holders' equity	373,539,888	401,861,322
Total net assets	373,539,888	401,861,322
<b>Total liabilities and net assets</b>	<b>638,461,800</b>	<b>691,751,911</b>

# May 2020 FP – Income Statement

JPY, thousands	14th FP	15th FP
Operating revenues		
Operating rental revenues	20,139,002	21,249,172
Other rental revenues	1,541,237	1,406,223
Total operating revenues	21,680,240	22,655,396
Operating expenses		
Expenses related to property rental business	9,512,082	9,930,938
Asset management fee	1,882,842	1,979,659
Asset custody fee	45,304	47,686
Directors' compensation	7,200	7,200
Audit fee	15,000	15,000
Other operating expenses	70,537	57,644
Total operating expenses	11,532,966	12,038,128
<b>Operating income</b>	<b>10,147,273</b>	<b>10,617,267</b>
Non-operating income		
Interest income	97	107
Reversal of distributions payable	531	555
Interest on refund of consumption taxes	1,551	1,204
Refund of real estate taxes and other	25,799	-
Gain on donation of fixed assets	-	18,380
Total non-operating income	27,981	20,247
Non-operating expenses		
Interest expenses on loans payable	475,350	507,822
Interest expenses on investment corporation bonds	51,725	59,813
Amortization of investment corporation bond issuance costs	6,759	6,082
Borrowing related expenses	210,530	218,867
Investment unit issuance expenses	28,143	31,393
Offering costs associated with the issuance of investment units	78,412	78,507
Others	40	32
Total non-operating expenses	850,962	902,519
<b>Ordinary income</b>	<b>9,324,291</b>	<b>9,734,996</b>

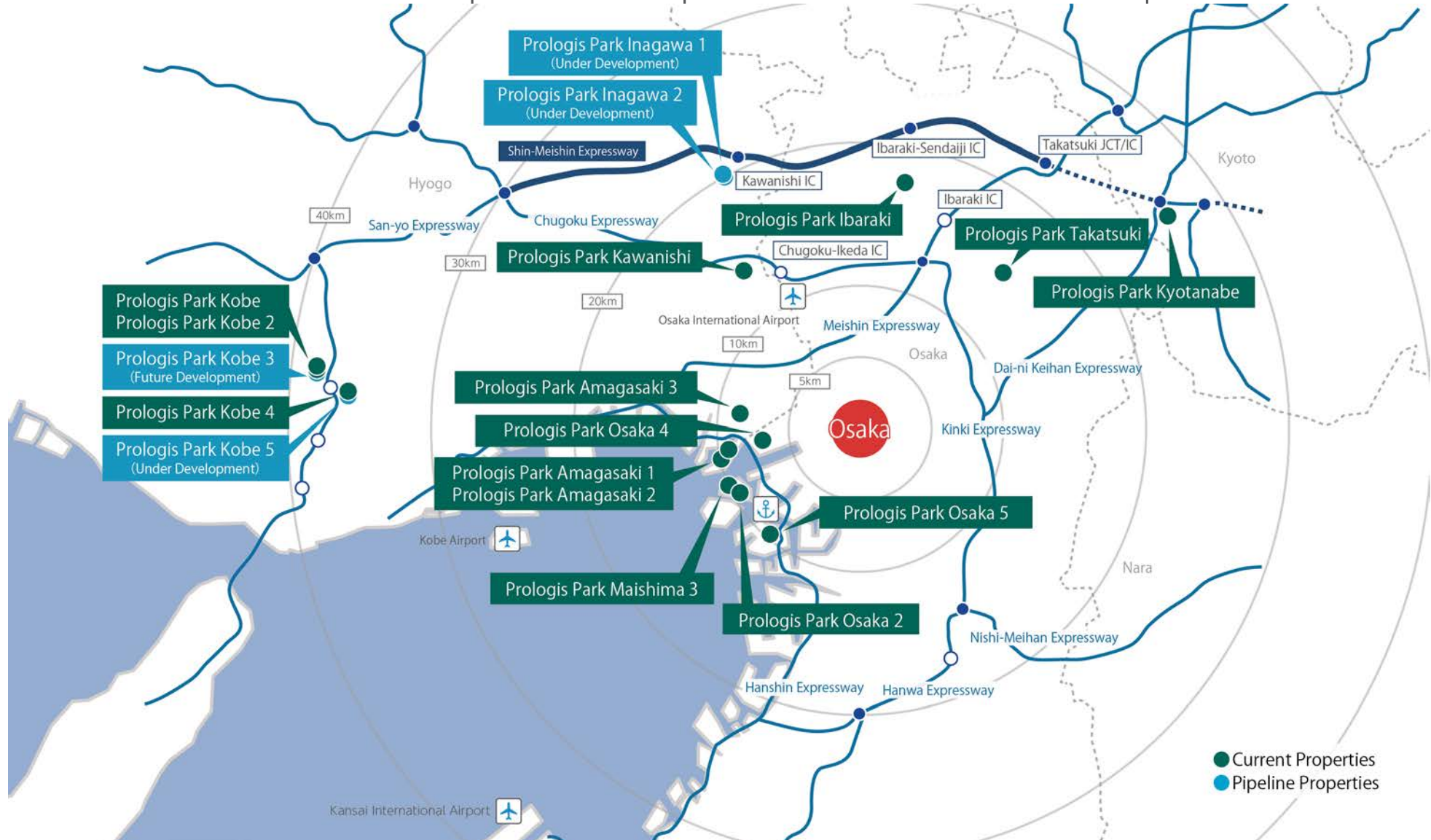
	14th FP	15th FP
Extraordinary income		
Insurance income	-	269,914
Total extraordinary income	-	269,914
Extraordinary losses		
Loss on Typhoon	-	242,458
Loss on Fire	-	3,752,395
Total extraordinary losses	-	3,994,853
<b>Income before income taxes</b>	<b>9,324,291</b>	<b>6,010,057</b>
Incomes taxes – current	754	1,477
Incomes taxes – deferred	12	△38
Total income taxes	767	1,439
<b>Net Income</b>	<b>9,323,524</b>	<b>6,008,618</b>
Retained earnings brought forward	2,274	2,022
<b>Unappropriated retained earnings (undisposed loss)</b>	<b>9,325,798</b>	<b>6,010,640</b>



# NPR Portfolio and Pipeline Properties – Tokyo Metropolitan Area



# NPR Portfolio and Pipeline Properties - Osaka Metropolitan Area





# Portfolio Summary

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	45,100	125,026	4.9%	11.6	5.4%	5.4%	100.0%	0.6%
M-02	Prologis Park Zama 1	Zama, Kanagawa	27,900	34,400	113,471	4.0%	11.1	5.3%	5.6%	99.8%	0.8%
M-03	Prologis Park Kawajima	Hiki, Saitama	25,600	33,400	144,897	3.7%	9.0	6.0%	6.4%	99.9%	7.5%
M-04	Prologis Park Osaka 2	Osaka, Osaka	25,000	33,800	130,553	3.6%	13.1	5.9%	6.1%	99.3%	0.8%
M-05	Prologis Park Maishima 3	Osaka, Osaka	13,500	16,200	74,874	1.9%	12.3	5.5%	5.5%	98.2%	8.9%
M-06	Prologis Park Kasugai	Kasugai, Aichi	12,500	18,900	91,455	1.8%	12.4	7.0%	6.4%	98.1%	3.9%
M-07	Prologis Park Kitanagoya	Kitanagoya, Aichi	6,500	9,420	42,751	0.9%	11.0	6.6%	6.3%	100.0%	7.7%
B-02	Prologis Park Takatsuki	Takatsuki, Osaka	4,410	5,350	19,898	0.6%	8.4	5.5%	6.0%	100.0%	5.3%
B-03	Prologis Park Tosu 2	Tosu, Saga	3,030	3,920	21,778	0.4%	7.9	6.3%	6.0%	100.0%	0.5%
B-04	Prologis Park Tosu 4	Tosu, Saga	3,810	4,930	28,765	0.5%	8.4	6.4%	5.6%	100.0%	0.6%
M-09	Prologis Park Tokyo-Ohta	Ota, Tokyo	29,500	40,300	73,023	4.2%	14.7	5.1%	5.2%	99.7%	3.6%
M-10	Prologis Park Zama 2	Zama, Kanagawa	21,900	29,400	95,121	3.1%	7.9	5.7%	5.7%	100.0%	0.8%
M-11	Prologis Park Funabashi 5 Annex	Funabashi, Chiba	11,000	14,500	56,556	1.6%	15.5	5.6%	5.9%	100.0%	4.3%
M-12	Prologis Park Narita 1-A&B	Narita, Chiba	8,420	10,500	62,058	1.2%	15.3	6.4%	6.8%	96.0%	3.9%
M-13	Prologis Park Narita 1-C	Narita, Chiba	4,810	6,000	32,230	0.7%	13.1	6.4%	7.0%	100.0%	3.9%
M-14	Prologis Park Amagasaki 1	Amagasaki, Hyogo	17,600	21,200	91,446	2.5%	14.8	5.5%	5.1%	100.0%	4.6%
M-15	Prologis Park Amagasaki 2	Amagasaki, Hyogo	19,200	22,300	91,399	2.8%	13.2	5.3%	5.4%	99.9%	4.4%
B-05	Prologis Park Narashino 4	Narashino, Chiba	20,000	26,500	91,529	2.9%	6.9	5.3%	5.3%	100.0%	1.1%
M-16	Prologis Park Tokyo-Shinkiba	Koto, Tokyo	13,600	18,900	31,022	2.0%	13.0	5.0%	5.3%	97.1%	5.9%
M-17	Prologis Park Yokohama-Tsurumi	Yokohama, Kanagawa	13,800	18,500	63,973	2.0%	12.1	5.5%	5.6%	99.8%	1.1%
M-18	Prologis Park Osaka 4	Osaka, Osaka	21,000	26,600	106,135	3.0%	8.1	5.5%	5.4%	100.0%	2.7%
M-20	Prologis Park Kawajima 2	Hiki, Saitama	8,180	9,520	42,005	1.2%	6.3	5.4%	5.8%	100.0%	9.0%
B-06	Prologis Park Ebina	Ebina, Kanagawa	8,250	11,000	32,500	1.2%	10.2	5.3%	5.4%	100.0%	6.0%
B-07	Prologis Park Kawanishi	Kawanishi, Hyogo	13,600	14,900	75,493	2.0%	6.6	4.9%	5.9%	100.0%	3.7%
B-08	Prologis Park Amagasaki 3	Amagasaki, Hyogo	9,090	10,600	39,527	1.3%	6.7	5.1%	5.1%	100.0%	4.4%
B-09	Prologis Park Kobe	Kobe, Hyogo	6,410	7,180	32,511	0.9%	6.5	5.6%	5.7%	100.0%	0.4%
M-21	Prologis Park Kitamoto	Kitamoto, Saitama	12,600	14,200	69,432	1.8%	6.2	5.4%	5.4%	100.0%	3.6%
M-22	Prologis Park Joso	Joso, Ibaraki	7,120	7,630	37,165	1.0%	5.6	5.0%	4.4%	100.0%	4.5%
M-23	Prologis Park Osaka 5	Osaka, Osaka	17,600	19,300	78,087	2.5%	5.4	4.8%	4.8%	92.8%	3.5%
B-10	Prologis Park Sendai Izumi	Sendai, Miyagi	4,820	5,370	26,353	0.7%	4.7	5.7%	5.9%	100.0%	1.4%
M-24	Prologis Park Narita 3	Sambu, Chiba	9,240	10,700	52,982	1.3%	12.0	5.7%	5.2%	95.1%	0.3%
B-11	Prologis Park Koga 1	Koga, Ibaraki	7,680	8,290	34,158	1.1%	3.6	5.3%	5.3%	100.0%	0.3%
B-12	Prologis Park Kobe 2	Kobe, Hyogo	13,700	14,400	62,468	2.0%	3.6	5.1%	5.2%	100.0%	0.3%
M-25	Prologis Park Narashino 5	Narashino, Chiba	13,600	15,100	58,159	2.0%	4.2	4.6%	4.8%	100.0%	4.6%
M-26	Prologis Park Ibaraki	Ibaraki, Osaka	38,300	42,400	154,182	5.5%	3.7	4.6%	4.8%	100.0%	2.1%
B-13	Prologis Park Koga 2	Koga, Ibaraki	3,930	4,020	19,699	0.6%	3.1	5.0%	5.0%	100.0%	3.5%
M-27	Prologis Park Ichikawa 3	Ichikawa, Chiba	17,000	18,000	50,714	2.4%	2.5	4.2%	4.3%	100.0%	3.4%
M-28	Prologis Park Narita 1-D	Narita, Chiba	5,260	5,350	27,960	0.8%	5.4	5.1%	5.4%	100.0%	3.5%
M-29	Prologis Park Yoshimi	Hiki, Saitama	21,300	22,000	98,076	3.1%	4.5	4.8%	4.9%	100.0%	3.1%
B-14	Prologis Park Koga 3	Koga, Ibaraki	5,440	5,540	29,196	0.8%	1.9	5.1%	4.9%	100.0%	4.6%
B-15	Prologis Park Tsukuba 1-A	Tsukuba, Ibaraki	12,900	13,200	65,168	1.9%	1.7	4.9%	4.9%	100.0%	2.1%
M-30	Prologis Park Higashimatsuyama	Higashimatsuyama, Saitama	12,600	12,900	60,540	1.8%	2.4	4.8%	4.8%	100.0%	3.0%
M-31	Prologis Park Kyotanabe	Kyotanabe, Kyoto	35,800	36,800	135,024	5.1%	1.6	4.5%	4.8%	100.0%	3.2%
B-16	Prologis Park Sendai Izumi 2	Sendai, Miyagi	9,250	9,230	36,542	1.3%	1.7	5.1%	5.1%	100.0%	1.0%
B-17	Prologis Park Kobe 4	Kobe, Hyogo	5,020	5,050	24,154	0.7%	1.0	4.9%	4.9%	100.0%	1.5%
M-32	Prologis Park Chiba 1	Chiba, Chiba	31,000	31,400	127,045	4.5%	0.7	4.4%	4.5%	93.7%	2.3%
M-33	Prologis Park MFLP Kawagoe <sup>(4)</sup>	Kawagoe, Saitama	14,800	14,850	56,723	2.1%	1.6	4.4%	4.7%	100.0%	3.1%
B-18	Prologis Park Tsukuba 1-B	Tsukuba, Ibaraki	13,500	13,500	65,570	1.9%	0.8	4.7%	4.9%	100.0%	2.8%
<b>Total / Average (48 properties)</b>			<b>694,970</b>	<b>822,550</b>	<b>3,179,414</b>	<b>99.8%</b>	<b>7.5</b>	<b>5.2%</b>	<b>5.3%</b>	<b>99.2%</b>	-
M-19	Prologis Park Iwanuma 1 <sup>(5)</sup>	Iwanuma, Miyagi	1,179	1,240	-	0.2%	-	-	-	-	-
<b>Total (49 properties)</b>			<b>696,149</b>	<b>823,790</b>	<b>3,179,414</b>	<b>100.0%</b>	<b>7.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.2%<sup>(6)</sup></b>

1. As of May 31, 2020.

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. For Prologis Park MFLP Kawagoe, the figures of Leasable area is shown based on our 50% co-ownership.

5. For Prologis Park Iwanuma 1, only the land of the property is included in the calculation.

6. Portfolio PML is calculated based on Portfolio Seismic Review Reports as of Nov. 18, 2019 for the aggregate of the 49 properties including Prologis Park Iwanuma 1.

# Summary of Appraisals

No.	Property Name	Acquisition Price (JPY mn)	Appraisal Value (JPY mn)	15th FP		14th FP		Book Value (JPY mn)	Unrealized Gain (JPY mn)	Appraisal Value (JPY mn)	Direct Cap Rate
				Change from 14th FP	Direct Cap Rate	Change from 14th FP					
M-01	Prologis Park Ichikawa 1	33,900	45,100	500	3.9	0.0		31,605	13,494	44,600	3.9
M-02	Prologis Park Zama 1	27,900	34,400	400	4.2	0.0		25,395	9,004	34,000	4.2
M-03	Prologis Park Kawajima	25,600	33,400	200	4.5	0.0		22,653	10,746	33,200	4.5
M-04	Prologis Park Osaka 2	25,000	33,800	100	4.3	0.0		22,480	11,319	33,700	4.3
M-05	Prologis Park Maishima 3	13,500	16,200	100	4.4	0.0		11,995	4,204	16,100	4.4
M-06	Prologis Park Kasugai	12,500	18,900	500	4.5	0.0		11,095	7,804	18,400	4.5
M-07	Prologis Park Kitanagoya	6,500	9,420	0	4.3	0.0		5,787	3,632	9,420	4.3
B-02	Prologis Park Takatsuki	4,410	5,350	10	4.5	0.0		4,074	1,275	5,340	4.5
B-03	Prologis Park Tosu 2	3,030	3,920	0	4.6	0.0		2,687	1,232	3,920	4.6
B-04	Prologis Park Tosu 4	3,810	4,930	0	4.6	0.0		3,433	1,496	4,930	4.6
M-09	Prologis Park Tokyo-Ohta	29,500	40,300	500	3.6	0.0		28,725	11,574	39,800	3.6
M-10	Prologis Park Zama 2	21,900	29,400	300	4.1	0.0		20,090	9,309	29,100	4.1
M-11	Prologis Park Funabashi 5 Annex	11,000	14,500	200	4.0	0.0		10,512	3,987	14,300	4.0
M-12	Prologis Park Narita 1-A&B	8,420	10,500	0	4.9	0.0		7,813	2,686	10,500	4.9
M-13	Prologis Park Narita 1-C	4,810	6,000	10	4.9	0.0		4,508	1,491	5,990	4.9
M-14	Prologis Park Amagasaki 1	17,600	21,200	0	4.5	0.0		16,512	4,687	21,200	4.5
M-15	Prologis Park Amagasaki 2	19,200	22,300	0	4.5	0.0		18,080	4,219	22,300	4.5
B-05	Prologis Park Narashino 4	20,000	26,500	0	3.9	0.0		18,251	8,248	26,500	3.9
M-16	Prologis Park Tokyo-Shinkiba	13,600	18,900	300	3.6	0.0		13,269	5,630	18,600	3.6
M-17	Prologis Park Yokohama-Tsurumi	13,800	18,500	0	4.0	0.0		12,631	5,868	18,500	4.0
M-18	Prologis Park Osaka 4	21,000	26,600	500	4.3	0.0		19,135	7,464	26,100	4.3
M-20	Prologis Park Kawajima 2	8,180	9,520	30	4.5	0.0		7,510	2,009	9,490	4.5
B-06	Prologis Park Ebina	8,250	11,000	100	4.0	0.0		8,033	2,966	10,900	4.0
B-07	Prologis Park Kawanishi	13,600	14,900	-100	4.4	0.0		12,724	2,175	15,000	4.4
B-08	Prologis Park Amagasaki 3	9,090	10,600	0	4.3	0.0		8,530	2,069	10,600	4.3
B-09	Prologis Park Kobe	6,410	7,180	0	4.8	0.0		5,884	1,295	7,180	4.8
M-21	Prologis Park Kitamoto	12,600	14,200	200	4.7	0.0		11,967	2,232	14,000	4.7
M-22	Prologis Park Joso	7,120	7,630	80	4.6	0.0		6,668	961	7,550	4.6
M-23	Prologis Park Osaka 5	17,600	19,300	200	4.3	0.0		16,705	2,594	19,100	4.3
B-10	Prologis Park Sendai Izumi	4,820	5,370	-20	5.0	0.0		4,421	948	5,390	5.0
M-24	Prologis Park Narita 3	9,240	10,700	200	4.7	0.0		8,874	1,825	10,500	4.7
B-11	Prologis Park Koga 1	7,680	8,290	-30	4.8	0.0		7,235	1,054	8,320	4.8
B-12	Prologis Park Kobe 2	13,700	14,400	0	4.8	0.0		12,992	1,407	14,400	4.8
M-25	Prologis Park Narashino 5	13,600	15,100	0	4.0	0.0		13,090	2,009	15,100	4.0
M-26	Prologis Park Ibaraki	38,300	42,400	0	4.1	0.0		37,219	5,180	42,400	4.1
B-13	Prologis Park Koga 2	3,930	4,020	0	4.8	0.0		3,740	279	4,020	4.8
M-27	Prologis Park Ichikawa 3	17,000	18,000	0	3.8	0.0		16,648	1,351	18,000	3.8
M-28	Prologis Park Narita 1-D	5,260	5,350	0	4.9	0.0		5,160	189	5,350	4.9
M-29	Prologis Park Yoshimi	21,300	22,000	100	4.5	0.0		20,706	1,293	21,900	4.5
B-14	Prologis Park Koga 3	5,440	5,540	-10	4.8	0.0		5,287	252	5,550	4.8
B-15	Prologis Park Tsukuba 1-A	12,900	13,200	200	4.6	0.0		12,533	666	13,000	4.6
M-30	Prologis Park Higashimatsuyama	12,600	12,900	100	4.5	0.0		12,476	423	12,800	4.5
M-31	Prologis Park Kyotanabe	35,800	36,800	100	4.3	0.0		35,625	1,174	36,700	4.3
B-16	Prologis Park Sendai Izumi 2	9,250	9,230	-30	5.0	0.0		9,176	53	9,260	5.0
B-17	Prologis Park Kobe 4	5,020	5,050	30	4.8	0.0		5,005	44	5,020	4.8
M-32	Prologis Park Chiba 1	31,000	31,400	400	4.3	-0.1		31,229	170	31,000	4.4
M-33	Prologis Park MFLP Kawagoe	14,800	14,850	50	4.3			14,902	-52	14,800	4.3
B-18	Prologis Park Tsukuba 1-B	13,500	13,500	0	4.6	0.0		13,562	-62	13,500	4.6
<b>Total (48 properties)</b>		<b>694,970</b>	<b>822,550</b>	<b>5,220</b>	-			<b>658,656</b>	<b>163,893</b>	<b>817,330</b>	-
M-19	Prologis Park Iwanuma 1	1,179	1,240	-6,770	-	-		1,186	53	8,010	4.7
<b>Total (49 properties)</b>		<b>696,149</b>	<b>823,790</b>	<b>-1,550</b>	-	-		<b>659,843</b>	<b>163,946</b>	<b>825,340</b>	

# Summary of Interest Bearing Debt

	Lenders	Amount (JPY mn)	Interest Rate	Borrowing Date	Maturity Date <sup>(4)</sup>	Collateral
Short-term Borrowings	Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd.	3,800	Base interest rate +0.170% <sup>(2)</sup>	Feb. 5, 2020	Feb. 4, 2021	
	Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd.	14,000	0.5749% <sup>(3)</sup>	Mar. 30, 2015	Mar. 31, 2022	
	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	
Long-term Borrowings	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	Unsecured and non-guaranteed
	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	
	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	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	5,000	0.2447% <sup>(3)</sup>	Feb. 5, 2020	Feb. 5, 2027	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	4,100	0.3446% <sup>(3)</sup>	Feb. 5, 2020	Feb. 5, 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	
	8th Unsecured Investment Corporation Bonds	5,000	0.900%	Apr. 17, 2020	Apr. 17, 2040	
	9th Unsecured Investment Corporation Bonds	5,000	1.000%	Apr. 17, 2020	Apr. 15, 2050	
<b>Total</b>		<b>264,000</b>	-	-	-	

1. As of May 31, 2020. 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..

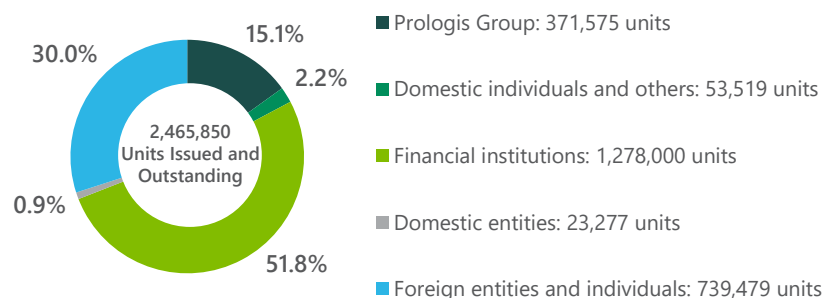
2. The base interest rate applies JBA 3-months Japanese Yen TIBOR. Please refer to the website of JBA TIBOR Administration for confirming the base interest rate

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).

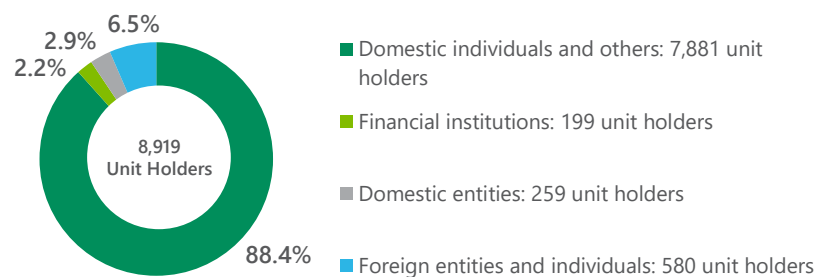
4. The maturity date will be the immediately following business day in case such date falls on a day that is not a business day and the immediate preceding business day in case such date falls in the next calendar month.

# Unit Holder Composition

## BREAKDOWN BY UNITS



## BREAKDOWN BY UNIT HOLDERS



## MAJOR UNIT HOLDERS

No.	Name	Units Owned	% of Units Issued <sup>(2)</sup>
1	Japan Trustee Services Bank, Ltd. (Trust Acct.)	384,528	15.59%
2	Prologis Property Japan SPC	369,575	14.98%
3	The Master Trust Bank of Japan, Ltd. (Trust Acct.)	340,289	13.80%
4	The Nomura Trust and Banking Company, Ltd. (Trust Acct.)	108,748	4.41%
5	STATE STREET BANK WEST CLIENTS-TREATY 505234	69,938	2.83%
6	Trust and Custody Services Bank, Ltd. (Securities Investment Trust Acct.)	66,162	2.68%
7	SMBC Nikko Securities Inc.	42,377	1.71%
8	Japan Securities Finance Co., Ltd.	31,095	1.26%
9	BNYM AS AGT/CLTS 10 PERCENT	28,745	1.16%
10	STATE STREET BANK AND TRUST COMPANY 505103	26,722	1.08%
<b>Total</b>		<b>1,468,179</b>	<b>59.54%</b>



# Prologis - Logistics Real Estate Leader in Japan and Globally

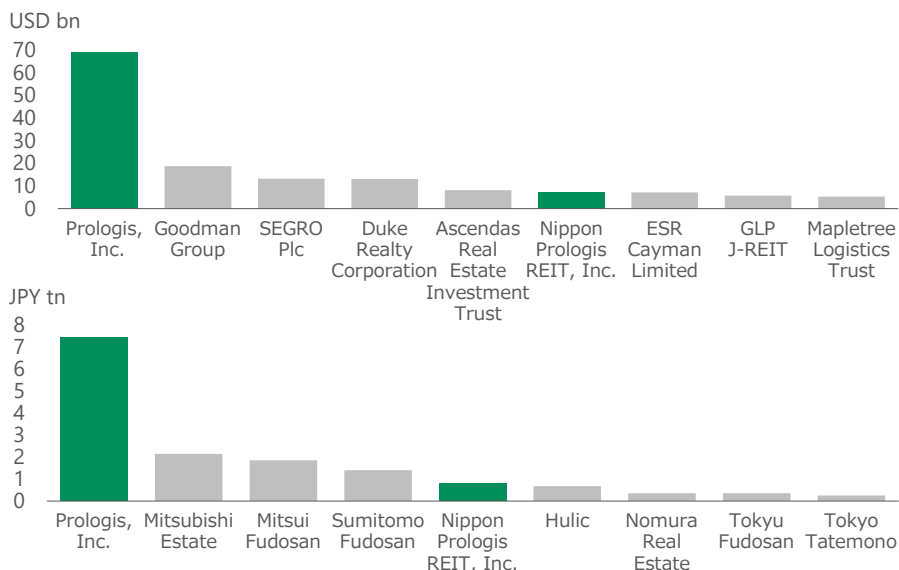
## Prologis, Inc. World Largest Logistics Real Estate Company

- Listed on NYSE as US REIT specialized in logistics real estate (Founded in 1983, HQ: San Francisco)
- Developed/owned/operated 4,660 logistics facilities with total floor space area of approx. 90mn m<sup>2</sup> in 19 countries worldwide
- Serves approx. 5,500 customers
- Credit ratings : A3 (Moody's) / A- (S&P)

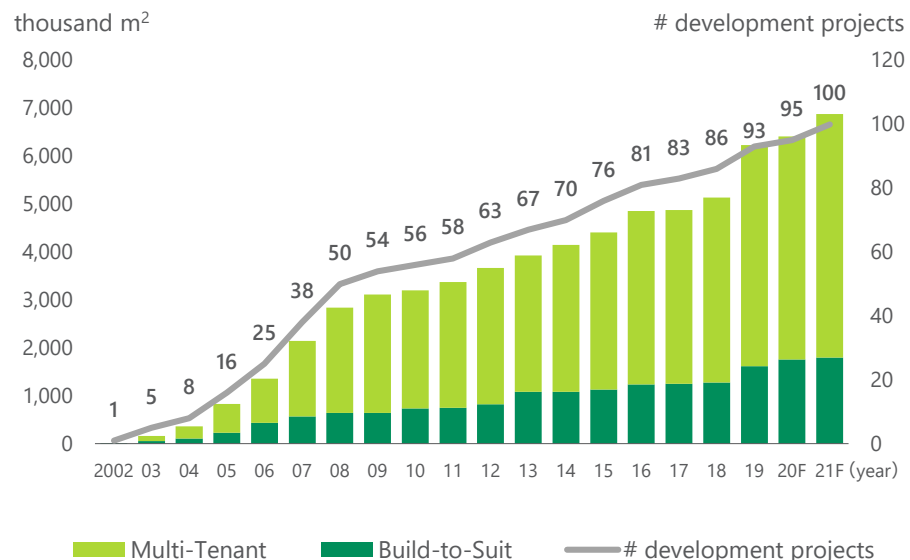
## Prologis Japan Pioneer in Advanced Logistics Facilities

- Developed 100 logistics facilities, total floor space of approx. 6.8mn m<sup>2</sup> <sup>(1)</sup> as of the end of June 2020
- 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 <sup>(2)</sup>



## DEVELOPMENT TRACK RECORD IN JAPAN



1. Number of properties and total gross floor area of logistics facilities developed or being developed by Prologis (incl. disposed properties).

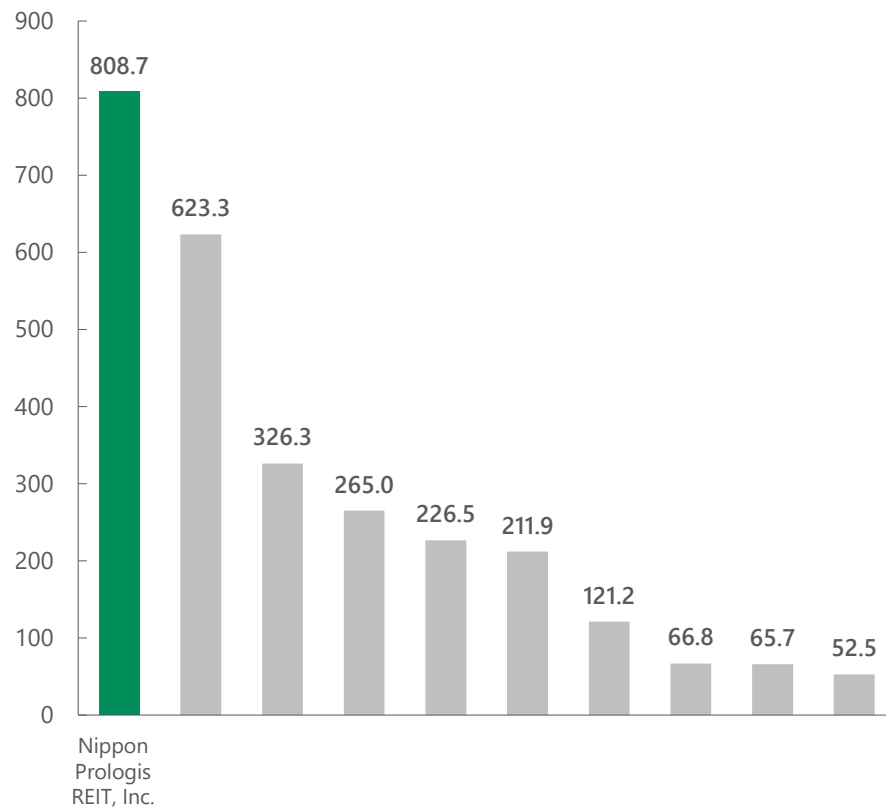
2. As of June 30, 2020.

Exchange rate of US Dollar and Japanese Yen is based on TTM provided from MUFG Bank, Ltd. as of Jun. 30, 2020 (US\$=JPY 107.74).

# Largest Market Cap & AUM among Logistics J-REITs

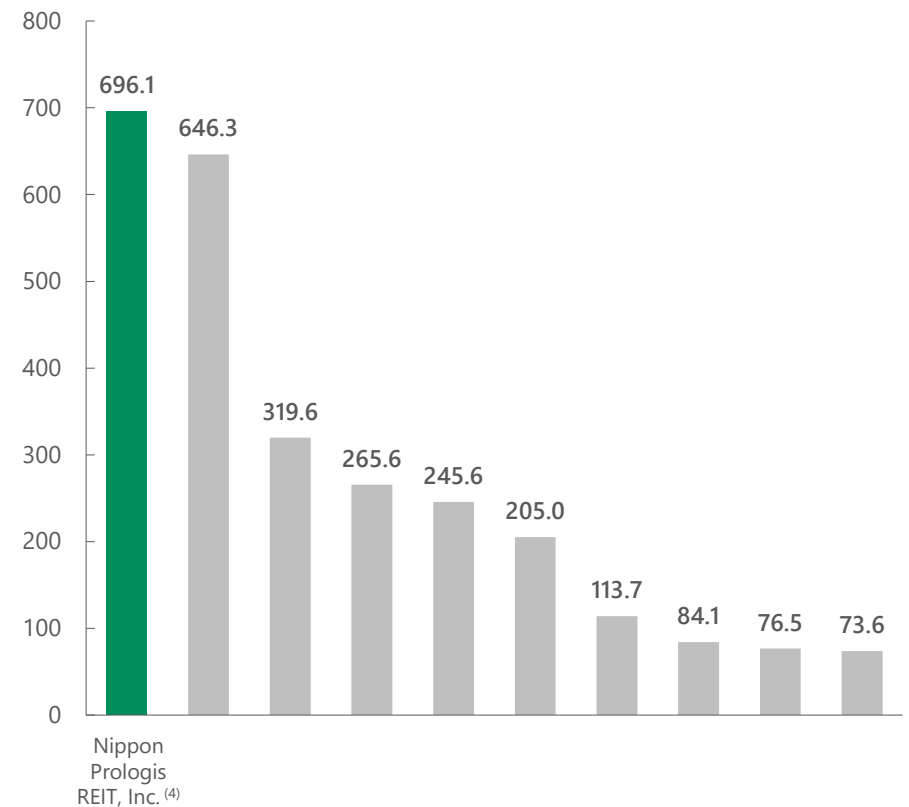
## Market Cap <sup>(2)</sup>

JPY bn



## AUM (Based on Acquisition Price) <sup>(3)</sup>

JPY bn



1. "Logistics J-REIT" refers to REITs which primarily focus on logistics facilities, and is publicly traded on Tokyo Stock Exchange.

2. As of June 30, 2020.

3. As of July 1, 2020.

4. For Prologis Park Iwanuma 1, only the land of the property is included in the calculation.

# 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



# 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

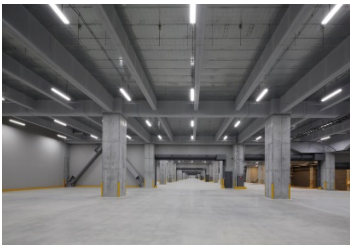
## ENVIRONMENTAL FRIENDLY FACILITY DEVELOPMENTS



- 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

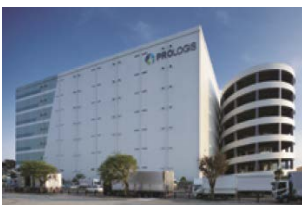
- Our commitment to social responsibility extends to all our stakeholders, including employees, customers, communities, suppliers and investors
- We strive to be a good neighbor and to strengthen the communities where we work and live
- Our employees demonstrate their personal commitment by putting time 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%

+

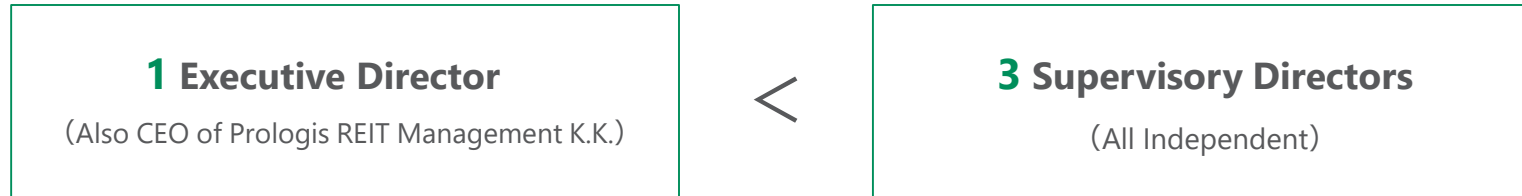
#### Type 2 Management Fee

Net Income X 6%

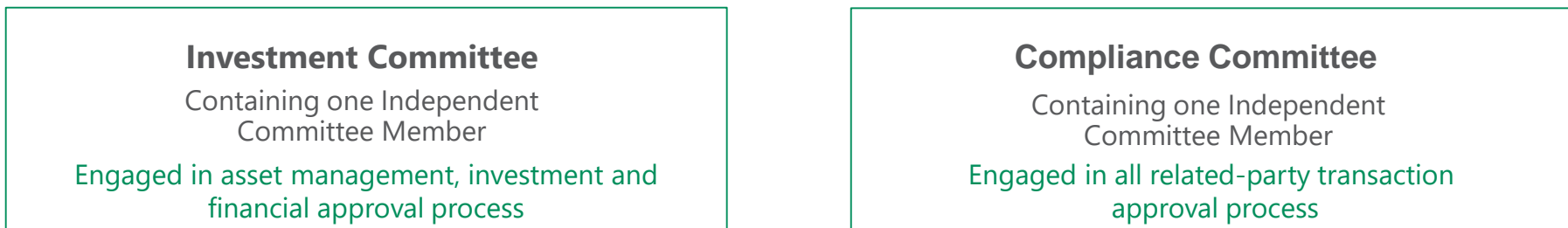
# Sound Governance Structure Promotes Our Investor Value

## 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.



Asset Manager: Prologis REIT Management K.K.  
Financial Instruments Business License, Direct of the Kanto Finance Bureau (Kinsho): Registration No. 2667  
Member of The Investment Trusts Association, Japan