



Prologis Park Ichikawa 3

Nippon Prologis REIT, Inc.

Fiscal Period Ended Nov. 30, 2018

Unaudited

January 2019

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Prologis Park Ichikawa 3



Prologis Park Ibaraki

Highlights for Fiscal Period Ended Nov. 2018

Section 01

Highlights for Fiscal Period Ended Nov. 2018

- Achieved steady DPU and NAV per unit growth
- Robust acquisition pipeline
- Delivered solid operating performance
- Maintained strong balance sheet

NOI JPY 15,516 mn (+0.8% vs. forecast)	DPU JPY 4,429 (+0.7% vs. forecast)	NAV per Unit JPY 211,234	Portfolio Size ^{(1) (2)} JPY 565.7 bn	Average Occupancy Rate 98.3%
Pipeline 14 properties approx. JPY 210 bn	LTV ⁽³⁾ 36.8%	Borrowing Capacity ⁽⁴⁾ approx. JPY 140 bn	Unrealized Gain JPY 131.2 bn	Market Cap ⁽¹⁾ JPY 513.9 bn

1. As of Nov. 30, 2018.

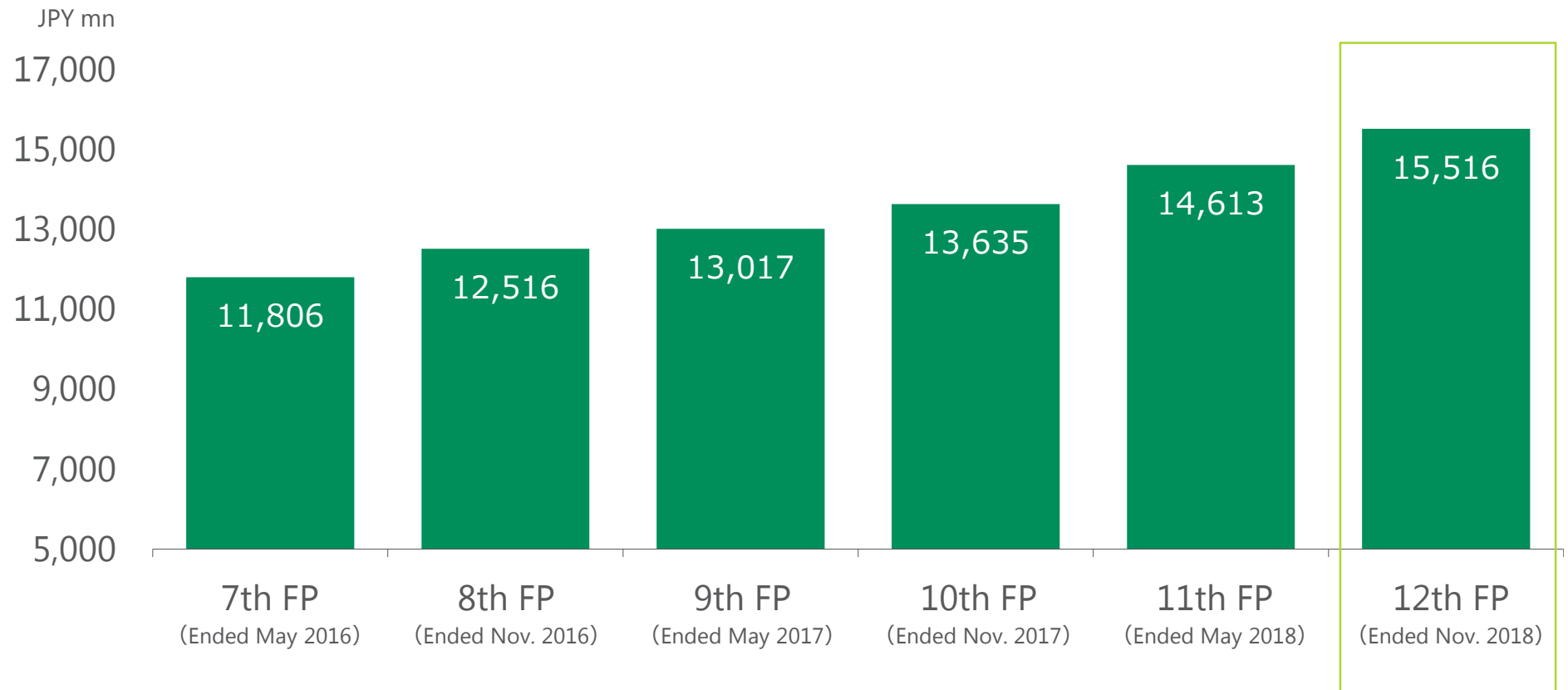
2. Portfolio Size is based on acquisition prices.

3. LTV = total interest-bearing debt on balance sheet ÷ total assets on balance sheet

4. Assuming that we leverage up to 50% of the balance sheet based on estimated LTV as of the end of the 13th FP.

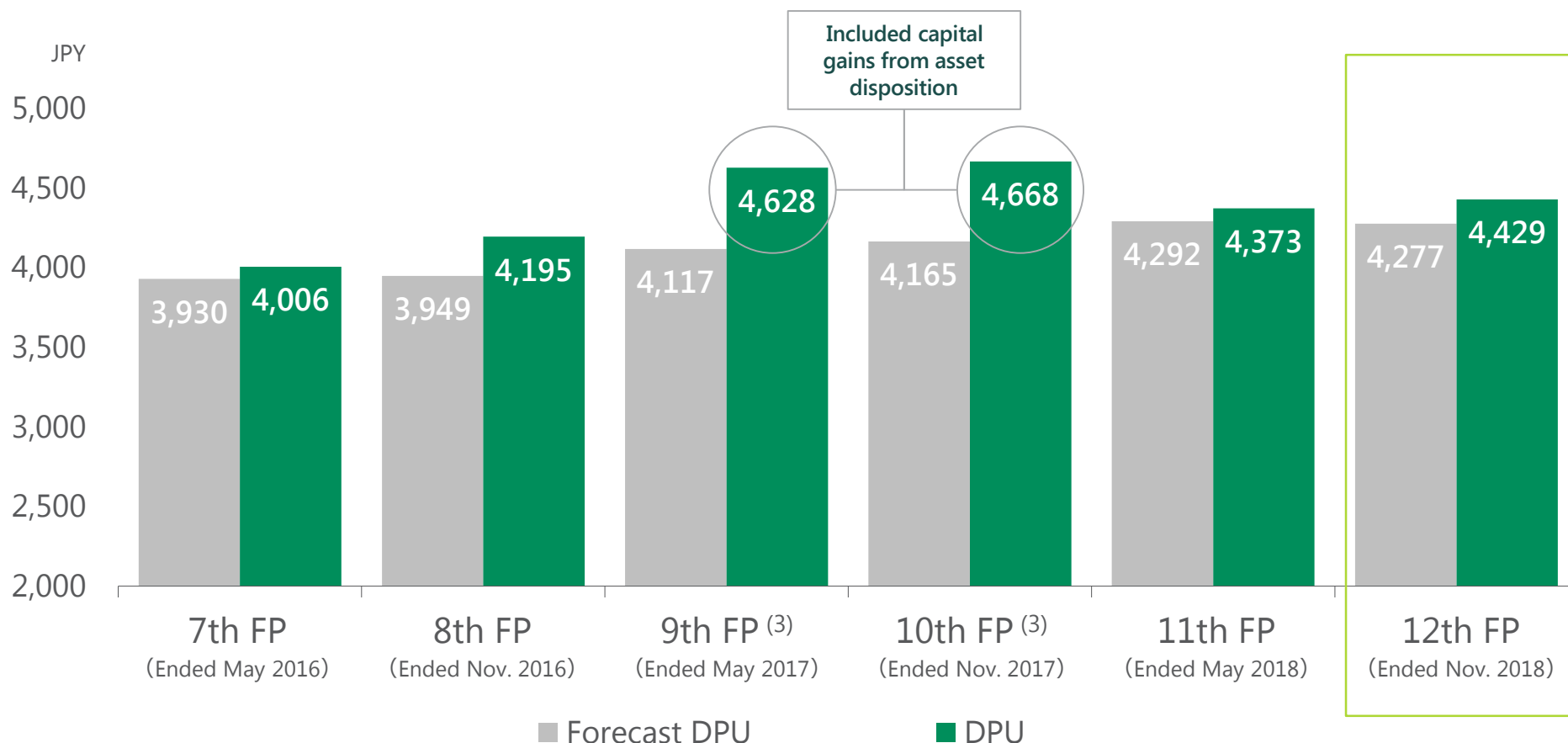
Strong and Steady NOI Growth

12TH FP NOI ⁽¹⁾ JPY 15,516 MN (+0.8% VS. FORECAST ⁽²⁾ , +6.2% OVER PREVIOUS FP)



Distribution per Unit Steadily Increased

12TH FP DPU ⁽¹⁾ JPY 4,429 (+0.7% VS. FORECAST ⁽²⁾ , +1.3% OVER PREVIOUS FP)

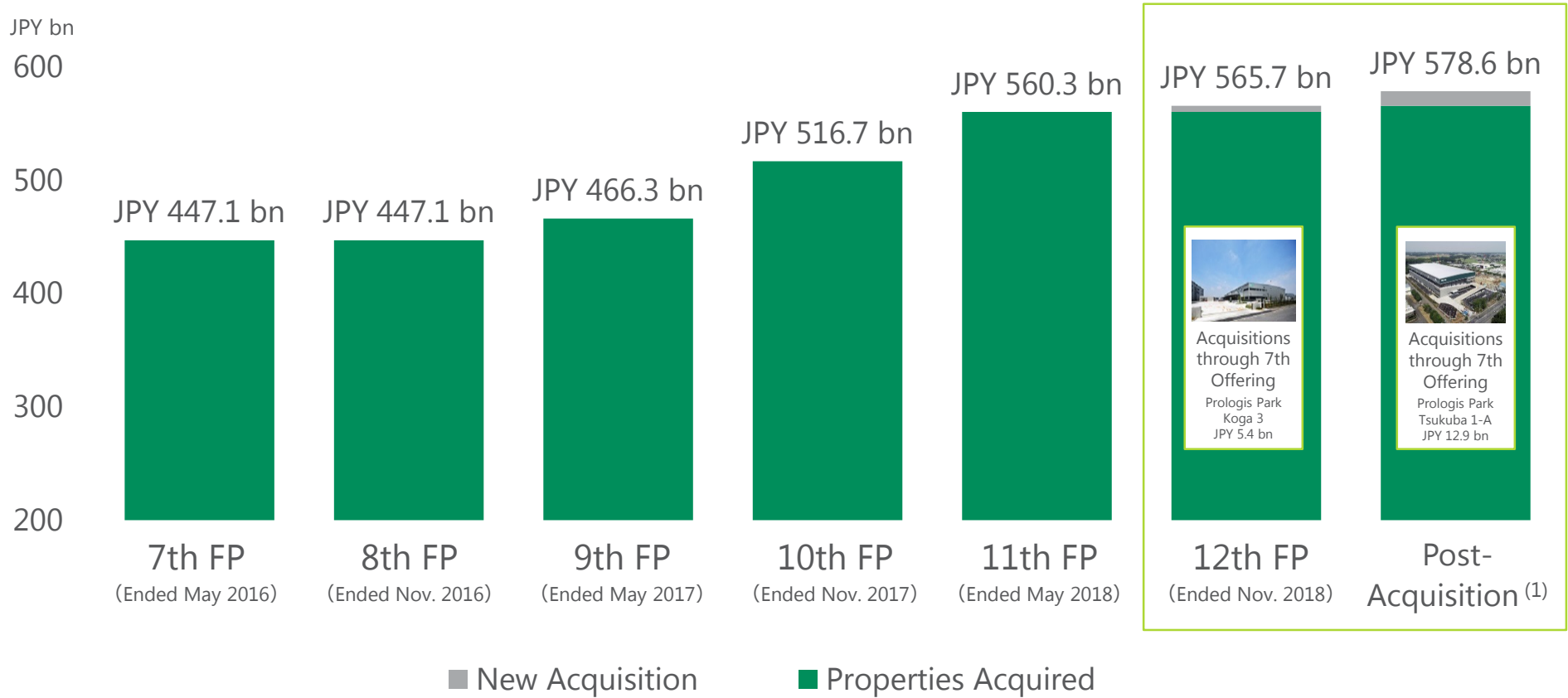


1. Including surplus cash distributions.

2. Calculated based on most recently announced forecast.

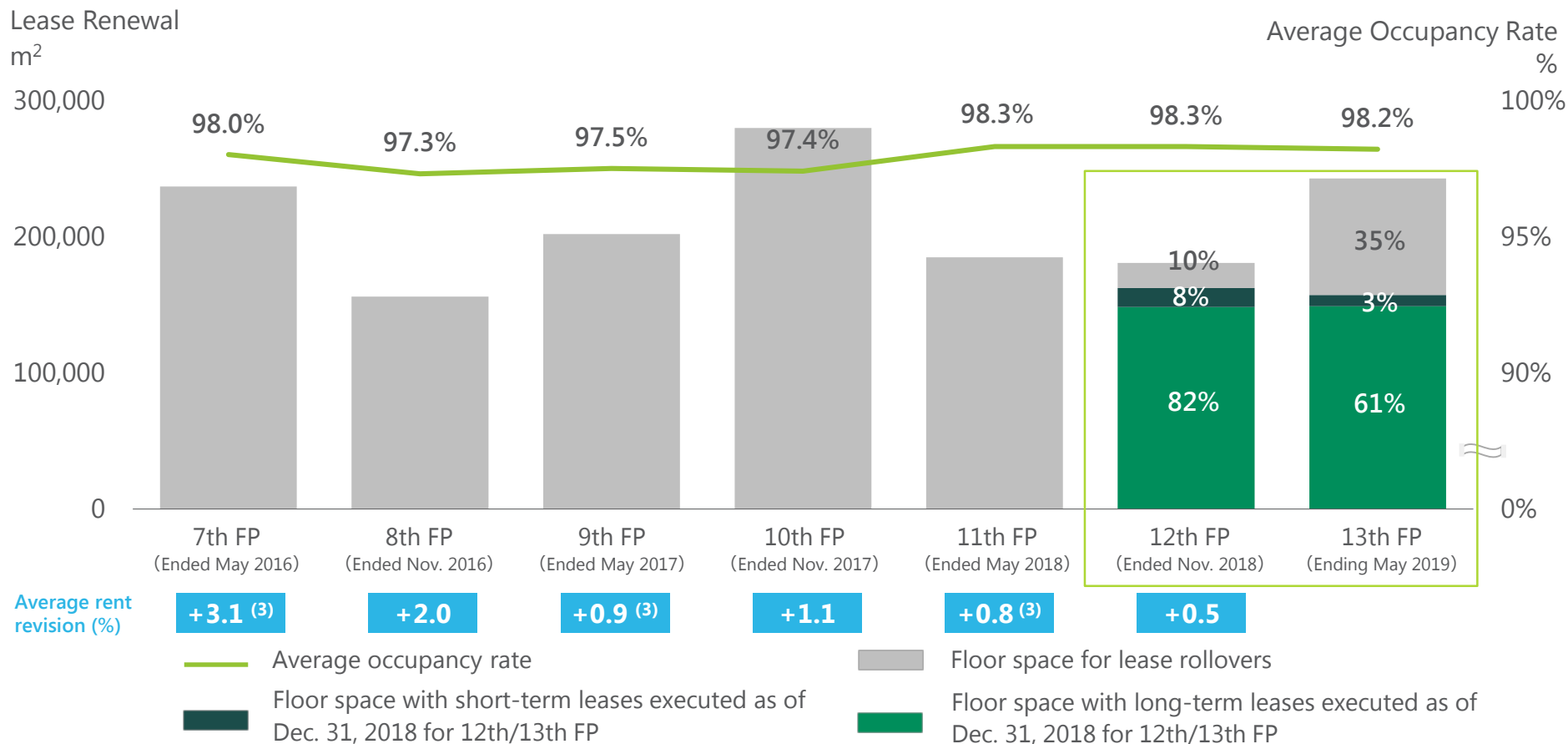
3. Regular surplus cash distributions were suspended due to the increased profit levels as a result of asset dispositions.

Assets Under Management Continued to Grow



Leasing Strategy Achieved Solid Operating Performance

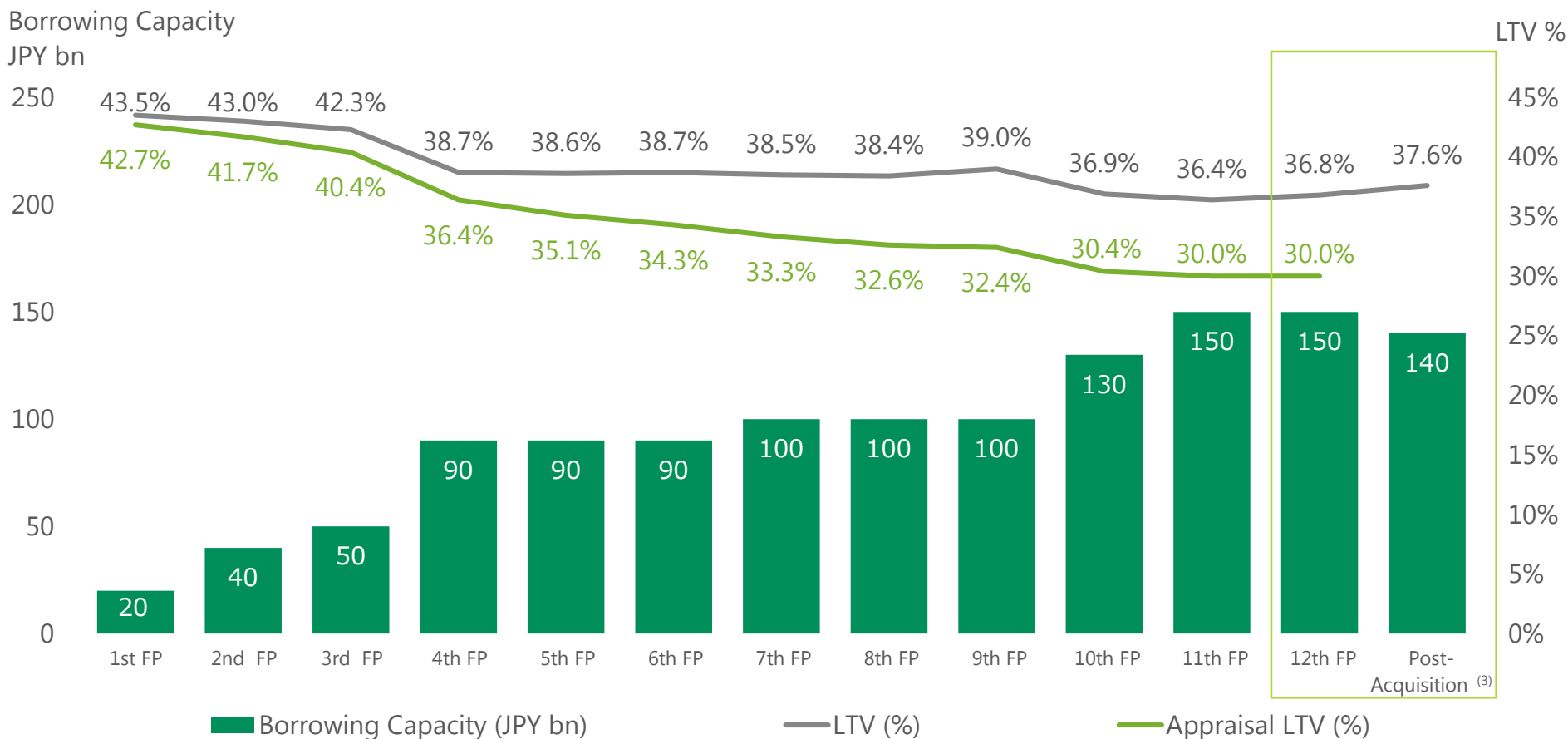
HISTORICAL LEASE RENEWAL/AVERAGE OCCUPANCY RATE



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, it is calculated by weighted rental rate variance between the old and new lease contracts which expired during the fiscal period. Calculated based on monthly nominal rents including common area management charges.
3. Includes floor space for which the rent was revised during contract period.
4. Floor space breakdown of Rent Revision of 12th FP: Upward Revision of Rent 11%, Rent Unchanged 89%, Downward Revision of Rent 0%.
5. The average occupancy rate for 13th FP is forecast.

Modest Leverage and Significant Capacity for Future

LTV • APPRAISAL LTV ⁽¹⁾ • BORROWING CAPACITY ⁽²⁾



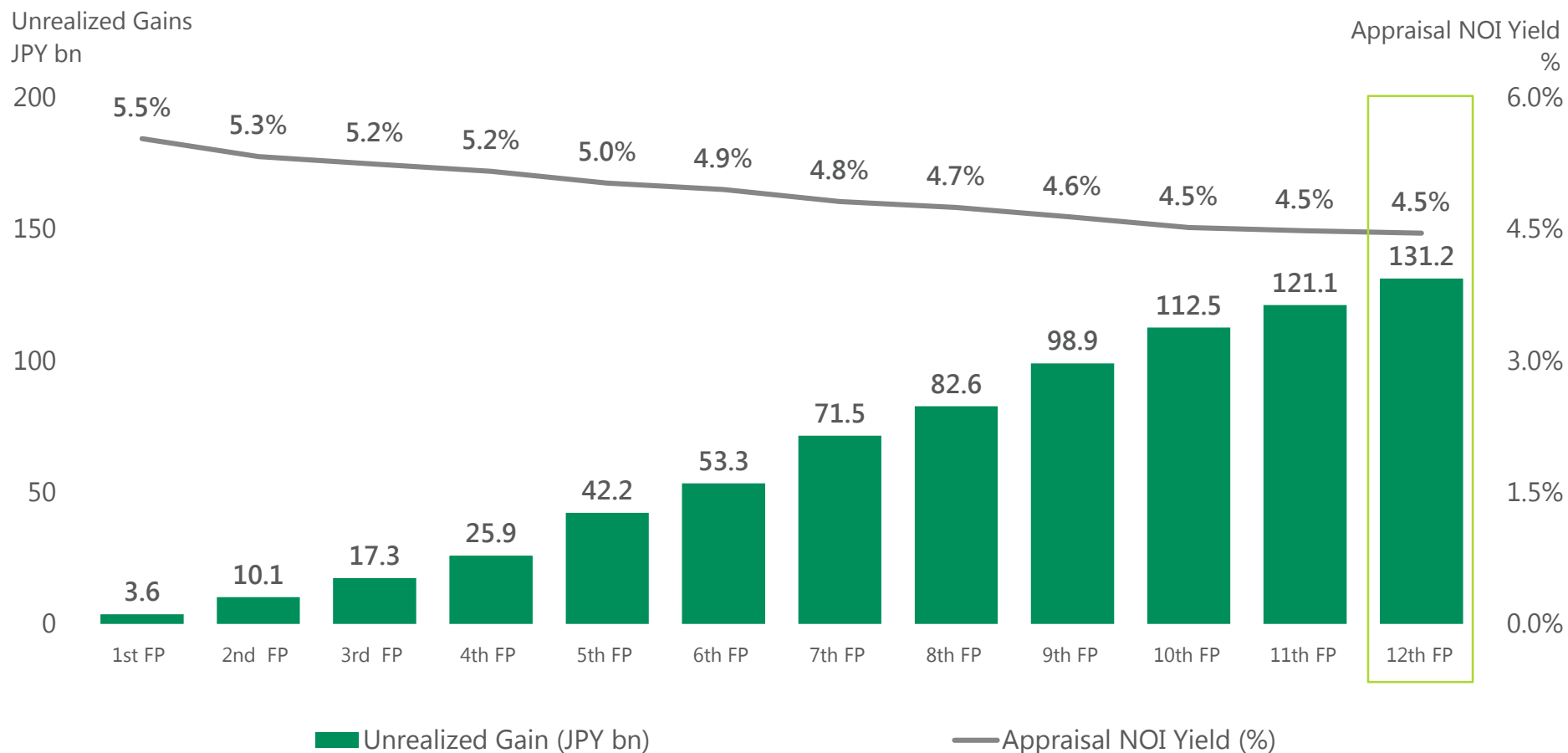
1. Appraisal LTV = total interest-bearing debt of each FP on balance sheet ÷ { total assets of each FP on balance sheet + (appraisal value of each FP – book value of each FP) }

2. Assuming that we leverage up to 50% of the balance sheet.

3. Acquired Prologis Park Tsukuba 1-A on Dec. 3, 2018.

Cap Rate Trends and Unrealized Capital Gain

HISTORICAL APPRAISAL NOI YIELDS ⁽¹⁾ & UNREALIZED GAINS ⁽²⁾



Forecasts for May and Nov. 2019 Fiscal Periods

	Nov. 2018 FP Results	May 2019 FP Forecast	Nov. 2019 FP Forecast
NOI	JPY 15,516 mn	JPY 15,409 mn	JPY 15,370 mn
Average Occupancy Rate	98.3%	98.2%	97.9%
DPU ⁽¹⁾	JPY 4,429	JPY 4,431	JPY 4,403
LTV	36.8%	37.6%	37.7%
Extraordinary Factors in Each Fiscal Period	<ul style="list-style-type: none"> Lease contract cancellation penalty payment received (JPY +250 mn) Reduction of SCDs (equivalent amount of the penalty payment received) Property tax expensed on the 5 assets acquired during 2018 (JPY -85 mn) Property tax expensed on the 5 assets acquired during 2018 (JPY -26 mn) 		



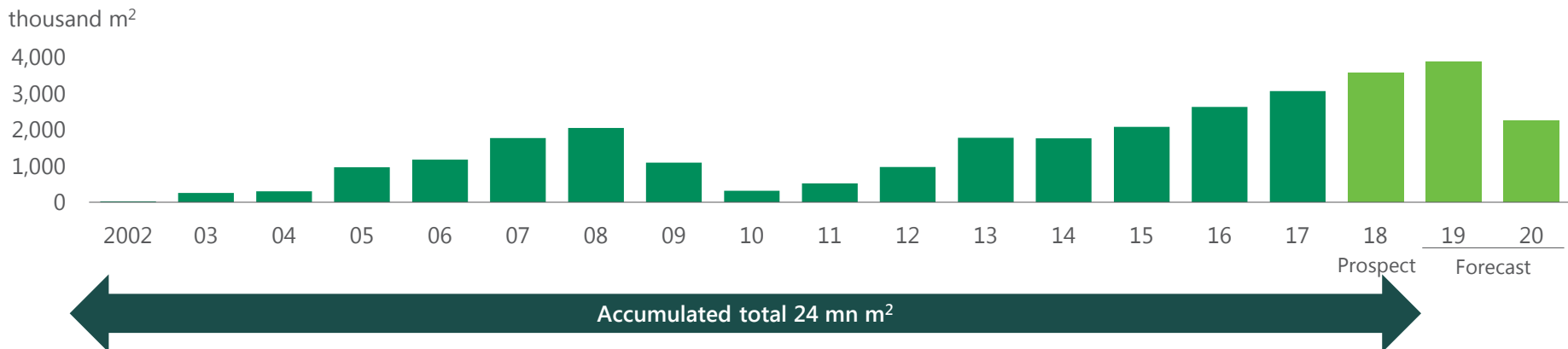
Prologis Park Kitanagoya

Updates on Japanese Logistics Real Estate Market

Section 02

High-Quality Logistics Facilities Remains Scarce

SUPPLY OF LARGE LOGISTICS FACILITIES ⁽¹⁾



STOCK OF ADVANCED LOGISTICS FACILITIES ⁽²⁾



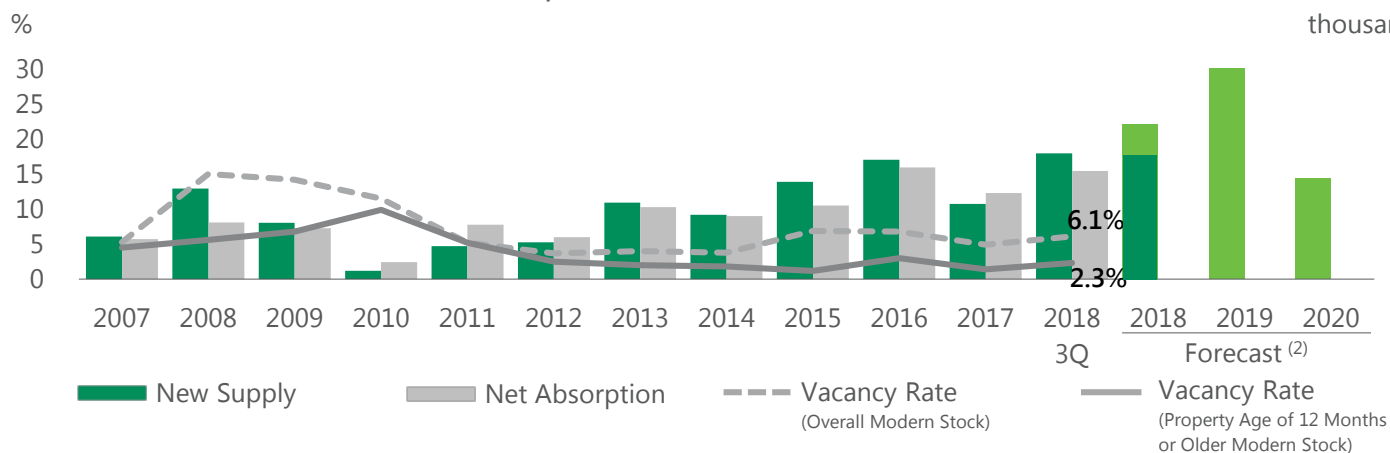
- Total cumulative volume of supply of advanced logistics facilities in Japan through Dec. 2018 is approx. 24 mn m²
- Stock of advanced logistics facilities accounts for just 4.5% of total warehouse area in Japan, significantly lower compared to US and other developed countries

1. As of Sep. 2018. 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 2019 and 2020 is based on data as of Sep. 2018 and may vary in the future.

2. As of Sep. 2018. 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, 2018 and the gross floor area for advanced logistic facilities is based on data as of Sep. 30, 2018.

Structural Demand Balances High New Supply

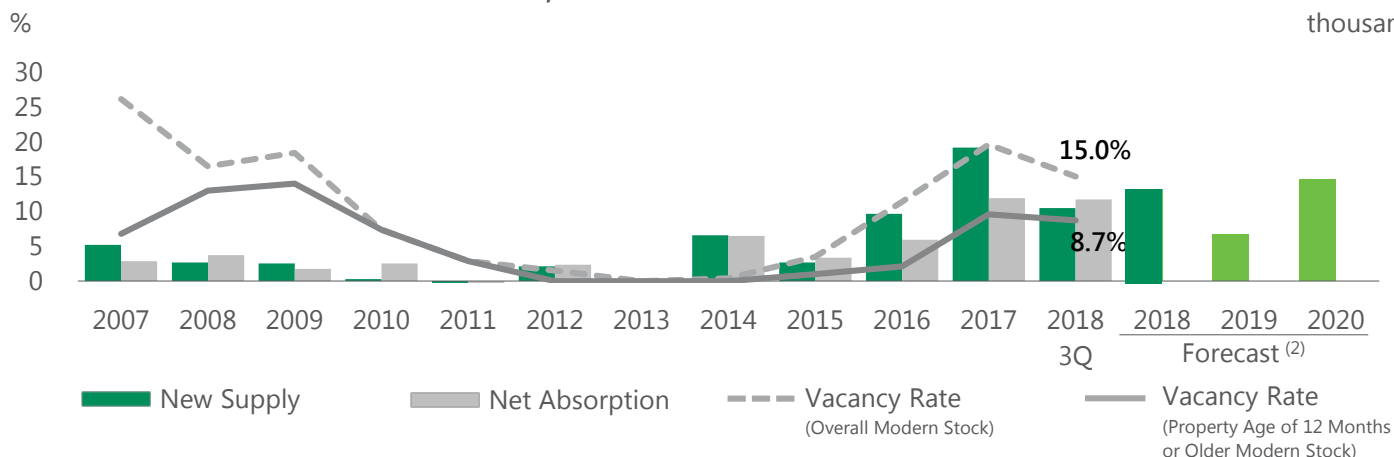
GREATER TOKYO AREA: NEW SUPPLY, NET ABSORPTION AND VACANCY RATES ⁽¹⁾



Greater Tokyo Area

- Vacancy rate as of Sep. 30, 2018 was 6.1% (2.3% for properties which are one year old or more)
- Estimated supply for 2018 is approx. 1,540,000m²
Estimated supply for 2019 is approx. 2,120,000m²
Estimated supply for 2020 is approx. 1,000,000m²

GREATER OSAKA AREA: NEW SUPPLY, NET ABSORPTION AND VACANCY RATES ⁽¹⁾



Greater Osaka Area

- Vacancy rate as of Sep. 30, 2018 was 15.0% (8.7% for properties which are one year old or more)
- Estimated supply for 2018 is approx. 650,000m²
Estimated supply for 2019 is approx. 330,000m²
Estimated supply for 2020 is approx. 730,000m²

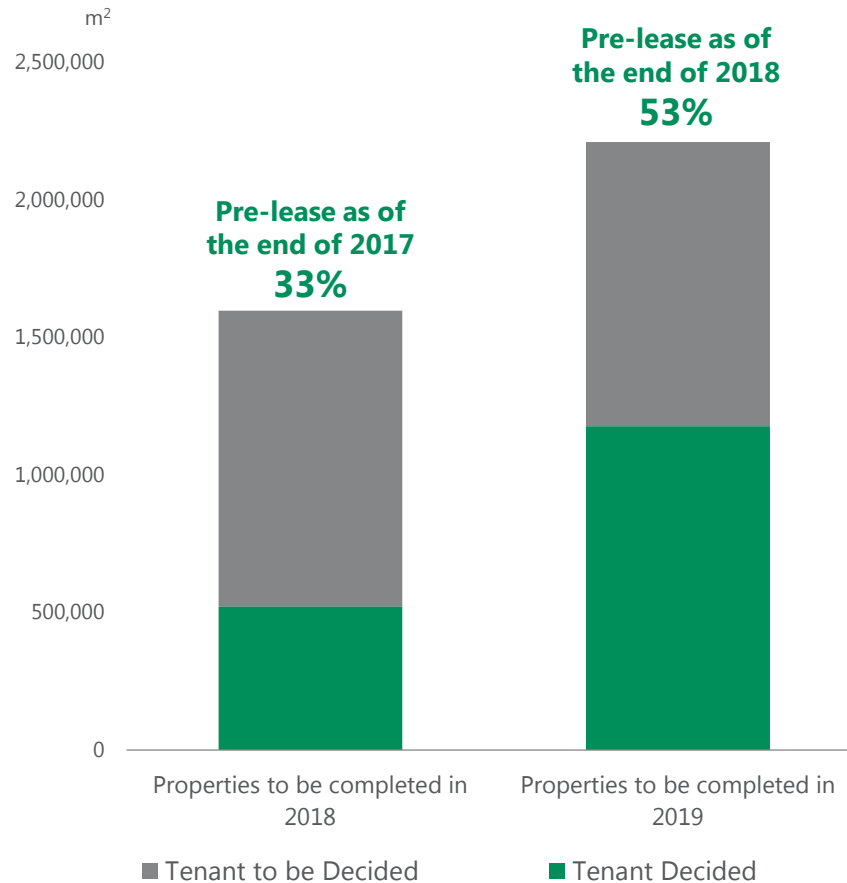
1. Survey data covers logistics facilities for lease held by corporations investing in real estate and real estate development companies with a gross floor area of 10,000 tsubo or more. The survey does not include logistics facilities owned by logistics companies and therefore does not cover all logistics facilities for lease having a gross floor area of 10,000 tsubo or more.

2. The forecasted supply volume in 2018, 2019 and 2020 is based on data as of Sep. 2018 and may vary in the future.

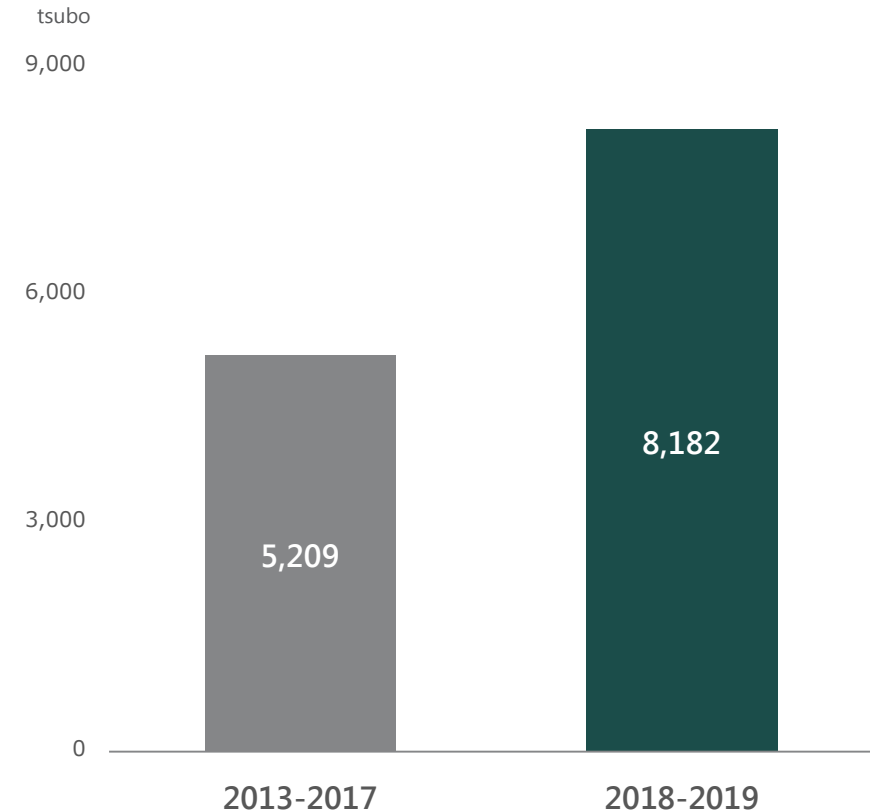
Source: CBRE

New Supply Being Pre-Leased Faster

PRE-LEASE INCREASED FOR NEW PROJECT IN GREATER TOKYO AREA ⁽¹⁾



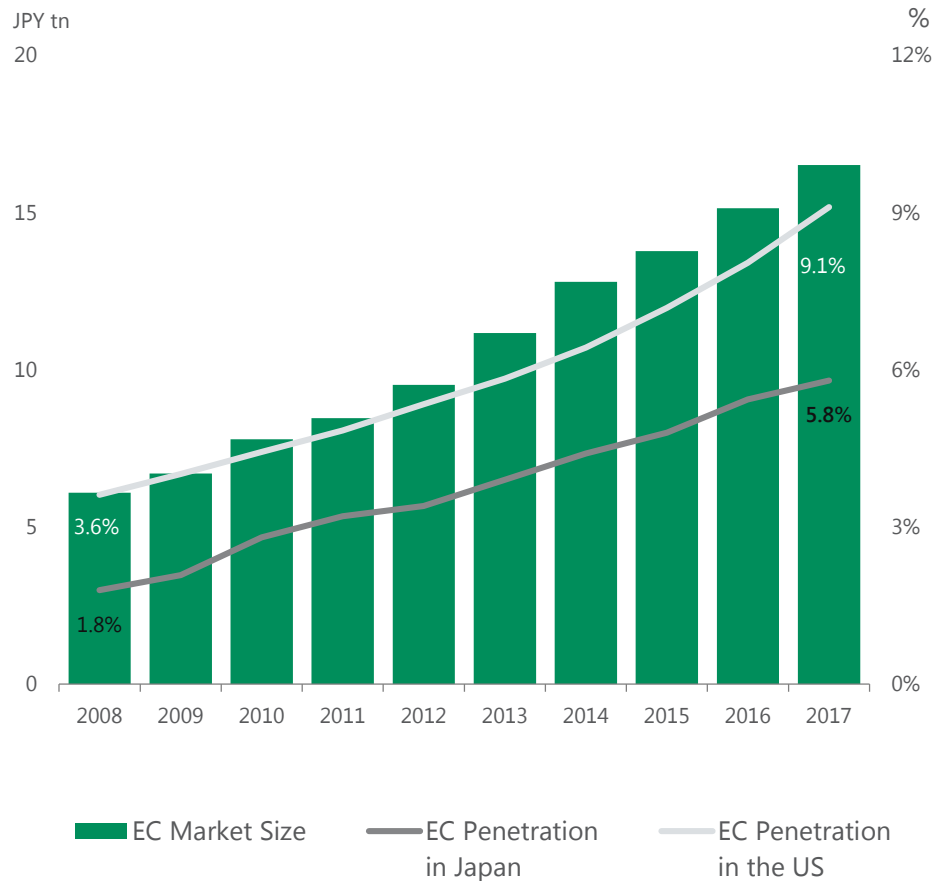
AVERAGE SIZE OF CONTRACTED LEASES ⁽²⁾



- Leases being signed in 2018-2019 are 60% larger than the historical average

Positive Transformational Trends Driving Demand

SALES VOLUME & PENETRATION RATIO OF E-COMMERCE

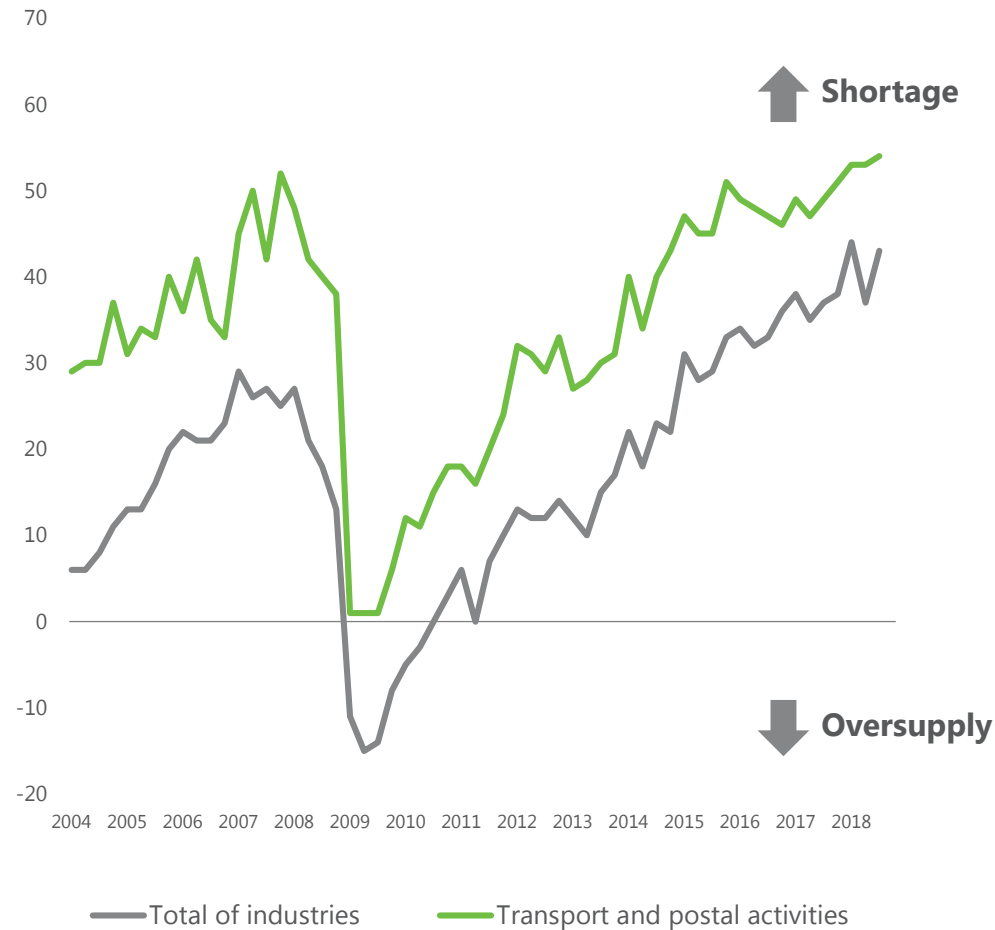


NUMBERS & SALES VOLUME OF CONVENIENT STORES

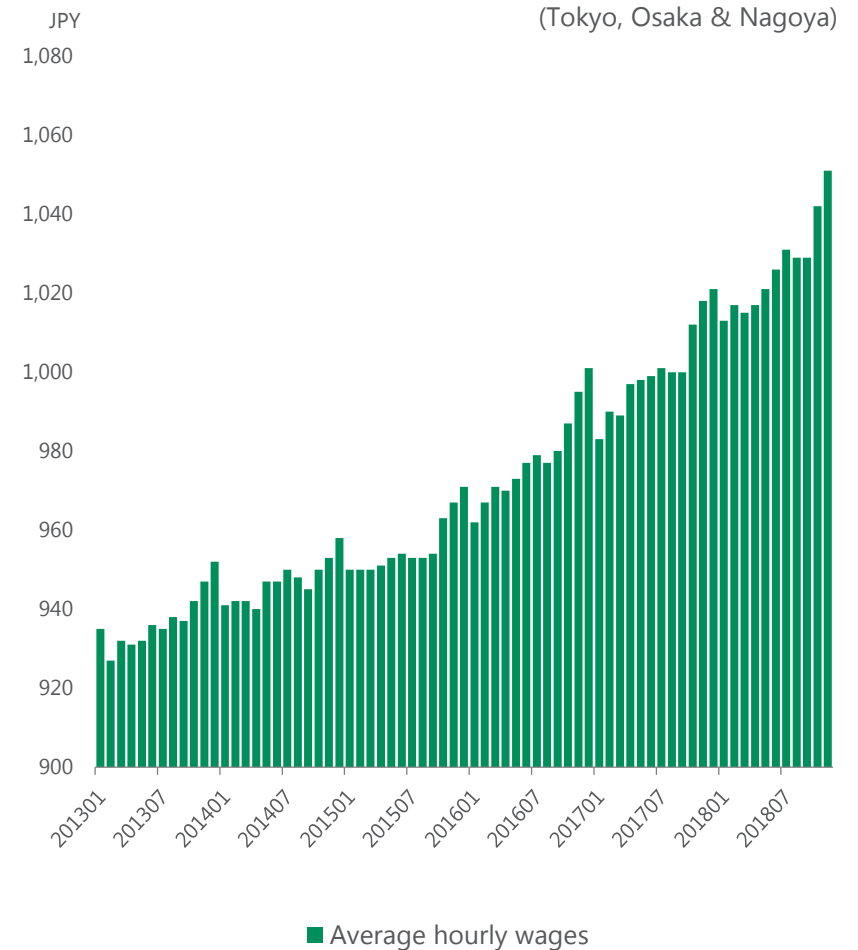


Labor Shortage is a Tailwind for Demand

DIFFUSION INDEX - LABOR



HOURLY WAGES OF LOGISTICS PART-TIMER



Automation/Robotic System in Implementation Stage



- Increasing labor shortage causing rise in 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 plate
 - High functionality
 - Versatility for future space expansion needs





Prologis Park Zama

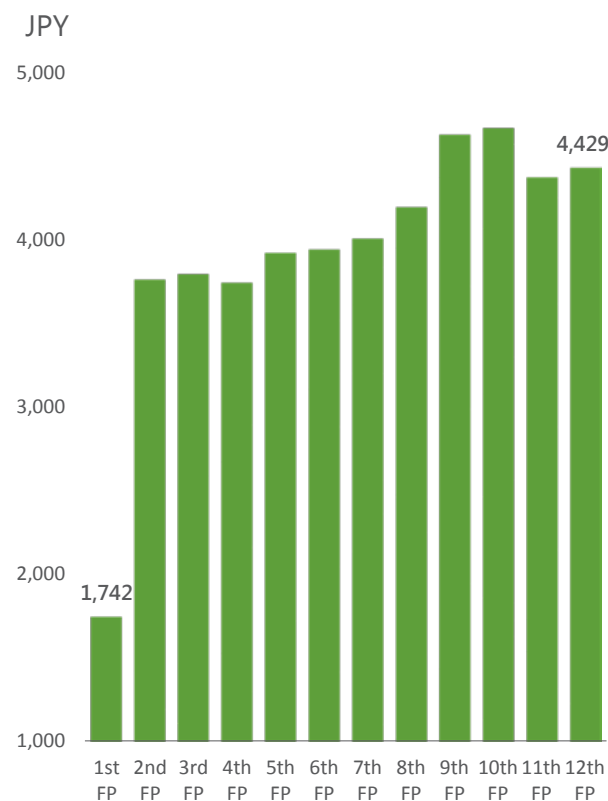
Strategies and Future Growth

Section 03

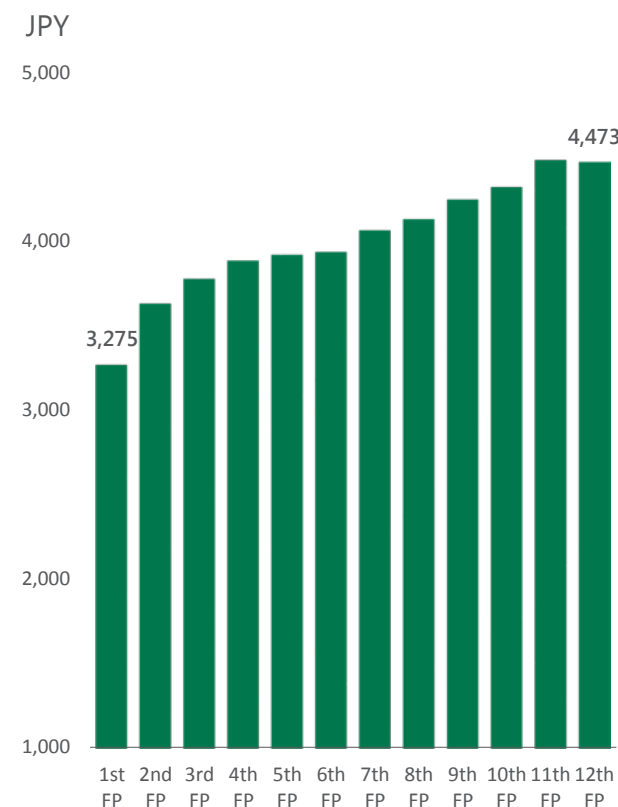
Enhancement of Unit Holder Value Continues

- 12th FP actual DPU : JPY 4,429 (+0.7% vs. forecast, +1.3% over previous FP)
- Steady increase in DPU (stabilized) and NAV per unit since IPO

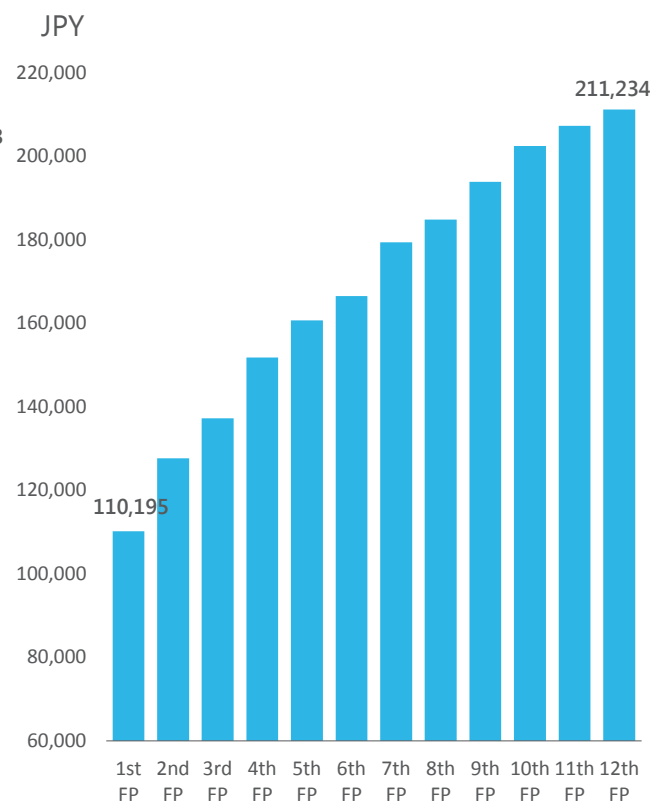
DPU (ACTUAL) (1)



DPU (STABILIZED) (1)(2)



NAV PER UNIT (1)(3)

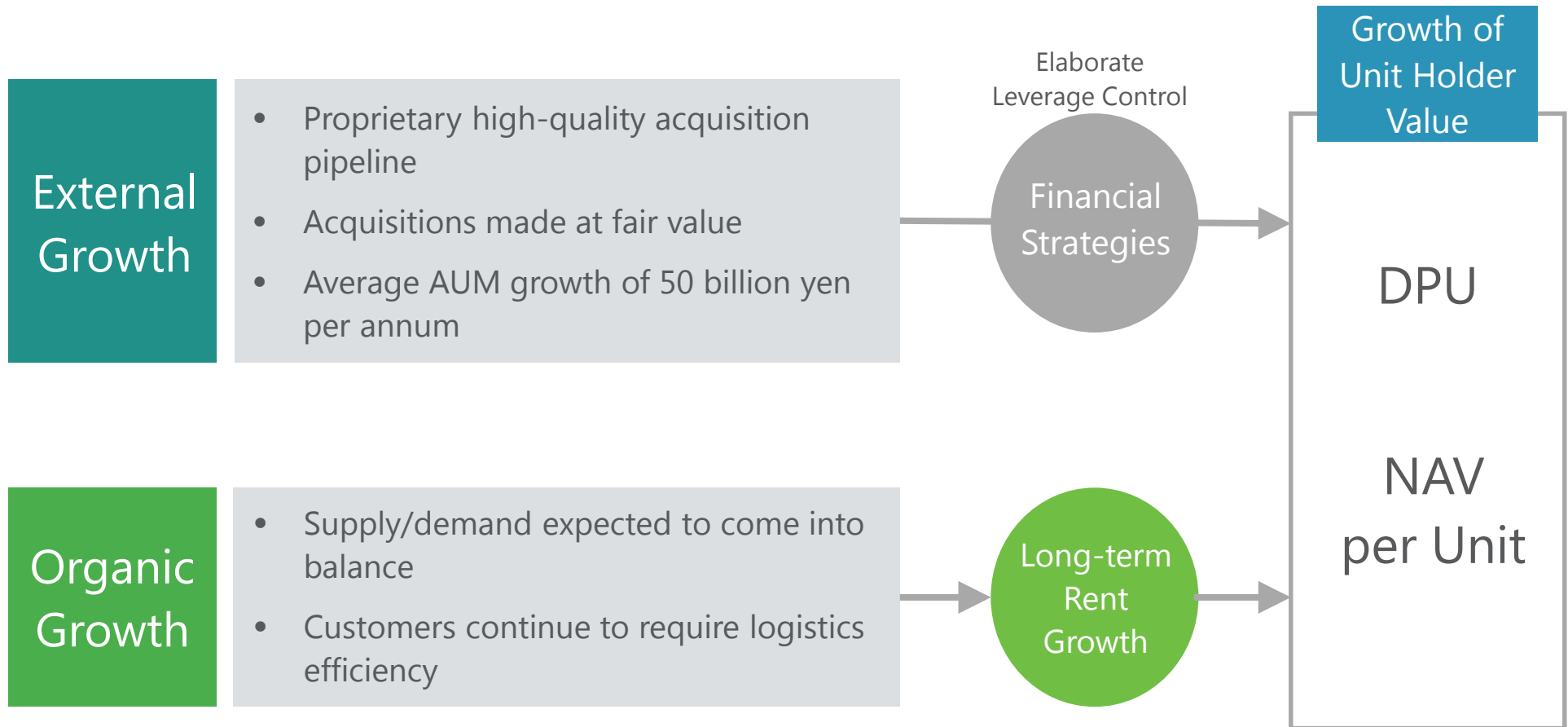


1. NPR split investment units on a 5-to-1 ratio on March 1, 2014 and figures before unit split are adjusted considering the split.

2. DPU (stabilized) is based on our constructed financial performance model excluding short-term impacts of NPR's various past activities and extraordinary items.

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

NPR's Consistent Growth Strategy



Newly Announced Pipeline Assets

EXCLUSIVE NEGOTIATION RIGHTS GRANTED FOR THREE PROPERTIES

Exclusive Negotiation Rights Granted



Prologis Park Kobe 4
(Kobe, Hyogo)
To be completed in June 2019



Prologis Park Chiba 1
(Chiba, Chiba)
To be completed in Sep. 2019



Prologis Park Tsukuba 1-B
(Tsukuba, Ibaraki)
To be completed in Sep. 2019

PROLOGIS HAS ANNOUNCED TWO NEW DEVELOPMENT PROJECTS

Future Development



Prologis Park Soka
(Soka, Saitama)



Prologis Park Ogori
(Ogori, Fukuoka)

External Growth: Strong Sponsor Pipeline

Status	Region / Area	Property Name	(Expected) Year Built	Property Type	(Expected) GFA (sqm)
Exclusive Negotiation Rights Granted	Kanto	Prologis Park Chiba New Town	May 2016	Multi-Tenant	109,981
		Prologis Park Higashimatsuyama	Feb. 2018	Multi-Tenant	61,885
		Prologis Park MFLP Kawagoe (50% quasi co-ownership interests)	Oct. 2018	Multi-Tenant	117,337
		Prologis Park Chiba 1	Sep. 2019	Multi-Tenant	147,005
		Prologis Park Tsukuba 1-B	Sep. 2019	BTS	71,595
	Kansai	Prologis Park Kyotanabe	Oct. 2018	Multi-Tenant	139,503
		Prologis Park Kobe 4	Jun. 2019	BTS	24,767
	Tohoku	Prologis Park Sendai Izumi 2	Sep. 2018	BTS	36,589
Future Development	Kanto	Prologis Park Ebina 2	TBD	TBD	39,000
		Prologis Park Chiba 2	TBD	TBD	66,000
		Prologis Park Soka	TBD	TBD	151,000
	Kansai	Prologis Park Kobe 3	TBD	TBD	38,700
		Prologis Park Kobe 5	TBD	TBD	46,000
	Kyushu	Prologis Park Ogori	TBD	TBD	29,000
Future Project	Kansai	Prologis Inagawa Project	TBD	TBD	258,000

Portfolio Composed of State-of-the-Art Facilities

Total Acquisition Price : JPY **578.6** bn ⁽¹⁾

Average Property Age : **7.3** years ⁽¹⁾

Average Occupancy Rate in 12th FP : **98.3**% ⁽²⁾

Average NOI Yield : **5.3**% ⁽¹⁾⁽³⁾ / **5.4**% ⁽²⁾⁽⁴⁾

Unrealized Gain : JPY **131.2** bn ⁽²⁾

Portfolio PML : **1.2**% ⁽¹⁾



M-01 Prologis Park Ichikawa1



M-04 Prologis Park Osaka 2



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



M-26 Prologis Park Ibaraki



M-09 Prologis Park Tokyo-Ohta



M-18 Prologis Park Osaka 4



M-29 Prologis Park Yoshimi



B-05 Prologis Park Narashino 4



M-02 Prologis Park Zama 1
M-10 Prologis Park Zama 2



B-15 Prologis Park Tsukuba 1-A

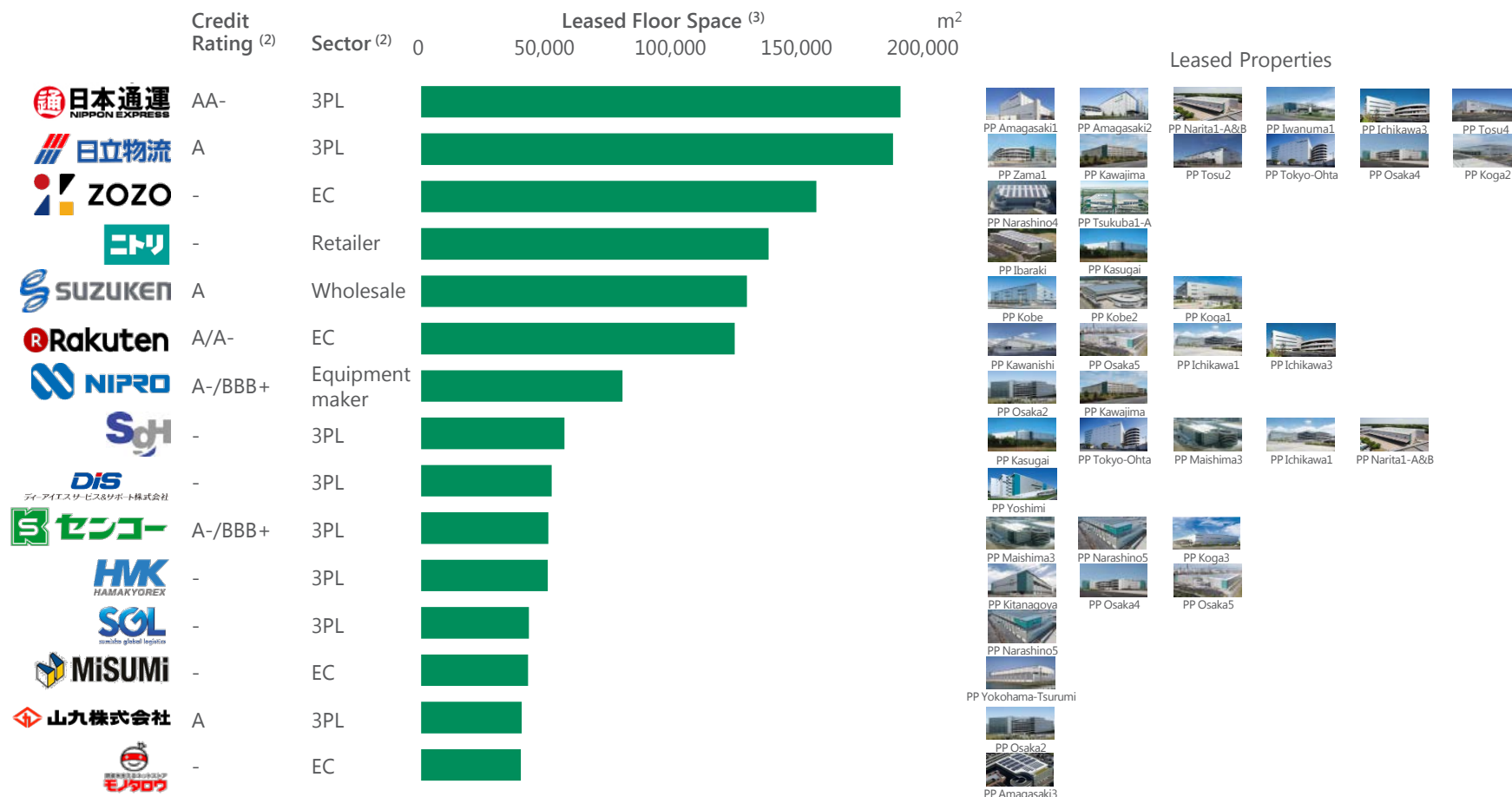


M-05 Prologis Park Maishima3

- Figures are including Prologis Park Tsukuba 1-A (acquired on Dec. 3, 2018). The average property age is as of Nov. 30, 2018.
- Figures are excluding Prologis Park Tsukuba 1-A.
- Appraisal NOI as of Nov 30, 2018 divided by total acquisition (weighted average).
- Annualized actual NOI of 12th FP excluding specific factors divided by total acquisition (weighted average).

Internal Growth: Best-in-Class Customer Roster

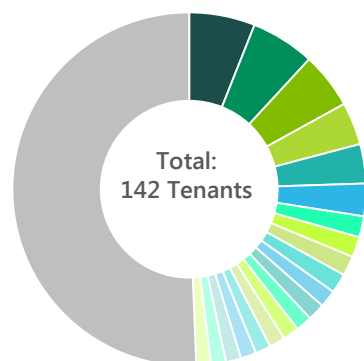
TOP 15 CUSTOMERS ⁽¹⁾



1. Consolidating leased floor space of customers based on corporate groups.
2. Indicating credit ratings and sectors of most representative entities within the corporate groups.
3. Floor space is based on lease contracts as of Nov. 30, 2018. Includes Prologis Park Tsukuba 1-A.

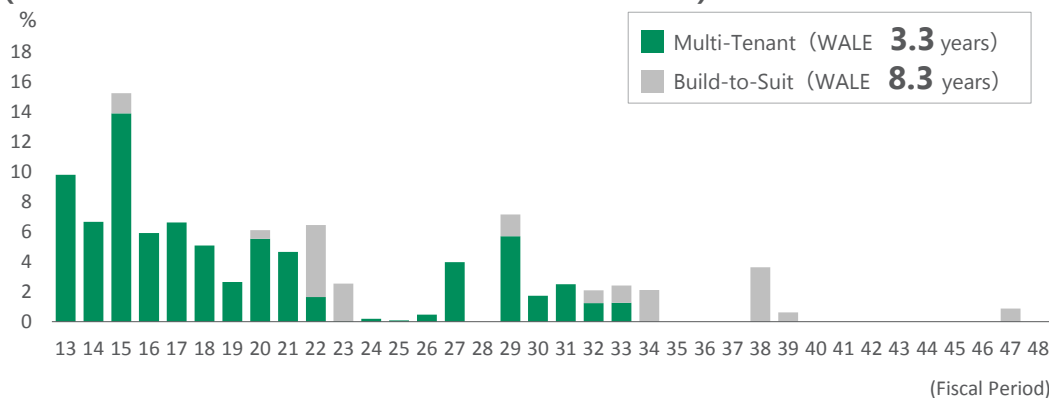
Internal Growth: Diversified Portfolio

FURTHER TENANT DIVERSIFICATION ⁽¹⁾ (BASED ON SIZE OF LEASED AREA)



Nittsu Panasonic Logistics	6.0%	Hamakyorex	1.9%	Japanet Holdings	1.5%
ZOZO	5.8%	Hitachi Transport System West Japan	1.8%	Sagawa Global Logistics	1.4%
Nitori	5.1%	Hitachi Collabonext Transport System	1.8%	Mitsubishi Shokuhin	1.4%
Rakuten	3.9%	Sumisho Global Logistics	1.6%	Konoike Transport	1.4%
Suzuken	3.6%	Misumi	1.6%	Alpen	1.4%
Nipro	3.0%	Sankyu	1.5%	Hitachi Transport System	1.3%
DIS Service & Support	1.9%	MonotaRO	1.5%	Others	50.6%

WELL-STAGGERED LEASE EXPIRATION SCHEDULE ⁽²⁾ (BASED ON ANTICIPATED ANNUAL RENT)



OVERVIEW OF CONTRACT OF LEASE ⁽¹⁾

Number of Tenants	Top 20 Tenants Leased Area ⁽³⁾
142	49.4%
Fixed Term Lease ⁽⁴⁾	WALE ⁽⁵⁾
100.0%	4.3 years

1. As of Nov. 30, 2018. Includes lease agreements contracted as of Nov. 30, 2018 regarding Prologis Park Tsukuba 1-A.
2. Includes short-term lease agreements and office and store space.
3. Calculated based on the contracted floor area.
4. Excludes leases to which the Act on Land and Building Leases does not apply.
5. WALE stands for Weighted Average Lease Expiry. Calculated based on anticipated annual rent.

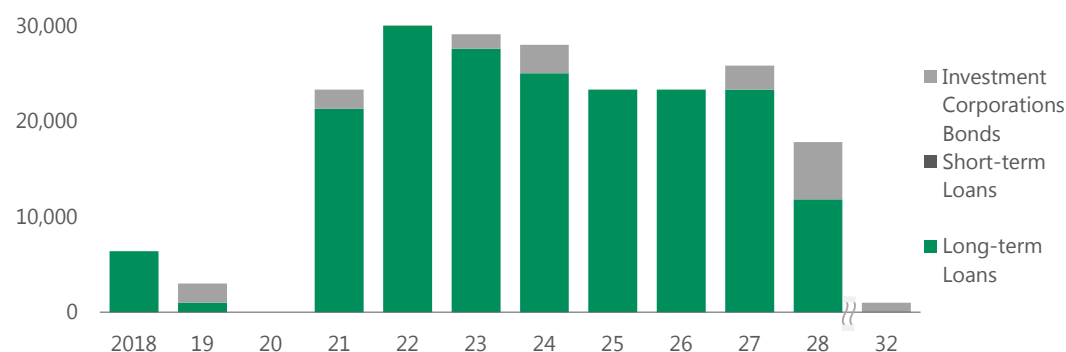
Financial Structure Positioned for Long-Term Stability and Efficiency

DEBT METRICS / FINANCIAL HIGHLIGHTS

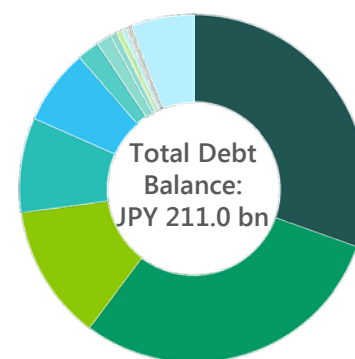
Credit Rating	LTV ⁽²⁾	Appraisal LTV ⁽³⁾	Borrowing Capacity ⁽⁴⁾
JCR: AA (Stable)	36.8% (as of the end of 12th FP) 37.6% (as of the end of 13th FP Forecast)	30.0%	Approx. JPY 140 bn
Long-term Debt Ratio	Fixed Interest Ratio	Average Remaining Debt Duration ⁽⁵⁾	Average Debt Cost ⁽⁶⁾
100.0%	99.5%	5.5 years	0.6%

DEBT MATURITY SCHEDULE

JPY mn



OUTSTANDING LOAN BALANCE



Number of our Lenders: 14

Sumitomo Mitsui Banking Corporation	28.4%
MUFG Bank	28.3%
Sumitomo Mitsui Trust Bank	12.6%
Mizuho Bank	8.8%
Development Bank of Japan	6.9%
Resona Bank	2.5%
Norinchukin Bank	1.8%
Aozora Bank	0.6%
Fukuoka Bank	0.6%
77 Bank	0.4%
Mizuho Trust & Banking Corporation	0.3%
Iyo Bank	0.2%
Tokio Marine & Nichido Fire Insurance	0.1%
Nippon Life Insurance	0.1%
Bonds	8.5%

1. As of Nov 30, 2018.

2. LTV = (forecast) total interest-bearing debt on balance sheet ÷ (forecast) total assets on balance sheet

3. Appraisal LTV = total interest-bearing debt on balance sheet ÷ { total assets on balance sheet + (appraisal value - book value) }

4. Borrowing capacity is calculated by assuming that we leverage up to 50% based on the estimated LTV as of the end of 13th FP.

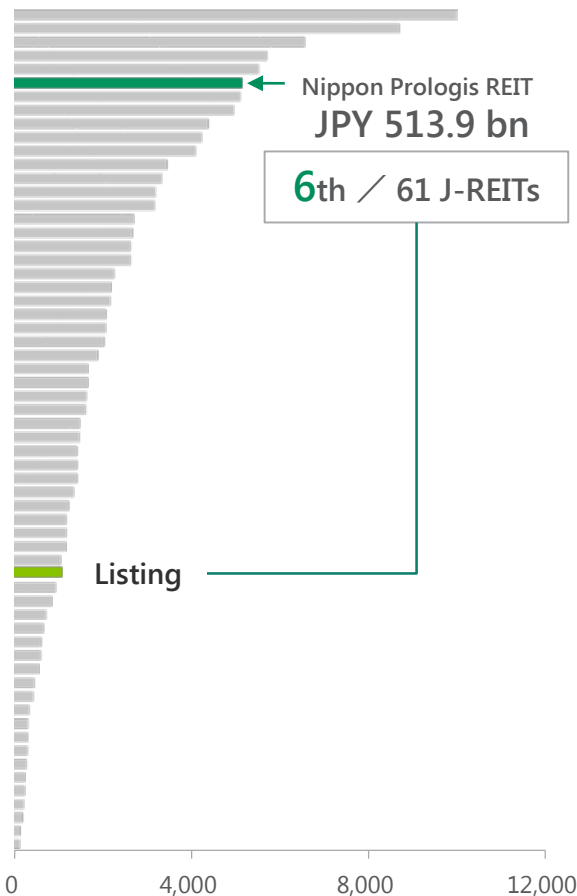
5. Average remaining debt term is calculated with the weighted average based on remaining debt (including bonds) balances.

6. Including financing-related costs paid to the financial institutions and calculating with the weighted average based on borrowings or the face value of each bond.

Our Premier Global Position

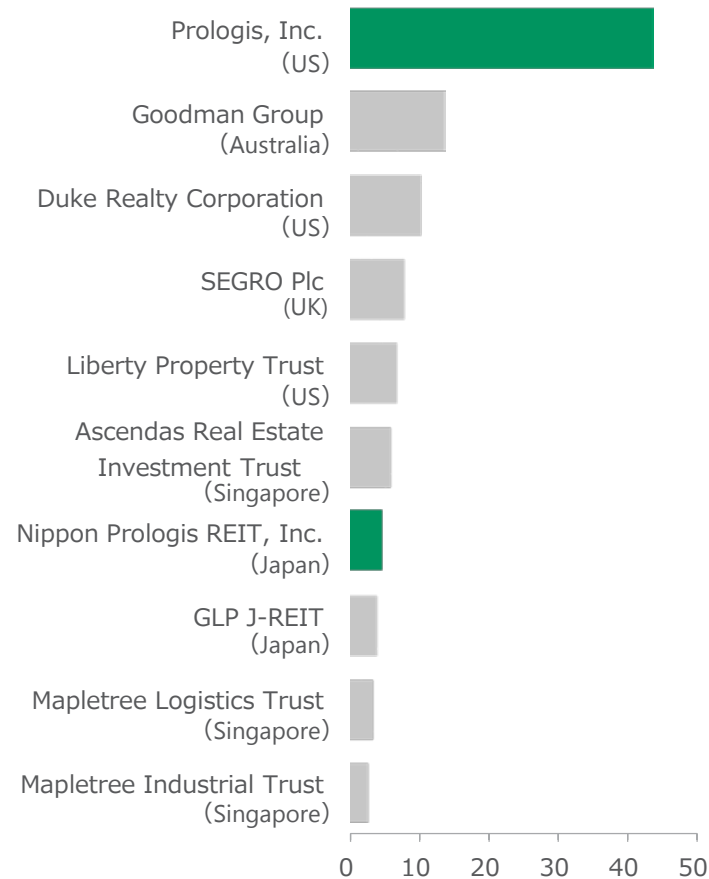
MARKET CAP OF J-REITS

JPY bn



MARKET CAP AMONG GLOBAL PEERS

\$ bn



INCLUSION IN 10 MAJOR INDICES

- TSE REIT 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
- Russell Global Index
- GPR 250 Index



Prologis Park Zama 1

ESG at NPR

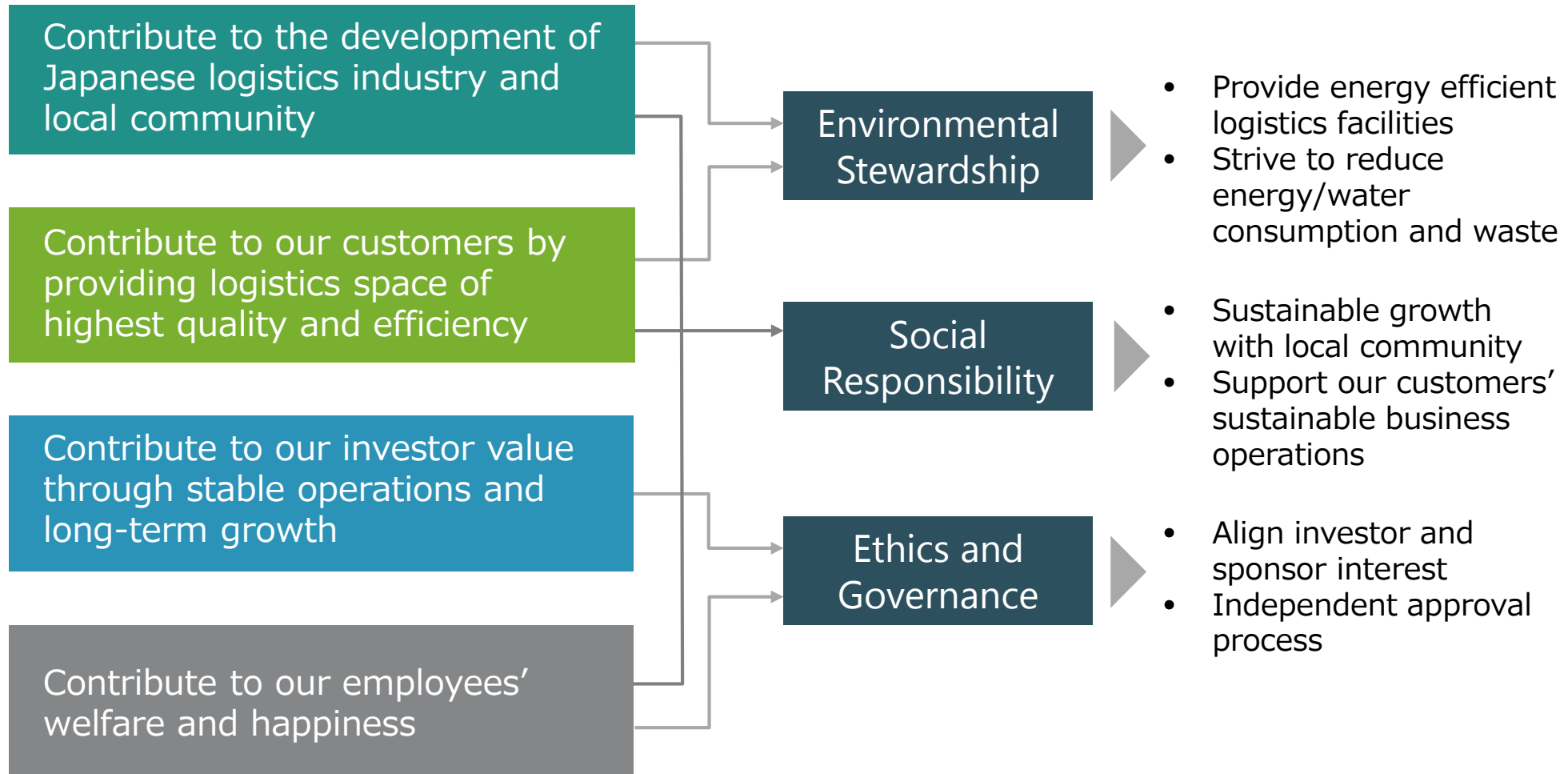
Section 04

Our Philosophy of ESG Builds upon Prologis Group

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.

Commitment to ESG is integrated into Our Business



Reputation Backed by Third-Party Agencies

GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK (GRESB) SURVEY



- Recognized as the Japanese Listed Sector Leader, and ranked the second out of 61 industrial participants globally
- Awarded the prestigious “5 Stars” for four consecutive years
- Awarded the prestigious “Green Star” for four consecutive years

DOW JONES SUSTAINABILITY ASIA/PACIFIC INDEX

- A member of the Dow Jones Sustainability Asia/Pacific Index from September 21, 2015
- The only J-REIT included in the Index as of 2018



MSCI JAPAN ESG SELECT LEADERS INDEX

- Included in the MSCI Japan ESG Select Leaders Index since July 2017



ESG Rating
A

NPR's First Green Bond Issuance Well Received

Terms & Conditions


- Amount of Issuance: JPY 6 billion
- Term: 10 years
- Coupon: 0.660%
- Date of Issuance: Aug. 17, 2018

Rationale

- Expand NPR's bond investor universe
- Present the Prologis Group's strong commitment to ESG
- Ultimately lower NPR's cost of capital
- Obtained Second-Party Opinion from Sustainalytics

Strong Green Eligibility of NPR Portfolio

- Awarded GRESB "5 Stars" for four consecutive years
- Included in the Dow Jones Sustainability Asia/Pacific Index
- Included in the MSCI Japan ESG Select Leaders Index with "A" ESG rating, the highest as a J-REIT
- Largest eligible green portfolio among all J-REITs (JPY 493.1 billion / 87.2% of entire portfolio ⁽¹⁾)




Framework Overview and Second-Party Opinion Prologis Green Bond


Prologis refers to Prologis, Inc., Prologis, L.P., its related co-investment ventures and other affiliates (collectively, "Prologis" or the "company")¹

Evaluation Summary


Sustainalytics is of the opinion that the Prologis Green Bond Framework is credible and impactful, and aligns with the four core components of the Green Bond Principles 2017. Some key considerations of the assessment are:




USE OF PROCEEDS The eligible categories for the use of proceeds, green buildings, renewable energy, and energy efficiency are aligned with those recognized by the Green Bond Principles, and have clear positive environmental impact.




PROJECT EVALUATION / SELECTION Prologis has a Green Bond Committee in place that is comprised of members of the company's management as well as members of the company's ESG department, or persons related to the Issuer or a Prologis affiliate, supporting the company's ESG department, as applicable. This is in line with market practice.



MANAGEMENT OF PROCEEDS Prologis' disclosure and processes to manage and track proceeds are in line with market practice.



REPORTING Prologis intends to report allocation of net proceeds on an annual basis at a category level. This is in line with market practice. With respect to impact reporting, Prologis is committed to reporting the levels of certification of properties in the portfolio applicable to the outstanding Green Bonds on an annual basis.



SECOND PARTY OPINION

Evaluation date	May 15, 2018
Issuer Location	Global
Report Sections	
Introduction	2
Overview of Issuer	2
Framework Overview	3
Sustainalytics' Opinion	6
Appendices	11

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¹ Please refer to Appendix I for a list of additional Prologis issuers of potential and currently outstanding Green Bonds.

Key Takeaways

- Delivered strong operating and financial performances
- Japanese logistics real estate market demonstrates a sign of moderating supply
- Maintain durable growth profile
- Remain fully committed to ESG



Prologis Park Amagasaki 3

Appendix

Section 05

Summary of Nov. 2018 Fiscal Period Earnings

Asset	Equity	Debt
<ul style="list-style-type: none"> Portfolio Size ⁽¹⁾ JPY 565.7 bn Unrealized Gain ⁽²⁾ JPY 131.2 bn (Ratio 24.3%) NOI Yields Average Appraisal NOI Yield ⁽³⁾ 5.3 % 12th FP Actual NOI Yield ⁽⁴⁾ 5.4 % Occupancy Rate Average Occupancy Rate 98.3 % As of the end of Fiscal Period 98.9 % 	<ul style="list-style-type: none"> Market Cap ⁽¹⁾ JPY 513.9 bn DPU ⁽⁵⁾ 12th FP Result JPY 4,429 13th FP Forecast JPY 4,431 14th FP Forecast JPY 4,403 NAV per Unit ⁽⁶⁾ JPY 211,234 (+1.9% over previous FP) 	<ul style="list-style-type: none"> Total Debt Balance JPY 211.0 bn LTV 36.8 % ⁽⁷⁾ (Appraisal LTV 30.0 % ⁽⁸⁾) (13th FP Forecast 37.6 %) Borrowing Capacity approx. JPY 140 bn (13th FP Forecast) JCR Credit Ratings AA (Stable)

1. As of Nov. 30, 2018.

2. Unrealized gain is the difference between appraisal value and book value as of end of 12th FP

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

4. 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.

5. Including surplus cash distributions.

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

7. Calculated by dividing total interest-bearing debt by total assets as of Nov. 30, 2018.

8. Calculated by dividing total interest-bearing debt by the sum of total assets and unrealized gain as of Nov. 30, 2018.

Financial Highlights – Nov. 2018 Fiscal Period

	12th Fiscal Period (Nov. 30, 2018)		11th FP (May 31, 2018)	
	Forecast (A) (as of July 17, 2018)	Actual (B)	(B) – (A)	Actual
Operating Results (JPY mn)				
Operating Revenues	19,542	19,726	+183	18,435
Operating Income	9,260	9,379	+119	8,803
Ordinary Income	8,567	8,710	+142	8,076
Net Income	8,566	8,709	+142	8,075
Distributions Per Unit (JPY)				
Distributions Per Unit (total)	4,400	4,429	+29	4,373
Distributions per unit (excl. SCD)	3,919	3,984	+65	3,694
Surplus Cash Distributions (SCD)	481	445	-36	679
Other Statistics (JPY mn)				
NOI	15,399	15,516	+116	14,613
LTV	37.0%	36.8%	-0.2%	36.4%
Total Assets	571,241	572,680	+1,439	567,153
Interest-Bearing Debt	211,300	211,000	-300	206,300
CAPEX	798	737	-61	705
AFFO ⁽¹⁾	12,240	12,440	+200	11,625
AFFO Payout Ratio ⁽²⁾	78.6%	77.8%	-0.8%	82.2%

- Full contribution of revenues from properties acquired during the 11th fiscal period
- Contribution of revenues from properties acquired in the 12th fiscal period
- Maintained high occupancy rates
 - Average occupancy during the period: 98.3%
 - Period-end occupancy: 98.9%
- Received Lease contract cancellation penalty payment (+JPY 250 mn) and reduced equivalent amount of SCDs

Factors of Variance in 12th FP Net Income Forecast vs. Actual Results

- Average Occupancy Rate
 - Forecast 97.8% → Actual 98.3%
- Change in NOI: JPY +116 mn

1. AFFO is calculated by deducting capital expenditures from FFO, and adding back financing-related non-cash expenses.

FFO is calculated by adding back non-cash expenses to net income.

2. AFFO payout ratio is calculated based on the distribution per unit including Surplus Cash Distributions.

Forecasts for May and Nov. 2019 Fiscal Periods

	12th FP (Nov. 30, 2018)	13th Fiscal Period (May 31, 2019)			14th FP (Nov. 30, 2019)
	Actual (A)	Forecast (as of July 17, 2018)	Forecast (B)	(B) – (A)	Forecast
Operating Results (JPY mn)					
Operating Revenues	19,726	19,597	20,245	+519	19,708
Operating Income	9,379	9,103	9,093	-286	9,043
Ordinary Income	8,710	8,405	8,404	-305	8,340
Net Income	8,709	8,404	8,403	-306	8,339
Distributions Per Unit (JPY)					
Distributions Per Unit (total)	4,429	4,431	4,431	+2	4,403
Distributions per unit (excl. SCD)	3,984	3,845	3,845	-139	3,815
Surplus Cash Distributions (SCD)	445	586	586	+141	588
Other Statistics (JPY mn)					
NOI	15,516	15,414	15,409	-107	15,370
LTV	36.8%	37.8%	37.6%	+0.8%	37.7%
Total Assets	572,680	576,922	578,298	+5,617	576,951
Interest-Bearing Debt	211,000	217,800	217,500	+6,500	217,500
CAPEX	737	747	762	+24	730
AFFO ⁽¹⁾	12,440	12,334	12,317	-122	12,300
AFFO Payout Ratio ⁽²⁾	77.8%	78.5%	78.6%	+0.8%	78.2%

- Anticipate high occupancy rates
 - Average occupancy for 13th FP: 98.2%
 - Average occupancy for 14th FP: 97.9%

12th FP vs. 13th FP Variance Factors of Revenues & DPU

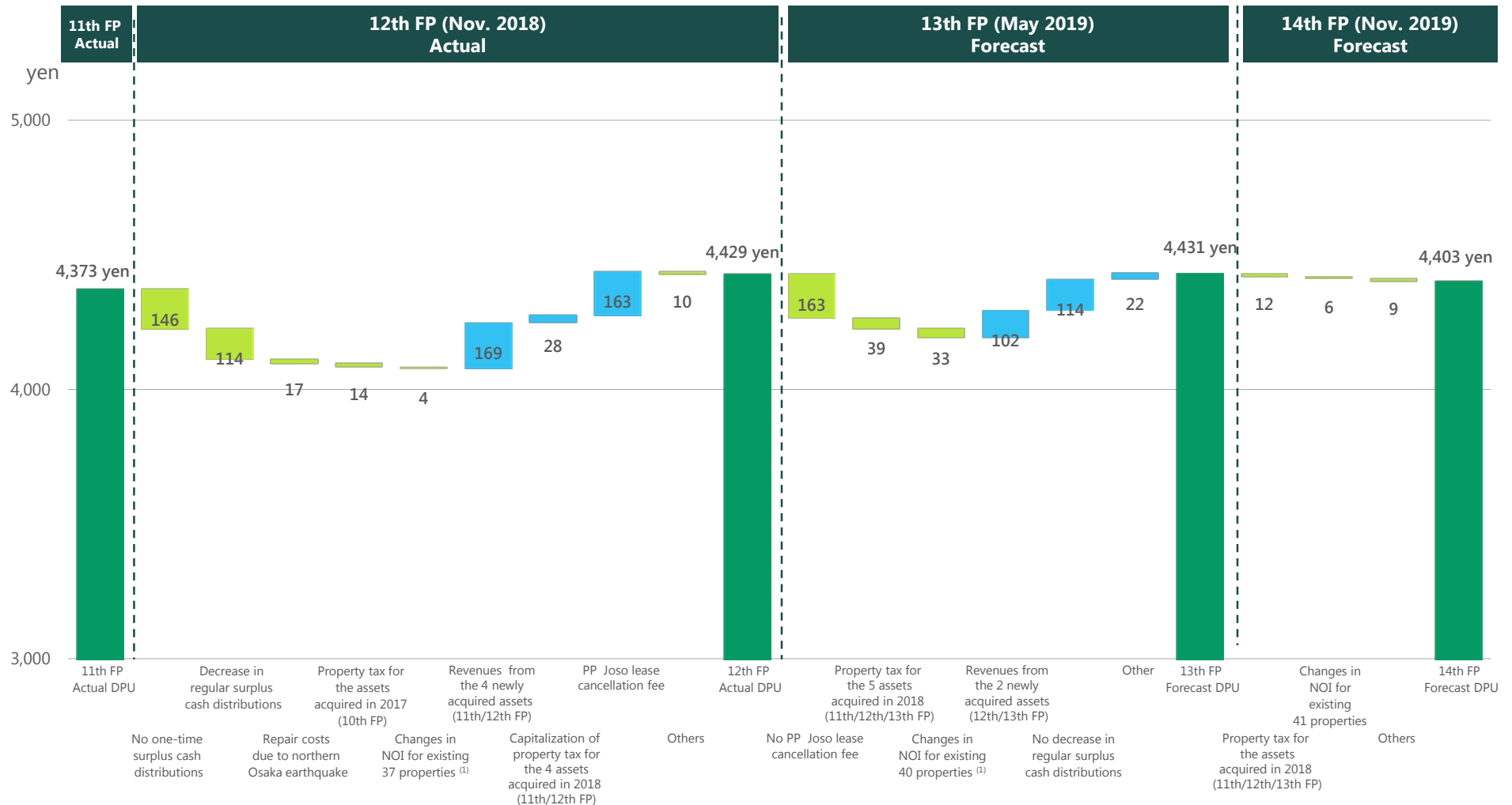
- Revenues
 - Revenues from acquisition of PP Tsukuba 1-A (+)
 - No penalty payment from PP Joso lease cancellation (–)
 - Received insurance payment relating to repair incurred by typhoons (+)
- Expenses
 - Property tax expensed on the newly acquired assets (–)
 - Repair costs incurred by typhoons (–)
- Distribution
 - No Reduction in regular surplus cash distributions (+)

13th FP vs. 14th FP Variance Factors of Revenues & DPU

- Expenses
 - Property tax expensed on the assets acquired in 2018 (–)

1. AFFO is calculated by deducting capital expenditures from FFO, and adding back financing-related non-cash expenses.
FFO is calculated by adding back non-cash expenses to net income.
2. AFFO payout ratio is calculated based on the distribution per unit including Surplus Cash Distributions.

DPU Variance Factors



Nov. 2018 FP – Balance Sheet

Assets (JPY, thousands)	11th Fiscal Period (As of May 31, 2018)	12th Fiscal Period (As of Nov. 30, 2018)	Liabilities (JPY, thousands)	11th Fiscal Period (As of May 31, 2018)	12th Fiscal Period (As of Nov. 30, 2018)
I Current assets			I Current liabilities		
Cash and deposits	19,994,172	24,546,935	Operating accounts payable	1,088,428	1,609,655
Cash and deposits in trust	4,057,793	4,569,560	Short-term loans payable	6,300,000	-
Operating accounts receivable	1,537,088	1,520,049	Current portion of investment corporation bonds payable	-	2,000,000
Prepaid expenses	378,745	348,676	Current portion of long-term loans payable	6,400,000	7,400,000
Consumption taxes receivable	1,319,143	-	Accounts payable	197,281	589,610
Other current assets	4,025	18,254	Accrued expenses	1,796,019	1,925,584
Total current assets	27,290,969	31,003,476	Accrued consumption taxes	-	804,872
II Fixed assets			Income taxes payable	1,166	890
Property and equipment			Advances received	3,610,862	3,336,839
Buildings, net	6,593,381	6,502,576	Other current liabilities	66,493	81,218
Structures, net	150,696	141,411	Total current liabilities	19,460,250	17,748,670
Tools, furniture and fixtures, net	2,742	2,490	II Non-current liabilities		
Land	3,834,204	3,834,204	Investment corporation bonds payable	12,000,000	16,000,000
Buildings in trust, net	304,094,631	304,596,230	Long-term loans payable	181,600,000	185,600,000
Structures in trust, net	5,899,822	6,019,187	Tenant leasehold and security deposits	247,773	247,773
Machinery and equipment in trust, net	9,016	10,526	Tenant leasehold and security deposits in trust	13,766,843	13,855,824
Tools, furniture and fixtures in trust, net	501,026	481,073	Other non-current liabilities	328	194
Other tangible assets in trust, net	0	0	Total non-current liabilities	207,614,944	215,703,791
Land in trust	217,022,982	218,446,593	Total liabilities	227,075,195	233,452,462
Construction in progress in trust	16,974	3,779			
Total property and equipment	538,125,481	540,038,074	Net assets (JPY, thousands)		
Intangible assets			I Unit holders' equity		
Other intangible assets in trust	11,820	11,087	Unit holders' capital		
Total intangible assets	11,820	11,087	Unit holders' capital, gross	338,516,767	338,516,767
Investments and other assets			Deduction of unit holders' capital	(6,515,132)	(7,999,392)
Long-term prepaid expenses	1,662,057	1,535,142	Unit holders' capital	332,001,635	330,517,375
Deferred tax assets	27	14	Surplus		
Security deposit	10,000	10,000	Unappropriated retained earnings (undisposed loss)	8,076,258	8,710,838
Other	400	400	Total surplus	8,076,258	8,710,838
Total investments and other assets	1,672,485	1,545,557	Total unit holders' equity	340,077,894	339,228,213
Total fixed assets	539,809,786	541,594,719	Total net assets	340,077,894	339,228,213
III Deferred assets			Total liabilities and net assets	567,153,089	572,680,675
Total deferred assets	52,333	82,479			
Total assets	567,153,089	572,680,675			

Nov. 2018 FP – Income Statement

JPY, thousands	11th Fiscal Period	12th Fiscal Period
Operating revenues		
Operating rental revenues	17,173,631	17,855,150
Other rental revenues	1,261,650	1,870,554
Gain on sales of real estate properties	-	572
Total operating revenues	18,435,281	19,726,277
Operating expenses		
Expenses related to property rental business	7,910,462	8,503,051
Asset management fee	1,611,517	1,719,714
Asset custody fee	41,954	44,328
Directors' compensation	4,800	5,600
Audit fee	15,000	15,000
Other operating expenses	47,639	58,994
Total operating expenses	9,631,374	10,346,689
Operating income	8,803,907	9,379,588
Non-operating income		
Interest income	110	104
Reversal of distributions payable	895	555
Gain on real estate tax settlement	279	-
Interest on refund of consumption taxes	607	751
Total non-operating income	1,892	1,411
Non-operating expenses		
Interest expense on loans payable	411,521	431,729
Interest expense on investment corporation bonds	31,795	43,155
Amortization of investment corporation bond issuance costs	4,939	6,015
Borrowing related expenses	183,848	189,515
Investment unit issuance expenses	24,691	-
Offering costs associated with the issuance of investment units	72,342	-
Others	22	184
Total non-operating expenses	729,161	670,600
Ordinary income	8,076,639	8,710,398

	11th Fiscal Period	12th Fiscal Period
Income before income taxes	8,076,639	8,710,398
Incomes taxes – current	1,183	906
Incomes taxes – deferred	(26)	13
Total income taxes	1,156	920
Net Income	8,075,482	8,709,478
Retained earnings brought forward	776	1,359
Unappropriated retained earnings (undisposed loss)	8,076,258	8,710,838

Portfolio Summary

FP of Acquisition	No.	Property Name	Location	Acquisition Price (JPY mn)	Appraisal Value (JPY mn)	Leasable Area (m ²)	Share	Age (years)	Appraisal NOI Yield (%) ⁽²⁾	Actual NOI Yield (%) ⁽³⁾	Occupancy Rate	PML
1st FP	M-01	Prologis Park Ichikawa 1	Ichikawa, Chiba	33,900	43,800	125,026	5.9%	10.1	5.4%	5.4%	100.0%	0.6%
	M-02	Prologis Park Zama 1	Zama, Kanagawa	27,900	34,000	113,471	4.8%	9.6	5.3%	5.6%	99.8%	0.8%
	M-03	Prologis Park Kawajima	Hiki, Saitama	25,600	32,500	144,897	4.4%	7.5	6.0%	6.1%	99.8%	7.5%
	M-04	Prologis Park Osaka 2	Osaka, Osaka	25,000	31,800	130,553	4.3%	11.6	5.6%	5.9%	99.3%	0.8%
	M-05	Prologis Park Maishima 3	Osaka, Osaka	13,500	15,300	74,874	2.3%	10.8	5.3%	5.1%	97.5%	8.9%
	M-06	Prologis Park Kasugai	Kasugai, Aichi	12,500	17,200	91,455	2.2%	10.9	6.7%	6.5%	98.1%	3.9%
	M-07	Prologis Park Kitanagoya	Kitanagoya, Aichi	6,500	9,010	42,751	1.1%	9.5	6.6%	6.4%	100.0%	7.7%
	B-02	Prologis Park Takatsuki	Takatsuki, Osaka	4,410	5,270	19,898	0.8%	6.9	5.7%	5.7%	100.0%	5.3%
	B-03	Prologis Park Tosu 2	Tosu, Saga	3,030	3,790	21,778	0.5%	6.4	6.2%	5.9%	100.0%	0.5%
	B-04	Prologis Park Tosu 4	Tosu, Saga	3,810	4,760	28,765	0.7%	6.9	6.2%	5.7%	100.0%	0.6%
Sub-total / Average				156,150	197,430	793,472	27.0%	9.7	-	-	-	-
2nd FP	M-09	Prologis Park Tokyo-Ohta	Ota, Tokyo	29,500	37,800	73,145	5.1%	13.2	4.9%	4.8%	96.7%	3.6%
	M-10	Prologis Park Zama 2	Zama, Kanagawa	21,900	28,500	95,121	3.8%	6.4	5.6%	5.6%	100.0%	0.8%
	M-11	Prologis Park Funabashi 5 Annex	Funabashi, Chiba	11,000	13,900	56,556	1.9%	14.0	5.5%	5.9%	100.0%	4.3%
	M-12	Prologis Park Narita 1-A&B	Narita, Chiba	8,420	10,400	62,058	1.5%	13.8	6.2%	6.5%	97.6%	3.9%
	M-13	Prologis Park Narita 1-C	Narita, Chiba	4,810	5,900	32,230	0.8%	11.6	6.2%	6.9%	100.0%	3.9%
	M-14	Prologis Park Amagasaki 1	Amagasaki, Hyogo	17,600	21,200	91,446	3.0%	13.3	5.5%	5.2%	100.0%	4.6%
	M-15	Prologis Park Amagasaki 2	Amagasaki, Hyogo	19,200	22,300	91,399	3.3%	11.7	5.3%	5.4%	99.8%	4.4%
	B-05	Prologis Park Narashino 4	Narashino, Chiba	20,000	25,500	91,529	3.5%	5.4	5.2%	5.3%	100.0%	1.1%
Sub-total / Average				132,430	165,500	593,487	22.9%	10.7	-	-	-	-
3rd FP	M-16	Prologis Park Tokyo-Shinkiba	Koto, Tokyo	13,600	17,500	31,022	2.4%	11.5	4.8%	5.3%	97.1%	5.9%
	M-17	Prologis Park Yokohama-Tsurumi	Yokohama, Kanagawa	13,800	17,900	63,973	2.4%	10.6	5.5%	5.2%	99.4%	1.1%
	M-18	Prologis Park Osaka 4	Osaka, Osaka	21,000	25,000	106,135	3.6%	6.6	5.3%	5.3%	100.0%	2.7%
	M-19	Prologis Park Iwanuma 1	Iwanuma, Miyagi	5,670	7,510	40,520	1.0%	10.2	6.6%	6.4%	100.0%	3.2%
	Sub-total / Average				54,070	67,910	241,651	9.3%	9.2	-	-	-
4th FP	M-20	Prologis Park Kawajima 2	Hiki, Saitama	8,180	9,430	42,005	1.4%	4.8	5.4%	5.8%	100.0%	9.0%
	B-06	Prologis Park Ebina	Ebina, Kanagawa	8,250	10,500	32,500	1.4%	8.7	5.3%	5.1%	100.0%	6.0%
	B-07	Prologis Park Kawanishi	Kawanishi, Hyogo	13,600	14,900	75,493	2.4%	5.0	5.0%	6.0%	100.0%	3.7%
	B-08	Prologis Park Amagasaki 3	Amagasaki, Hyogo	9,090	10,300	39,527	1.6%	5.2	5.1%	5.1%	100.0%	4.4%
	B-09	Prologis Park Kobe	Kobe, Hyogo	6,410	7,340	32,511	1.1%	5.0	5.6%	5.8%	100.0%	0.4%
Sub-total / Average				45,530	52,470	222,037	7.9%	5.7	-	-	-	-
7th FP	M-21	Prologis Park Kitamoto	Kitamoto, Saitama	12,600	13,800	69,432	2.2%	4.7	5.2%	5.4%	100.0%	3.6%
	M-22	Prologis Park Joso	Joso, Ibaraki	7,120	7,500	37,165	1.2%	4.1	5.1%	5.4%	49.6%	4.5%
	M-23	Prologis Park Osaka 5	Osaka, Osaka	17,600	18,800	78,087	3.0%	3.9	4.8%	5.1%	100.0%	3.5%
	B-10	Prologis Park Sendai Izumi	Sendai, Miyagi	4,820	5,390	26,353	0.8%	3.2	5.7%	5.9%	100.0%	1.4%
	Sub-total / Average				42,140	45,490	211,038	7.3%	4.1	-	-	-
9th FP	M-24	Prologis Park Narita 3	Sambu, Chiba	9,240	10,400	52,982	1.6%	10.5	5.6%	5.9%	100.0%	0.3%
	B-11	Prologis Park Koga 1	Koga, Ibaraki	7,680	8,400	34,158	1.3%	2.1	5.3%	5.3%	100.0%	0.3%
	B-12	Prologis Park Kobe 2	Kobe, Hyogo	13,700	14,400	62,468	2.4%	2.1	5.1%	5.2%	100.0%	0.3%
Sub-total / Average				30,620	33,200	149,609	5.3%	4.7	-	-	-	-
10th FP	M-25	Prologis Park Narashino 5	Narashino, Chiba	13,600	14,600	58,159	2.4%	2.7	4.5%	4.7%	100.0%	4.6%
	M-26	Prologis Park Ibaraki	Ibaraki, Osaka	38,300	40,600	154,182	6.6%	2.2	4.5%	4.8%	100.0%	2.1%
	B-13	Prologis Park Koga 2	Koga, Ibaraki	3,930	4,010	19,699	0.7%	1.6	5.0%	5.0%	100.0%	3.5%
Sub-total / Average				55,830	59,210	232,041	9.6%	2.3	-	-	-	-
11th FP	M-27	Prologis Park Ichikawa 3	Ichikawa, Chiba	17,000	17,800	50,714	2.9%	1.0	4.2%	4.2%	100.0%	3.4%
	M-28	Prologis Park Narita 1-D	Narita, Chiba	5,260	5,350	27,960	0.9%	3.9	5.1%	5.4%	100.0%	3.5%
	M-29	Prologis Park Yoshimi	Hiki, Saitama	21,300	21,400	98,076	3.7%	3.0	4.7%	4.9%	100.0%	3.1%
Sub-total / Average				43,560	44,550	176,750	7.5%	2.3	-	-	-	-
12th FP	B-14	Prologis Park Koga 3	Koga, Ibaraki	5,440	5,520	29,196	0.9%	0.4	5.0%	4.9%	100.0%	4.6%
	Sub-total / Average				5,440	5,520	29,196	0.9%	0.4	-	-	-
Sub Total / Average (41 properties)				565,770	671,280	2,649,286	97.8%	7.5	5.3%	5.4%	98.9%	-
Properties newly acquired	B-15	Prologis Park Tsukuba 1-A	Tsukuba, Ibaraki	12,900	12,900	65,168	2.2%	0.2	4.8%	-	100.0%	2.1%
	Sub-total / Average				12,900	12,900	65,168	2.2%	0.2	-	-	-
Total / Average (42 properties)				578,670	684,180	2,714,455	100.0%	7.3	5.3%	-	98.9%	1.2%

1. As of Nov 30, 2018.

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

12th Fiscal Period End										11th Fiscal Period End	
No.	Property Name	Acquisition Price (JPY mn)	Appraisal Value (JPY mn)	Change from 11th FP	Direct Cap Rate	Change from 11th FP	Book Value (JPY mn)	Unrealized Gain (JPY mn)	Appraisal Value (JPY mn) ⁽²⁾	Direct Cap Rate ⁽²⁾	
Properties Acquired during the 1st Fiscal Period											
M-01	Prologis Park Ichikawa 1	33,900	43,800	100	4.0	0	32,130	11,669	43,700	4.0	
M-02	Prologis Park Zama 1	27,900	34,000	500	4.2	-0.1	25,951	8,048	33,500	4.3	
M-03	Prologis Park Kawajima	25,600	32,500	-300	4.6	0	23,291	9,208	32,800	4.6	
M-04	Prologis Park Osaka 2	25,000	31,800	100	4.4	0	23,064	8,735	31,700	4.4	
M-05	Prologis Park Maishima 3	13,500	15,300	-200	4.5	0	12,320	2,979	15,500	4.5	
M-06	Prologis Park Kasugai	12,500	17,200	200	4.7	-0.1	11,450	5,749	17,000	4.8	
M-07	Prologis Park Kitanagoya	6,500	9,010	50	4.4	-0.1	5,932	3,077	8,960	4.5	
B-02	Prologis Park Takatsuki	4,410	5,270	20	4.6	-0.1	4,161	1,108	5,250	4.7	
B-03	Prologis Park Tosu 2	3,030	3,790	-60	4.7	0	2,783	1,006	3,850	4.7	
B-04	Prologis Park Tosu 4	3,810	4,760	-10	4.7	0	3,535	1,224	4,770	4.7	
	Sub-total	156,150	197,430	400	-	-	144,621	52,808	197,030	-	
Properties Acquired during the 2nd Fiscal Period											
M-09	Prologis Park Tokyo-Ohta	29,500	37,800	1,300	3.7	-0.1	29,133	8,666	36,500	3.8	
M-10	Prologis Park Zama 2	21,900	28,500	300	4.2	-0.1	20,525	7,974	28,200	4.3	
M-11	Prologis Park Funabashi 5	11,000	13,900	200	4.1	-0.1	10,522	3,377	13,700	4.2	
M-12	Prologis Park Narita 1-A&B	8,420	10,400	100	4.9	0	7,972	2,427	10,300	4.9	
M-13	Prologis Park Narita 1-C	4,810	5,900	10	4.9	0	4,449	1,450	5,890	4.9	
M-14	Prologis Park Amagasaki 1	17,600	21,200	500	4.5	-0.1	16,851	4,348	20,700	4.6	
M-15	Prologis Park Amagasaki 2	19,200	22,300	500	4.5	-0.1	18,313	3,986	21,800	4.6	
B-05	Prologis Park Narashino 4	20,000	25,500	300	4.0	-0.1	18,666	6,833	25,200	4.1	
	Sub-total	132,430	165,500	3,210	-	-	126,436	39,063	162,290	-	
Properties Acquired during the 3rd Fiscal Period											
M-16	Prologis Park Tokyo-Shinkiba	13,600	17,500	500	3.7	-0.1	13,192	4,307	17,000	3.8	
M-17	Prologis Park Yokohama-Tsurumi	13,800	17,900	600	4.1	0	12,935	4,964	17,300	4.1	
M-18	Prologis Park Osaka 4	21,000	25,000	0	4.4	0	19,548	5,451	25,000	4.4	
M-19	Prologis Park Iwanuma 1	5,670	7,510	190	4.9	-0.1	5,125	2,384	7,320	5.0	
	Sub-total	54,070	67,910	1,290	-	-	50,802	17,107	66,620	-	
Properties Acquired during the 4th Fiscal Period											
M-20	Prologis Park Kawajima 2	8,180	9,430	-50	4.6	0	7,708	1,721	9,480	4.6	
B-06	Prologis Park Ebina	8,250	10,500	200	4.1	-0.1	8,011	2,488	10,300	4.2	
B-07	Prologis Park Kawanishi	13,600	14,900	100	4.5	-0.1	12,979	1,920	14,800	4.6	
B-08	Prologis Park Amagasaki 3	9,090	10,300	0	4.4	0	8,704	1,595	10,300	4.4	
B-09	Prologis Park Kobe	6,410	7,340	0	4.8	0	6,040	1,299	7,340	4.8	
	Sub-total	45,530	52,470	250	-	-	43,444	9,025	52,220	-	
Properties Acquired during the 7th Fiscal Period											
M-21	Prologis Park Kitamoto	12,600	13,800	0	4.7	0	12,197	1,602	13,800	4.7	
M-22	Prologis Park Josu	7,120	7,500	-60	4.7	0	6,840	659	7,560	4.7	
M-23	Prologis Park Osaka 5	17,600	18,800	300	4.4	-0.1	17,122	1,677	18,500	4.5	
B-10	Prologis Park Sendai Izumi	4,820	5,390	100	5.0	-0.1	4,585	804	5,290	5.1	
	Sub-total	42,140	45,490	340	-	-	40,746	4,743	45,150	-	
Properties Acquired during the 9th Fiscal Period											
M-24	Prologis Park Narita 3	9,240	10,400	100	4.7	0	9,058	1,341	10,300	4.7	
B-11	Prologis Park Koga 1	7,680	8,400	0	4.8	0	7,447	952	8,400	4.8	
B-12	Prologis Park Kobe 2	13,700	14,400	0	4.8	0	13,336	1,063	14,400	4.8	
	Sub-total	30,620	33,200	100	-	-	29,842	3,357	33,100	-	
Properties Acquired during the 10th Fiscal Period											
M-25	Prologis Narashino 5	13,600	14,600	400	4.1	-0.1	13,425	1,174	14,200	4.2	
M-26	Prologis Ibaraki	38,300	40,600	0	4.2	0	37,917	2,682	40,600	4.2	
B-13	Prologis Koga 2	3,930	4,010	0	4.8	0	3,857	152	4,010	4.8	
	Sub-total	55,830	59,210	400	-	-	55,201	4,008	58,810	-	
Properties Acquired during the 11th Fiscal Period											
M-27	Prologis Park Ichikawa 3	17,000	17,800	500	3.9	-0.1	16,952	847	17,300	4.0	
M-28	Prologis Park Narita 1-D	5,260	5,350	10	4.9	0	5,285	64	5,340	4.9	
M-29	Prologis Park Yoshimi	21,300	21,400	0	4.6	0	21,249	150	21,400	4.6	
	Sub-total	43,560	44,550	510	-	-	43,487	1,062	44,040	-	
Properties Acquired during the 12th Fiscal Period											
B-14	Prologis Park Koga 3	5,440	5,520	80	4.8	0	5,463	56	5,440	4.8	
	Sub-total	5,440	5,520	80	-	-	5,463	56	5,440	-	
	Sub Total / Average (41 properties)	565,770	671,280	6,580	-	-	540,045	131,234	664,700	-	
Properties newly acquired											
B-15	Prologis Park Tsukuba 1-A	12,900	12,900	0	4.7	0	-	-	12,900	4.7	
	Sub-total	12,900	12,900	0	-	-	-	-	12,900	-	
	Total (42 properties)	578,670	684,180	6,580	-	-	-	-	677,600	-	

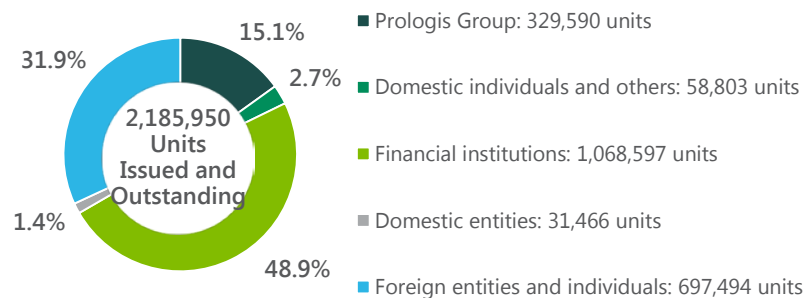
Summary of Interest Bearing Debt

	Lenders	Amount (JPY mn)	Interest Rate	Borrowing Date	Maturity Date ⁽²⁾	Collateral
Long-term Borrowings	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	6,400	0.8101% ⁽³⁾	Dec. 3, 2013	Dec. 3, 2018	Unsecured and non-guaranteed
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	1,000	JBA 3-month TIBOR + 0.24% ⁽⁴⁾	Nov. 27, 2014	Nov. 27, 2019	
	Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd.	14,000	0.5749% ⁽³⁾	Mar. 30, 2015	Mar. 31, 2022	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	7,300	0.0757% ⁽³⁾	Feb. 15, 2016	Feb. 15, 2021	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	6,000	0.1726% ⁽³⁾	Feb. 15, 2016	Feb. 15, 2022	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	10,000	0.39% ⁽³⁾	Feb. 15, 2016	Feb. 15, 2024	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	7,600	0.4129% ⁽³⁾	Mar. 15, 2016	Mar. 15, 2023	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	4,000	0.528% ⁽³⁾	Dec. 20, 2016	Dec. 20, 2024	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	9,400	0.7167% ⁽³⁾	Dec. 20, 2016	Dec. 18, 2026	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	14,000	0.2236% ⁽³⁾	Apr. 28, 2017	Apr. 28, 2021	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	10,000	0.262% ⁽³⁾	Apr. 28, 2017	Apr. 28, 2022	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	20,000	0.3125% ⁽³⁾	Apr. 28, 2017	Apr. 28, 2023	
	Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd.	6,000	0.3725% ⁽³⁾	Apr. 28, 2017	Apr. 30, 2024	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	23,300	0.4369% ⁽³⁾	Apr. 28, 2017	Apr. 28, 2025	
	Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Development Bank of Japan	13,900	0.524% ⁽³⁾	Apr. 28, 2017	Apr. 28, 2026	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	23,300	0.6327% ⁽³⁾	Apr. 28, 2017	Apr. 28, 2027	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	11,800	0.6198% ⁽³⁾	Mar. 13, 2018	Mar. 13, 2028	
	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation & MUFG Bank, Ltd.	5,000	0.4483% ⁽³⁾	Oct. 1, 2018	Oct. 1, 2024	
Investment Corporation Bonds	1st Unsecured Investment Corporation Bonds	2,000	0.338%	Nov. 27, 2014	Nov. 27, 2019	
	2nd Unsecured Investment Corporation Bonds	3,000	0.930%	Nov. 27, 2014	Nov. 27, 2024	
	3rd Unsecured Investment Corporation Bonds	2,000	0.180%	June 15, 2017	June 15, 2021	
	4th Unsecured Investment Corporation Bonds	1,500	0.280%	June 15, 2017	June 15, 2023	
	5th Unsecured Investment Corporation Bonds	2,500	0.500%	June 15, 2017	June 15, 2027	
	6th Unsecured Investment Corporation Bonds	1,000	0.860%	June 15, 2017	June 15, 2032	
	7th Unsecured Investment Corporation Bonds	6,000	0.660%	Aug. 17, 2018	Aug. 17, 2028	
Total		211,000	-	-	-	

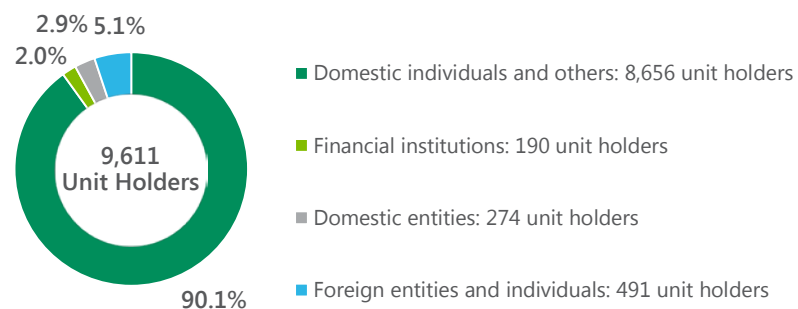
1. The above borrowing amounts are as of Nov. 30, 2018. In addition, we have entered into a commitment line agreement of JPY 20 bn with Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd. and Mizuho Bank, Ltd..
2. The maturity date will be the immediately following business day in case such date falls 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).
4. The base interest rate refers to the Japanese yen TIBOR (Tokyo Interbank Offered Rate). For the current rate, please refer to the Japanese Bankers Association's website.

Unit Holder Composition

BREAKDOWN BY UNITS



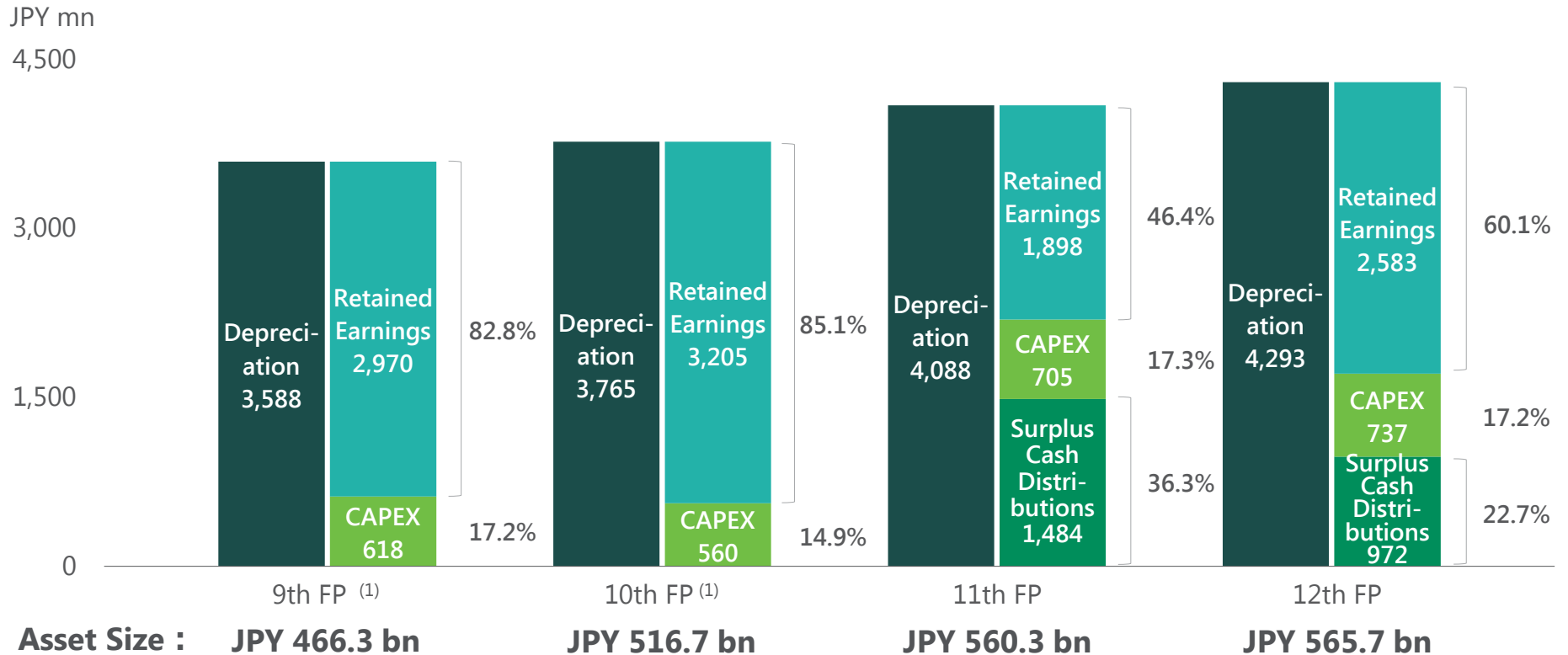
BREAKDOWN BY UNIT HOLDERS



MAJOR UNIT HOLDERS

No.	Name	Units Owned	% of Units Issued ⁽²⁾
1	Japan Trustee Services Bank, Ltd. (Trust Acct.)	340,249	15.56%
2	Prologis Property Japan SPC	327,590	14.98%
3	The Master Trust Bank of Japan, Ltd. (Trust Acct.)	311,817	14.26%
4	The Nomura Trust and Banking Company, Ltd. (Trust Acct.)	78,499	3.59%
5	STATE STREET BANK WEST CLIENTS-TREATY 505234	66,966	3.06%
6	Trust and Custody Services Bank, Ltd. (Securities Investment Trust Acct.)	54,514	2.49%
7	SSBTC CLIENT OMNIB US ACCOUNT	36,568	1.67%
8	Nomura Bank (Luxembourg) S.A.	35,496	1.62%
9	JP MORGAN CHASE BANK 385628	32,420	1.48%
10	STATE STREET BANK AND TRUST COMPANY 505223	27,821	1.27%
Total		1,311,940	60.01%

Historical Uses of Surplus Cash



NPR's Investment Highlights



Focus on Class-A Logistics Facilities

Features:

- Gross floor area of approximately 16,500 m² (177,600 ft²) 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 m² (53,820 ft²) per level with a floor weight capacity of at least 1.5 t/m² (16.1 t/ft²), an effective ceiling height of at least 5.5 m (18 ft) and column spacing of at least 10 m (33 ft)
- Spiral ramps or slopes that allow trucks direct access to upper-floor distribution space
- Safety features such as seismic isolation and earthquake-proofing

Spiral Rampways



Large Loading Zones



Wide-Column Spacing



Renewable Energy



Restaurant



Convenience Store



24-Hour Security

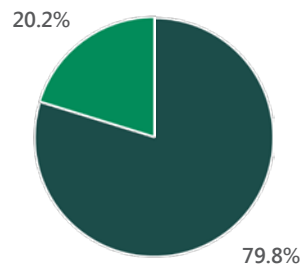


Seismic Isolators



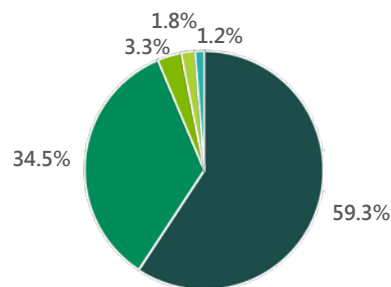
Best-in-Class Portfolio Focused Strategy

PROPERTY TYPE



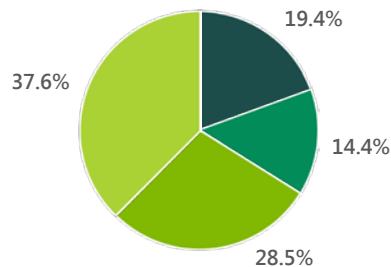
■ Multi-Tenant
■ Build-to-Suit

AREA



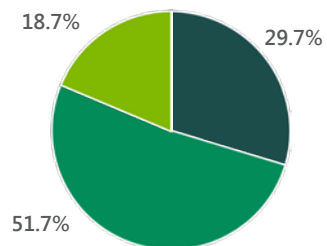
■ Kanto ■ Kansai
■ Chubu ■ Tohoku
■ Kyushu

PROPERTY AGE



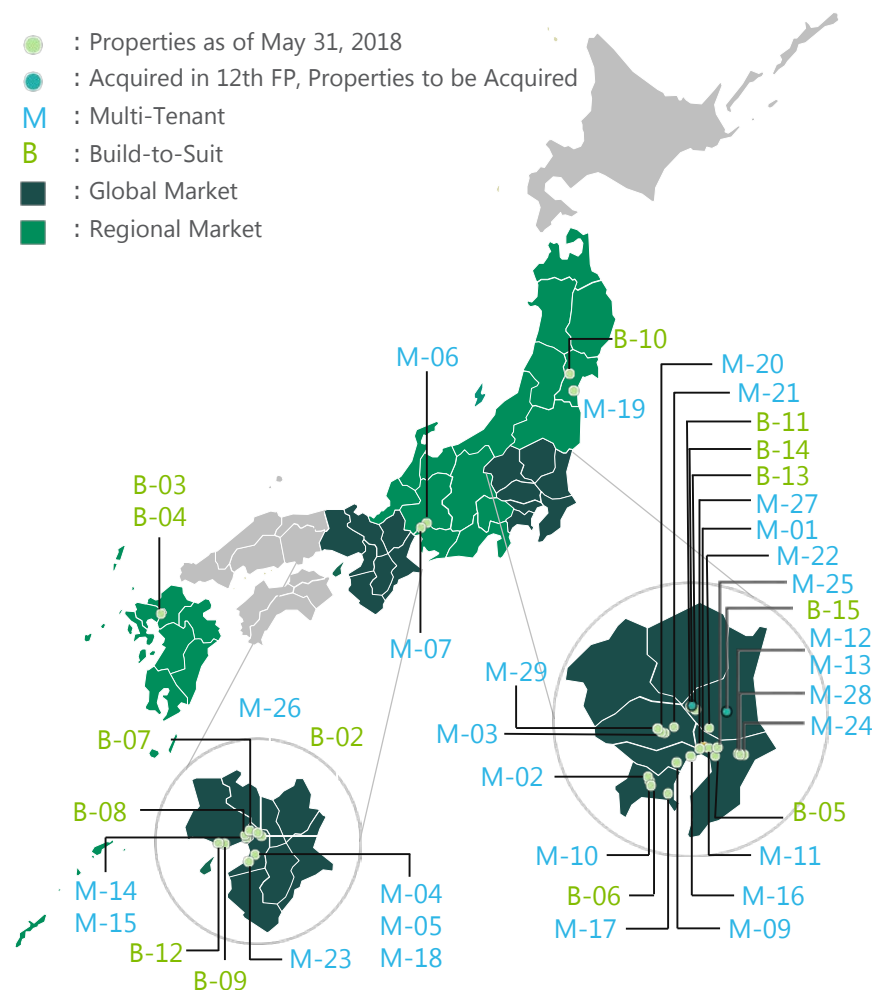
■ Less than 3 years
■ 3 to less than 5 years
■ 5 to less than 10 years
■ 10 years or more

LEASEABLE AREA



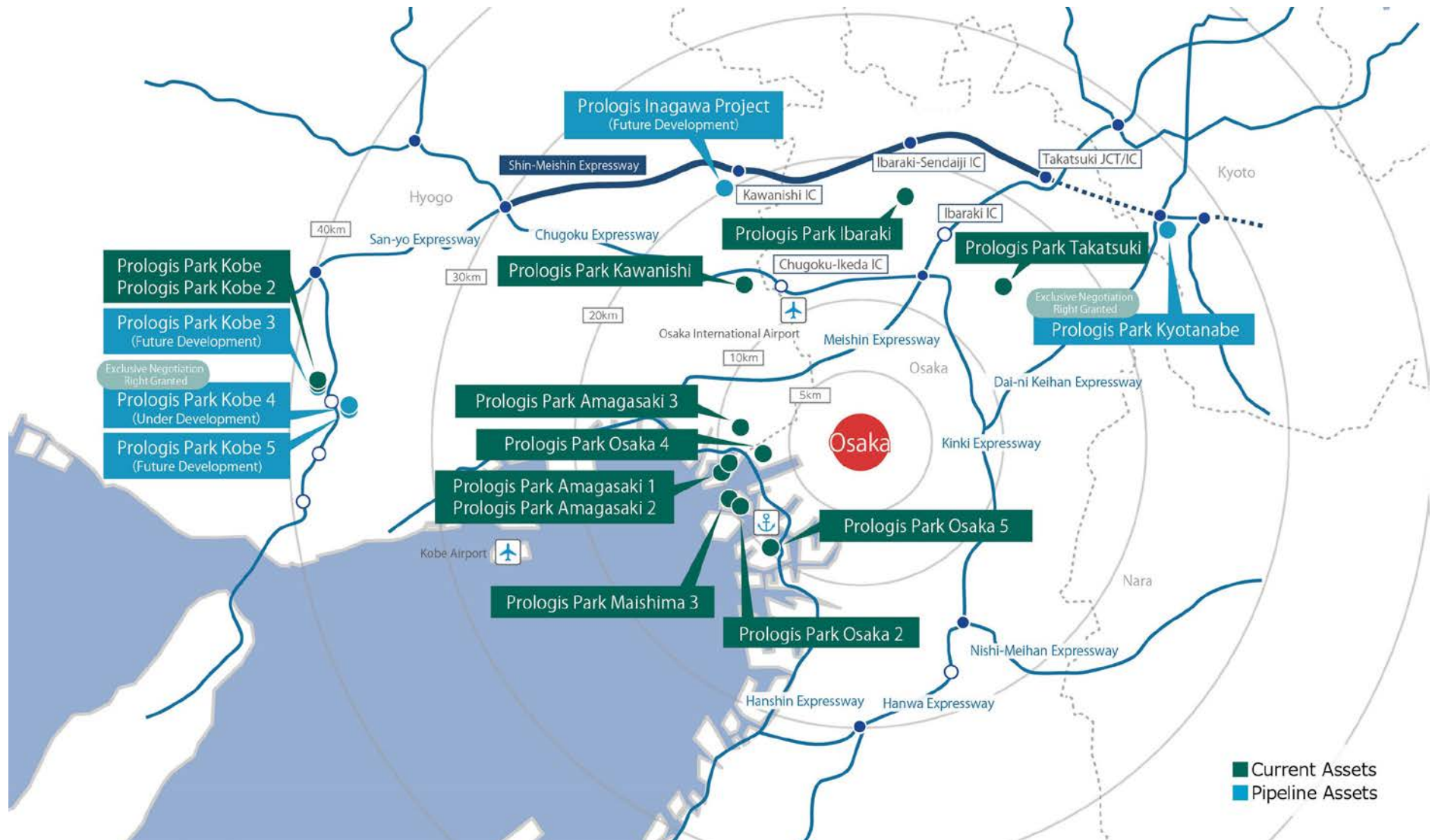
■ 100,000m² or more
■ 50,000m² to less than 100,000m²
■ Less than 50,000m²

- : Properties as of May 31, 2018
- : Acquired in 12th FP, Properties to be Acquired
- M : Multi-Tenant
- B : Build-to-Suit
- : Global Market
- : Regional Market





NPR Portfolio and Pipeline Properties - Osaka Metropolitan Area



Prologis -Logistics Real Estate Leader Globally and in Japan

Global Prologis World Largest Logistics Real Estate Company

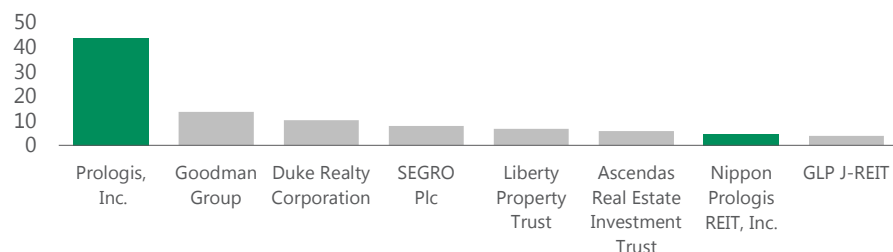
- Listed on NYSE as US REIT specialized in logistics real estate (Founded over 30 years ago, HQ: San Francisco)
- Developed/owned/operated approx. 3,742 logistics facilities with total floor area of 7,180 mn m² in 19 countries worldwide
- Serves to 5,500 customers
- Credit ratings : A3 (Moody's) / A- (S&P)

Prologis in Japan Pioneer in Advanced Logistics Facility in Japan

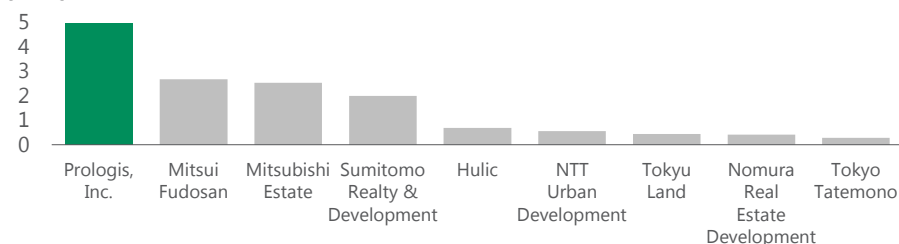
- Developed 93 logistics facilities, total floor space of approx. 6.2 mn m² (1) (during 2002 – Nov. 2018)
- Market share of approx. 20% (No. 1 in Japan) in development of advanced logistics facilities
- Provides one-stop service of development and operation of logistics real estate

LARGEST MARKET CAP AMONG PEERS (2)

USD bn



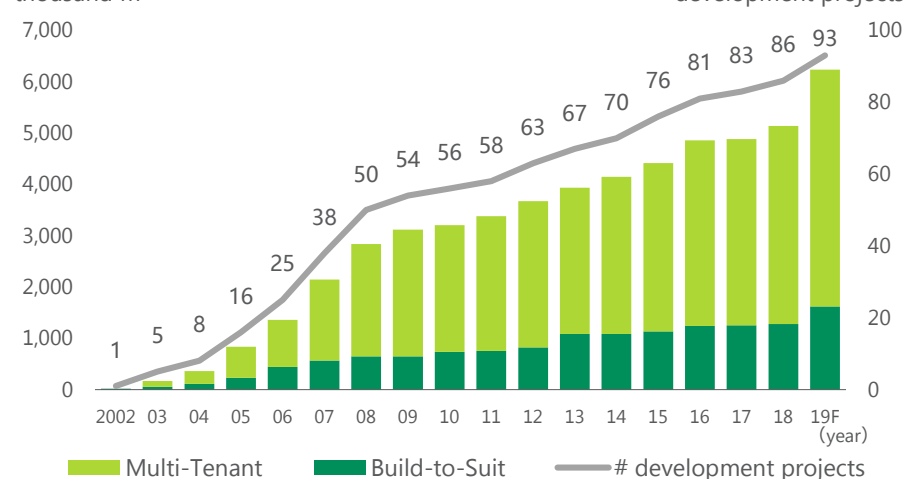
JPY tn



PROVEN DEVELOPMENT TRACK RECORD SINCE 2002

thousand m²

development projects



1. Number of properties and total gross floor area of logistics facilities (incl. disposed properties) Prologis has developed or is developing.

2. Market cap as of Nov. 30, 2018.

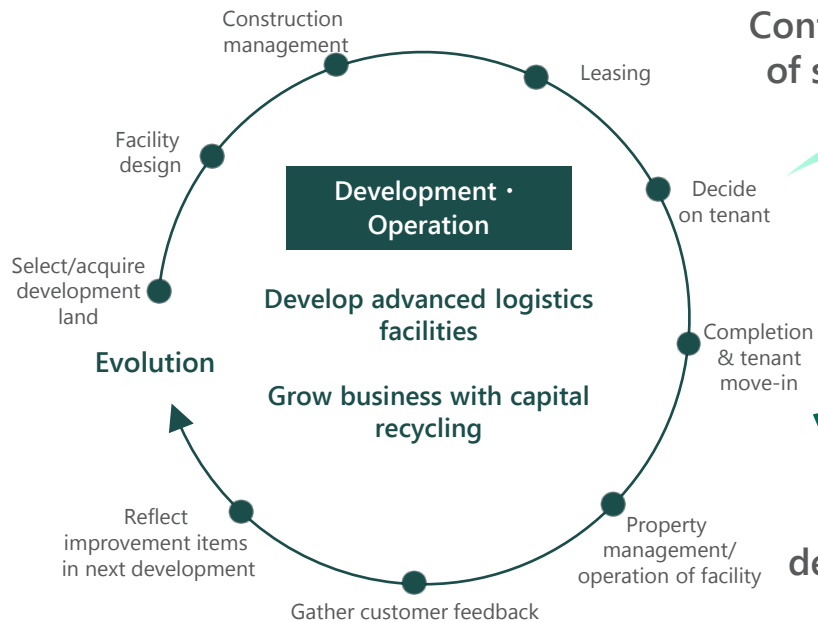
Exchange rate of US Dollar and Japanese Yen is based on TTM provided from The MUFG Bank, Ltd. as of Nov. 30, 2018 (US\$=JPY 113.47).

Clear Division of Responsibilities



Broad Customer Network

Excellent Development Capability



**Contribution/acquisition
of stabilized properties**

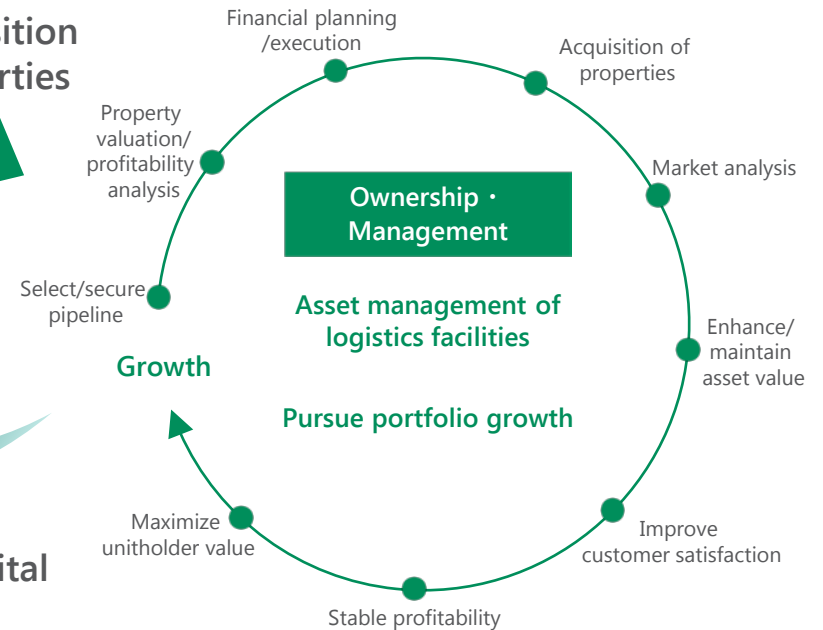
**Clear
Division of Roles**

**Return of
development capital**



Stable Portfolio Management

Flexible Acquisition



Prologis – Pioneer in E-Commerce Logistics Real Estate

PROLOGIS' FACILITIES SUIT FOR E-COMMERCE

- 1 • Sufficient warehouse space for storage of large amount of stock
- 2 • Secured labor force in convenient location and equipped with amenities



- 3 • Specifications enabling high-tech system such as robots to be introduced
• Design adaptable to wide variety of usage
- 4 • Large platform which can meet expansion needs



E-COMMERCE CUSTOMERS EXPANDING SPACE

楽天



PP Ichikawa 1
(Multi-tenant)



PP Kawanishi
(BTS)



PP Ichikawa 3
(Multi-tenant)

ZOZO



PP Narashino 3⁽¹⁾
(Multi-tenant)



PP Narashino 4
(BTS)



PP Chiba New town⁽¹⁾
(Multi-tenant)



PP Tsukuba 1-A
1-B⁽¹⁾
(BTS)

Japanet
TAKATA



PP Kasugai
(Multi-tenant)



PP Ichikawa 1
(Multi-tenant)

モントロウ



Former
PP Amagasaki 1⁽¹⁾
(Multi-tenant)



Former
PP Tagajo⁽¹⁾
(Multi-tenant)



PP Amagasaki 3
(BTS)

Prologis' Strong Relationship with E-Commerce Customers

E-COMMERCE DEDICATED CUSTOMERS

- Strong Relationship with Major E-commerce Specialized Customers



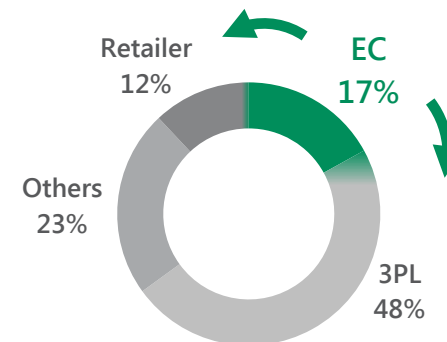
TRADITIONAL RETAILERS EXPANDING BUSINESS IN E-COMMERCE

- Respond to Major Retailers' E-commerce Logistics Needs



INCREASING E-COMMERCE TENANTS

- Industry-classified breakdown of customers ⁽¹⁾



Our Facilities Built to the Highest Standards

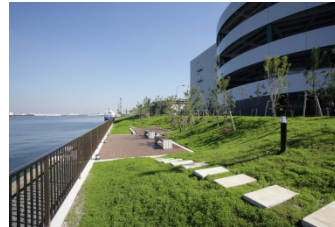
ENVIRONMENTAL STEWARDSHIP

- 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

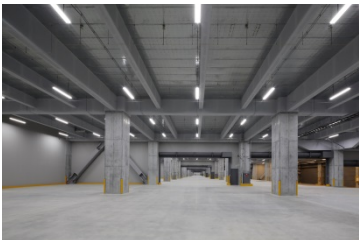
ENVIRONMENTAL FRIENDLY FACILITY DEVELOPMENTS



- Installation of large-scale solar panel on rooftops of 26 facilities nationwide as an initiative for renewable energy



- Greening efforts for roof tops and exterior walls



- Installation of LED lighting facilities
- 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

- Prologis Group has installed the total of 34.7 MW / 26 sites of Solar Power Facilities in Japan.



Prologis Park Kawajima 2
Prologis Park Kawajima 2



Prologis Park Yoshimi



Prologis Park Ichikawa 1



Prologis Park Osaka 4



Prologis Park Zama 1
Prologis Park Zama 2



Prologis Park Ibaraki



Prologis Park Amagasaki 1
Prologis Park Amagasaki 2



Prologis Park Narashino 4



Prologis Park Osaka 5



Prologis Park Narashino 5



Prologis Park Ichikawa 3



Prologis Park Kitamoto



Prologis Park Josu



Prologis Park Ebina



Prologis Park Narita 1-D



Prologis Park koga 2



Prologis Park Kasugai



Prologis Park Kawanishi



Prologis Park Amagasaki 3



Prologis Park Tosu 2



Prologis Park Tosu 4

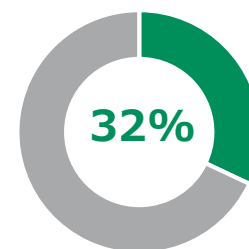


Prologis Park
Kitanagoya



Prologis Park
Chiba New Town

Solar Power Self-sufficiency ⁽¹⁾



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

OUR SOCIAL ACTIVITIES IN JAPAN



- Impact Day 2018 (Repairing and cleaning at a foster home)



- Prologis staff volunteering for education of children



- Educational field trip for elementary school students



- Chair course at Waseda University hosted by Prologis

WELLNESS FOR OUR EMPLOYEES

- Launched Breakthrough, an internal network designed to attract, advance and retain women across the globe with leadership training, mentoring, networking and talent development.
- Updated its parental leave policy in the U.S. and deployed unconscious bias training globally
- Expanded its inclusion and diversity efforts to focus on building a culture of belonging in which all employees are engaged and comfortable expressing their individuality regardless of race, ethnicity, gender, age, sexual orientation, socioeconomic status, religious beliefs or physical ability.

PROLOGIS FOUNDATION

Established in 2001, the Prologis Foundation provides support to organization engaging in education, environment and human welfare.

- Matching gifts where we donate a gift the amount equivalent to total found raised from employees
- Dollars for Doers program where we donate according to employees volunteer time
- Grants to nonprofits

Prologis Committed to Customers' Business Development

COMMITMENT TO OUR CUSTOMERS' WELLNESS AND BUSINESS CONTINUITY



Support for Our Customers' Business Continuity

- Installation of emergency earthquake alert system and satellite communication system to all portfolio properties
- Stockpiling emergency food and water for our customers' employees



Amenities for Customers' Employees

- Operating commuting shuttle buses
- Installing and operating cafeterias



Hosting Events for Customers

- "Family Festa" at our facilities
- Barbecue parties for local communities

SUBSTANTIAL RENOVATION TO ATTRACT WORKFORCE FOR OUR CUSTOMERS

Prologis Park Tokyo-Ohta

- Newly constructed lounge/cafeteria within common area for our customers' employees
- Installed high-speed Wi-Fi system and digital information signage system for the employees' convenience

New Common Area Facility



Renovation of Facade



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%

+

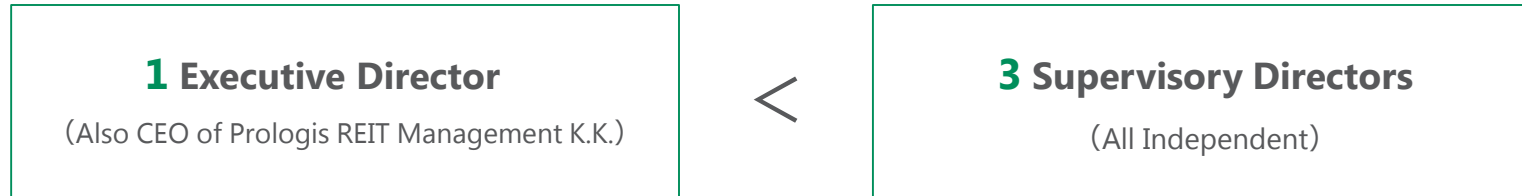
Type 2 Management Fee

Net Income X 6%

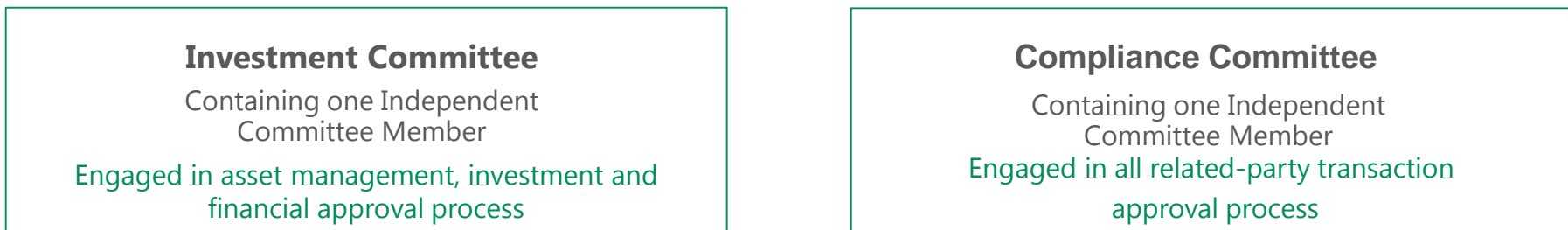
Sound Governance Structure Promotes Our Investor Value

NPR'S INDEPENDENT APPROVAL PROCESS

Structure of NPR's Board



All Governance Subject to Approvals by Independent Committee Members



Prologis Group – Employees Are Our Asset

THROUGHOUT PROLOGIS, OUR EMPLOYEES ARE THE KEY TO OUR SUCCESS

- We promote “diversity and inclusion” and reward and recognize employees for their skills, commitment and performance. Around the world, we invest in programs and initiatives that encourage our team members to thrive personally and professionally
- Prologis launched “Breakthrough”, an internal network designed to attract, advance and retain women across the globe with leadership training, mentoring, networking and talent development
- Prologis has expanded its inclusion and diversity efforts to focus on building a culture of belonging in which all employees are engaged and comfortable expressing their individuality regardless of race, ethnicity, gender, age, sexual orientation, socioeconomic status, religious beliefs or physical ability



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