

SUMMARY OF FINANCIAL RESULTS (REIT) For the 14th Fiscal Period Ended November 30, 2019

January 17, 2020

Name of Issuer: Nippon Prologis REIT, Inc. (“NPR”)
Stock Exchange Listing: Tokyo Stock Exchange
Securities Code: 3283
Website: <https://www.prologis-reit.co.jp/en/>
Representative: Masahiro Sakashita, Executive Director

Name of Asset Manager: Prologis REIT Management K.K.
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Scheduled Date for Commencement of Distributions Payments: Feb. 14, 2020

Supplementary Materials for Financial Results: Yes • No

Investors & Analysts Meeting: Yes • No

1. Financial Results for the Fiscal Period ended Nov 30, 2019 (14th Fiscal Period) (June 1, 2019 to Nov. 30, 2019)

(Values are rounded down to the nearest million yen)

(1) Operating Results

(Percentages indicates percentage change from the previous period)

Period ended	Operating revenues		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nov. 30, 2019	21,680	9.7	10,147	9.8	9,324	8.9	9,323	8.4
May 31, 2019	19,771	0.2	9,240	(1.5)	8,559	(1.7)	8,601	(1.2)

Period ended	Profit per unit	Return on unit holders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
	Yen	%	%	%
Nov. 30, 2019	3,996	2.6	1.5	43.0
May 31, 2019	3,935	2.5	1.5	43.3

(2) Distributions

Period ended	Distributions per unit (including SCD)	Distributions per unit (excluding SCD)	SCD per unit	Total of distributions (including SCD)	Total of distributions (excluding SCD)	Total of SCD	Payout ratio	Ratio of distributions to net assets
	Yen	Yen	Yen	Millions of yen	Millions of yen	Millions of yen		
Nov. 30, 2019	4,575	3,969	606	10,747	9,323	1,423	100.0	2.5
May 31, 2019	4,502	3,935	567	9,841	8,601	1,239	100.0	2.5

* “SCD” stands for the “Surplus Cash Distributions”.

(Note 1) Total of SCD is the return of invested capital, which falls under the distributions through the reduction in unit holders' capital for tax purposes

(Note 2) The ratios of net asset value attributable to a reduction in unit holders' paid-in capital for the fiscal periods ended Nov. 30, 2019 and May 31, 2019, are both 0.004. The payment of SCD is deemed a return of capital. This calculation methodology is pursuant to Article 23, Paragraph 1, Item 4 of the Act on Special Measures Concerning Taxation.

(3) Financial Position

	Total assets	Net assets	Ratio of unit holders' equity to total assets	Net asset per unit
Period ended	Millions of yen	Millions of yen	%	Yen
Nov. 30, 2019	638,461	373,539	58.5	159,010
May 31, 2019	577,647	338,148	58.5	154,691

(4) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the fiscal period
Period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Nov. 30, 2019	13,296	(63,142)	49,640	24,511
May 31, 2019	11,971	(13,189)	(3,181)	24,716

2. Earnings Forecasts for the Fiscal Period ending May 31, 2020 (15th Fiscal Period) (from Dec. 1, 2019, to May 31, 2020) and Nov. 30, 2020 (16th Fiscal Period) (from June 1, 2020, to Nov. 30, 2020)

(Percentages indicate change from the previous period)

Period ending	Operating revenues		Operating income		Ordinary income		Profit		Distributions per unit (including SCD)	Distributions per unit (excluding SCD)	SCD
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen	Yen
May 31, 2020	22,535	3.9	10,489	3.4	9,551	2.4	9,550	2.4	4,572	3,874	698
Nov. 30, 2020	23,657	5.0	11,030	5.2	10,161	6.4	10,160	6.4	4,760	4,120	640

(Reference) Forecasted Profit per unit for the fiscal period ending May 31, 2020: 3,936 yen
Forecasted Profit per unit for the fiscal period ending Nov. 30, 2020: 4,120 yen

3. Other

(1) Changes in Accounting Policies, Accounting Estimates or Restatements

- (a) Changes in Accounting Policies due to Revisions to Accounting Standards and Other Regulations None
- (b) Changes in Accounting Policies due to Other Reasons None
- (c) Changes in Accounting Estimates None
- (d) Restatements None

(2) Number of Investment Units Issued and Outstanding

Number of investment units issued and outstanding at the end of the fiscal period including treasury units:

As of Nov. 30, 2019 2,349,150 units
As of May 31, 2019 2,185,950 units

Number of treasury units at end of period:

As of Nov. 30, 2019 0 units
As of May 31, 2019 0 units

*** The Implementation Status of Statutory Audit**

Summary of financial results is not inside the scope of audit procedure by certified public accountants or audit corporations.

*** Special Note**

The forward-looking statements in this material are based on information currently available to us and on certain assumptions that we believe are reasonable. Actual operating performance may differ substantially due to various factors. Furthermore, those statements shall not be deemed a guarantee or any commitment of the amount of future distributions and surplus cash distributions. Please refer to "Assumptions for the forecasts for fiscal periods ending May 31, 2020 (15th Fiscal Period) and Nov. 30, 2020 (16th Fiscal Period)" on page 8 for assumptions regarding forward-looking statements.

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1. Results of Operations

(1) Results of Operations

(I) Overview of the 14th Fiscal Period ended Nov. 30, 2019

(i) Major Operational Results of NPR

NPR was established on Nov. 7, 2012, based on the Act on Investment Trust and Investment Corporation (investment trust law) and was listed on the REIT Securities Market (J-REIT Market) of the Tokyo Stock Exchange (“TSE”) on Feb. 14, 2013 (securities code: 3283).

NPR acquired 48 properties in total (aggregate acquisition price^(*1): 658,210 million yen) and disposed 2 properties (aggregate acquisition price: 16,870 million yen) by the end of the reporting fiscal period. As a result, NPR owned 46 properties (aggregate acquisition price: 641,340 million yen), all of which are Class-A logistics facilities^(*2) developed by the Prologis Group^(*3), as of the end of the reporting fiscal period^(*4).

(*1) “Acquisition price” and “Anticipated acquisition price” do not include national or local consumption taxes or expenses which were incurred in connection with the acquisition of the properties. Figures are rounded down to millions of yen. With respect to Prologis Park Zama 1, the acquisition price is as of the date of the initial acquisition, and does not reflect the partial disposition and acquisition of land on Oct. 3, 2018.

(*2) “Class-A logistics facilities” are our target logistics properties that meet the demands of logistics companies and other end-users with respect to operational efficiency and fulfill certain criteria with respect to size, location, state-of-the-art equipment, convenience and safety.

(*3) The Prologis Group is a group of Prologis, Inc. and its affiliates, which include Prologis K.K., a Japanese subsidiary, and various special purpose vehicles or joint ventures where the ownership of the Prologis Group may be less than a majority. The global parent company, Prologis, Inc., is a real estate investment trust headquartered in the United States and listed on the New York Stock Exchange (NYSE: PLD).

(*4) Considering Prologis Park Funabashi 5 and the Annex to Prologis Park Funabashi 5 as a single property; the Annex to Prologis Park Funabashi 5 was not developed by the Prologis Group and considered by itself does not qualify as a Class-A logistics facility.

(ii) Operational Results of the 14th Fiscal Period ended Nov. 30, 2019

In the Japanese logistics real estate market, we believe that the fundamental demand for Class-A logistics facilities continues to increase as NPR’s customers (logistics space users) move from older and smaller buildings to larger, more advanced facilities. In our view, this shift is a result of the ongoing reconfiguration of Japan’s supply chain, triggered by (i) the transition from manufacturing to services, migration of manufacturing to overseas locations, continuous expansion in global trade and economic, industrial and social structural changes inside and outside of Japan, and (ii) the expansion of e-commerce and third-party logistics (3PL) providers.

We recently observed new entrants into the modern logistics real estate market, and the supply of modern logistics facilities has increased, and accordingly, the vacancy rates of those facilities in certain submarkets were temporarily increased. However, the overall supply/demand balance of the modern logistic facilities is being in balance mainly because of the increasingly strong demand from tenants engaged in the e-commerce and 3PL businesses.

Under these circumstances, the occupancy rate of NPR’s portfolio remained high, at 98.8 percent as of the end of the reporting fiscal period, backed by the competitive advantages of our portfolio and the strong leasing support from the sponsor, the Prologis Group.

(iii) Overview of Financing

(a) Issuance of New Investment Units

NPR issued new investment units through its public follow-on offering (155,430 units), with a payment date of June 18, 2019 and through a third-party allotment (7,770 units) with a payment date of July 17, 2019, with an aim to procure funds (i) to be used for the repayment of a portion of the bridge loans used to acquire 3 properties on June 6, 2019 and (ii) to be used for the acquisition of 1 property which was acquired on Oct. 1, 2019. As a result of these offerings, NPR successfully raised 35,908 million yen equity capital, and the balance of NPR’s unit holders’ capital has increased to 364,214 million yen and the total number of units issued and outstanding has increased to 2,349,150 as of the end of the reporting fiscal period.

(b) Borrowings

For the purpose of acquiring the new 3 properties associated with ancillary costs and expenses, NPR borrowed bridge loans of 54,400 million yen on June 6, 2019. These bridge loans were subsequently prepaid with a portion of the net proceeds from the aforementioned offerings, long-term loans of 18,600 million yen borrowed on June 19, 2019 and cash on hand. Additionally, NPR borrowed long-term loans of 5,000 million yen on Oct. 1, 2019 for the purpose of acquiring the 1 new property associated with ancillary costs and expenses. Furthermore, NPR borrowed long-term loans of 6,500 million yen on Oct. 31, 2019 for the purpose of repaying existing short-term loans with the maturity date of Nov. 29, 2019 and borrowed long-term loans of 3,000 million yen on Nov. 27, 2019 for the purpose of refinancing existing long-term loans with the maturity date of Nov. 27, 2019 and existing investment corporation bonds.

As a result, the ending balance of NPR's interest-bearing debt was 241,100 million yen, out of which bank borrowings accounted for 225,100 million yen and investment corporation bonds accounted for 16,000 million yen as of the end of the reporting fiscal period. NPR's loan-to-value ratio (the ratio of aggregate balance of interest-bearing debt, including bank loans and the outstanding balance of long-term and short-term investment corporation bonds to NPR's total assets, hereinafter "LTV") was 37.8 percent as of the end of the reporting fiscal period.

(c) Credit Rating

NPR's credit ratings as of the end of the reporting fiscal period (Nov. 30, 2019) were as follows:

Rating Agency	Rating Object	Rating	Outlook
Japan Credit Rating Agency, Ltd.	Long-term issuer rating	AA	Stable
	Ratings on bonds	AA	-

(iv) Overview of Financial Results and Distributions

As a result of activities, including the aforementioned investments and financings, NPR generated operating revenues of 21,680 million yen, operating income of 10,147 million yen, ordinary income of 9,324 million yen, and profit of 9,323 million yen for the reporting fiscal period. The amount of NPR's distributions for the reporting period was 3,969 yen per unit, which was approximately equivalent to NPR's distributable income as deductible expenses in accordance with the Section 1 of Article 67-15 of the Act on Special Taxation Measures Law (a customary practice of J-REITs), being determined to distribute all unappropriated retained earnings for the reporting period, excluding fractions less than 1 yen.

In addition, NPR intends to regularly distribute cash in excess of the amount of retained earnings ("Regular Surplus Cash Distributions") in each fiscal period in accordance with a distribution policy set forth in its articles of incorporation (*1). Furthermore, to maintain the stability of NPR's distributions per unit ("DPU") in the event that DPU is expected to decline to a certain degree as a result of financing activities, such as the issuance of new investment units, etc., which may cause NPR to incur short-term dilution of investment units and/or substantial increases in financing-related costs, as well as, certain inevitable and one-time events such as repair expenses and capital losses due to damages caused by natural disasters (e.g., earthquakes), accidents/incidents (e.g., fire), and/or other one-time expenses such as litigation settlements and capital losses from property dispositions, etc., NPR may make distributions as one-time surplus cash distributions ("One-time Surplus Cash Distributions," collectively with the Regular Surplus Cash Distributions, "SCD" or "SCDs") (*2).

For the reporting fiscal period, the total amount of NPR's Regular Surplus Cash Distributions was 1,423 million yen, approximately equivalent to 28.5 percent of NPR's depreciation expense of 5,000 million yen for the reporting fiscal period. NPR did not distribute One-time Surplus Cash Distributions for the reporting fiscal period. Consequently, the total amount of SCD per unit for the reporting fiscal period was determined at 606 yen (*3).

(*1) Going forward, NPR intends to distribute regular surplus cash distributions on a regular basis in an amount no higher than 60 percent of its depreciation expense for an applicable fiscal period, while pursuing other uses of capital such as maintenance expenses, capital expenditures, repayment of borrowings and funding of new acquisitions. In the meantime, NPR intends to regularly distribute approximately 30 percent of depreciation expense for an applicable fiscal period. However, NPR may adjust, reduce, or suspend the amount of SCD for a particular fiscal period, as a whole or partially, with considerations toward a level of NPR's profitability for a particular fiscal period which reflects the NPR's net income and one-time profits arising as capital gains from asset disposition and/or penalties received from lease contract cancellations, etc., the total amount of distributions which include SCD, NPR's LTV ratio, credit rating, and financial conditions, as well as, macroeconomic, real estate market conditions.

(*2) NPR intends to maintain the maximum amount of total SCD, which is the sum of the Regular Surplus Cash Distributions

and the One-time Surplus Cash Distributions, in an amount no higher than 40 percent of its depreciation expense for an applicable fiscal period.

- (*3) NPR estimates that the total amount of anticipated semi-annual average of emergency or short-term repair and maintenance expenses and medium- to long-term repair and maintenance expenses is 494 million yen. This assessment was conducted in the engineering report for each property prepared by Earth-Appraisal Co., Ltd and Tokio Marine & Nichido Risk Consulting Co., Ltd. NPR determines the amount of SCD, and distributes SCD, while focusing on maintaining its financial stability in addition to factors such as the current economic and real estate market environment, NPR's LTV and potential impacts on NPR's credit rating. Please note that the amount of SCD will be deducted from the balance of NPR's unit holders' equity upon payment.

(II) Outlook for Next Fiscal Period

(i) Future Management Policies and Issues

(a) Basic Policies

NPR, along with Prologis REIT Management K.K. (the "Asset Manager"), will continue to aim to maximize NPR's unit holder value through focused investments in and operations of our Class-A logistics facilities. To achieve our external and internal growth objectives, NPR and the Asset Manager intend to fully utilize the sponsor support agreement entered into with the Prologis Group. NPR and the Asset Manager expect to generate future growth by taking advantage of a strong pipeline support from the Prologis Group and its global customer network, operational expertise and other management resources.

(b) External Growth Strategies

Pursuant to the sponsor support agreement, as of Dec. 31, 2019, NPR held exclusive negotiation rights granted from the Prologis Group for 3 properties (except for Prologis Park Chiba 1, 50% co-ownership interest of Prologis Park MFLP Kawagoe and Prologis Park Tsukuba 1-B to be acquired on Feb. 5, 2020 (collectively, the "New Properties"), the details of which are described in "(ii) Significant Subsequent Events, (b) Acquisition of Asset"). The Prologis Group will continue to develop new assets of approximately 40 to 60 billion yen every year in Japan, and as of Dec. 31, 2019, there were development plans for 7 properties and significant multi-property plans for 1 future development project that have been publicly announced. NPR is entitled to receive exclusive negotiation rights for logistics facilities that will be developed, owned or operated by the Prologis Group once these facilities achieve stabilization to the extent that those facilities qualify for NPR's investment criteria. All acquisitions are subject to the related party transaction guidelines of the Asset Manager to ensure appropriate terms and conditions.

Properties with Exclusive Negotiation Rights

Property name	Location	Exclusive Negotiation Rights Granted Date	GFA
Prologis Park Chiba New Town	Inzai, Chiba	Dec. 14, 2015	109,981 m ²
Prologis Park Tsukuba 2	Tsukuba, Ibaraki	Dec. 13, 2019	111,757 m ²
Prologis Park Chiba 2	Chiba, Chiba	Dec. 13, 2019	68,211 m ²

Properties under development and under planning by the Prologis Group

Property name	Location	GFA
Prologis Park Ebina 2	Ebina, Kanagawa	38,000 m ²
Prologis Park Inagawa 1	Inagawa, Hyogo	198,000 m ²
Prologis Park Inagawa 2	Inagawa, Hyogo	158,000 m ²
Prologis Park Kobe 3	Kobe, Hyogo	38,700 m ²
Prologis Park Kobe 5	Kobe, Hyogo	46,000 m ²
Prologis Park Soka	Soka, Saitama	151,000 m ²
Prologis Park Ogori	Ogori, Fukuoka	29,000 m ²
Prologis Koga Project Phase 2	Koga, Ibaraki	TBD

The Asset Manager will also pursue acquisitions of properties from third parties. In those cases, both the status of the

acquisition pipeline from the Prologis Group and the conditions of the real estate market will be considered.

(c) Internal Growth Strategies

All leases for NPR's portfolio are in the form of fixed-term lease contracts. Consistent with NPR's investment strategy, approximately 80 percent (based on acquisition price) of NPR's portfolio comprises multi-tenant logistics facilities that have basic lease terms of five years with diversified multiple tenants, resulting in a well diversified lease maturity schedule.

With the staggered lease maturities and a diversified tenant base, NPR is able to gradually increase profitability as leases are renewed and re-tenanted in an improving macroeconomy and market environment while we mitigate tenant credit concentration risks and lease-up risks at lease maturities. Recently, as new entrants to Japanese logistics real estate development business continued, the number and volume of new developments and completions is increasing. However, we believe we would be able to minimize potential impact from such supply on our existing portfolio by closely monitoring the status of the supply/demand balance and leveraging the collaboration between the Asset Manager and the Prologis Group to conduct organized proactive leasing activities.

For build-to-suit logistics facilities, lease terms are typically 10 to 15 years. NPR and the Asset Manager believe that building a portfolio by blending the two different property types—multi-tenant and build-to-suit—will maximize both cash flow stability and portfolio diversity.

(d) Financial Strategies

NPR and the Asset Manager intend to implement strategic and flexible financial strategies to maximize NPR's medium- to long-term profitability, steady growth of its portfolio/value and stability/efficiency of asset management.

NPR intends to issue new investment units to grow its portfolio in the long-term, with thorough consideration of timing, fully considering and analyzing the status of capital markets/economic environment, acquisition timing of new properties and NPR's capital structure and potential impacts on existing unit holders. With regard to debt financing such as bank loans, NPR seeks financing with long-term stability by fixing most interest rates for the long-term.

(ii) Significant Subsequent Events

(a) Issuance of New Investment Units

NPR's board of directors made a resolution regarding the issuance of new investment units (the "Offering") on Jan. 17, 2020. The issue price per unit shall be determined at the board of directors meeting to be held on the date of the issue price determination.

Issuance of New Investment Units through the Public Offering

Number of units to be issued 111,140 units

Issuance of New Investment Units through the Third-Party Allotment

Number of units to be issued 5,560 units

Allottee SMBC Nikko Securities, Inc.

(b) Acquisition of New Properties

As resolved by the board of directors on Jan. 17, 2020, in line with the investment guidelines defined in its Articles of Incorporation, NPR is scheduled to acquire the properties described below on Feb. 5, 2020, with the net proceeds from the issuance of new investment units described in "(a) Issuance of New Investment Units" above, the new borrowings (the "Borrowings") (details of the Borrowings will be announced once a decision is made) and cash on hand.

Property name		Prologis Park Chiba 1
Location		210-27, Roppo-Cho, Inage Ward, Chiba, Chiba 210-27, Roppo-Cho, Inage Ward, Chiba, Chiba
Class of assets		Real estate trust beneficiary interests
Anticipated Acquisition date		Feb. 5, 2020
Anticipated Acquisition price		31,000 million yen
Land	Ownership form	Proprietary
	Land area	66,117.49 m ²
Building	Ownership form	Proprietary
	Gross floor area	138,547.18 m ²
	Date of construction	Sep. 20, 2019
	Purpose	Warehouse / Office
Structure/No. of stories		SRC, 5-story building

Property name		Prologis Park MFLP Kawagoe
Location		9-3, Minamidai 1-chome, Kawagoe, Saitama 9-3, Minamidai 1-chome, Kawagoe, Saitama
Class of assets		Real estate trust beneficiary interests (50% co-ownership interest)
Anticipated Acquisition date		Feb. 5, 2020
Anticipated Acquisition price		14,800 million yen
Land	Ownership form	Proprietary
	Land area	58,749.53 m ² (*1)
Building	Ownership form	Proprietary
	Gross floor area	117,337.69m ² (*1)
	Date of construction	Oct. 16, 2018
	Purpose	Warehouse / Office
Structure/No. of stories		SRC, 4-story building

(*1) Although we plan to acquire a 50% co-ownership interest in Prologis Park MFLP Kawagoe, the gross floor area shown is for the entire property.

Property name		Prologis Park Tsukuba 1-B
Location		6-1, Tokodai 5 chome, Tsukuba, Ibaraki 6-1, Tokodai 5 chome, Tsukuba, Ibaraki
Class of assets		Real estate trust beneficiary interests
Anticipated Acquisition date		Feb. 5, 2020
Anticipated Acquisition price		13,500 million yen
Land	Ownership form	Proprietary
	Land area	32,804.36 m ²
Building	Ownership form	Proprietary
	Gross floor area	65,676.87 m ²
	Date of construction	Aug. 22, 2019
	Purpose	Warehouse / Office
	Structure/No. of stories	S, 4-story building

(iii) Earnings Forecast

	Operating revenues (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Profit (Millions of yen)	Distributions per unit (including surplus cash distributions) (yen)	Distributions per unit (excluding surplus cash distributions) (yen)	Surplus cash distributions per unit (yen)
Period ending May 31, 2020 (15th period)	22,535	10,489	9,551	9,550	4,572	3,874	698
Period ending Nov. 30, 2020 (16th period)	23,657	11,030	10,161	10,160	4,760	4,120	640

(Note) Forecast calculations are based on the assumptions as of the date hereof. Actual operating revenues, operating profit, ordinary income, profit, distributions per unit (excluding surplus cash distributions), and surplus cash distributions per unit may vary due to changes in NPR's operational environment and circumstances including acquisitions or sales of properties, changes in rent revenues attributable to tenant movement, unexpected repair, changes in interest rates or issuance of additional investment units. Therefore, these forecasts should not be deemed a commitment or guarantee of the amount of future cash distributions.

Assumptions for the forecasts for the fiscal periods ending May 31, 2020 (15th Fiscal Period) and Nov. 30, 2020 (16th Fiscal Period)

Item	Assumption
Accounting period	<ul style="list-style-type: none"> ● Fiscal period ending May 31, 2020 (15th Fiscal Period) (from Dec. 1, 2019, to May 31, 2020) (183 days) ● Fiscal period ending Nov. 30, 2020 (16th Fiscal Period) (from June 1, 2020, to Nov. 30, 2020) (183 days)
Assets under management	<ul style="list-style-type: none"> ● It is assumed that, in addition to its 46 properties held as of today, there will be no change (including acquisition of new properties and dispositions of existing properties) in the operational status of the properties until Nov. 30, 2020, other than the acquisition of the New Properties scheduled on Feb. 5, 2020. ● Results may change due to the acquisition of new properties other than above or the disposition of existing properties, etc.
Operating revenues	<ul style="list-style-type: none"> ● Operating revenues account for factors such as market trends and the competitiveness of each property, and are estimated to be 22,535 million yen and 23,657 million yen for the fiscal periods ending May 31, 2020, and Nov. 30, 2020, respectively. The expected average occupancy rates of the properties in the portfolio are estimated to be 98.8% for the both fiscal periods ending May 31, 2020 and Nov. 30, 2020. ● Rent revenues from the New Properties are calculated based on the lease agreements that are executed as of today and information about the New Properties provided by the current owner or current trust beneficiary interest holder of each property. The terms and conditions of the lease agreements may be changed later. ● For operating rent revenues, it is assumed that tenants will pay rents without delinquency or withholding.
Operating expenses	<ul style="list-style-type: none"> ● Operating rental expenses except depreciation are calculated from variable factors, and are assumed to be 4,600 million yen and 4,888 million yen for the fiscal periods ending May 31, 2020, and Nov. 30, 2020, respectively. ● Depreciation expenses are calculated using the straight-line method in relation to the anticipated acquisition price including ancillary costs and are assumed to be 5,361 million yen and 5,538 million yen for the fiscal periods ending May 31, 2020, and Nov. 30, 2020, respectively. ● In general, in case of real estate sales/purchases, property taxes and city planning taxes are generally included in the purchase price of properties on a pro-rated basis of a calendar year and start to be expensed from the next calendar year. Accordingly, property taxes and city planning taxes for the New Properties will be expensed from the fiscal period ending May 31, 2021. The total amount of property taxes and city planning taxes included in the purchase price of the 4 properties (Prologis Park Higashimatsuyama, Prologis Park Kyotanabe, Prologis Park Sendai Izumi 2 and Prologis Park Kobe 4) acquired during the fiscal period ended Nov. 30, 2019, and in the purchase price of the New Properties are assumed to be 33 million yen (equivalent to expenses for 31 days) and 123 million yen (equivalent to expenses for 117 days) for the fiscal period ending May 31, 2020, respectively. The total amount of property taxes and city planning taxes included in the purchase price of the New Properties is assumed to be 192 million yen (equivalent to expenses for 183 days) for the fiscal periods ending Nov. 30, 2020. ● Regarding building repair expenses, the amount assumed to be necessary for each property is based on the repair and maintenance plans of the Asset Manager. However, repair expenses may differ substantially due to unexpected factors.
Non-operating expenses	<ul style="list-style-type: none"> ● It is assumed NPR will recognize 110 million yen as total expenses incurred in relation to the Offerings in the fiscal period ending May 31, 2020. ● It is assumed that 4 million yen will be incurred in the fiscal period ending May 31, 2020, as debt-related expenses in association with the acquisition of the New Properties. ● As for interest expenses and other debt-related costs, 790 million yen and 805 million yen are expected to be incurred for the fiscal periods ending May 31, 2020, and Nov. 30, 2020, respectively. The non-cash expenditure, which is included in debt-related expenses, is expected to be 202 million yen and 204 million yen for the fiscal periods ending May 31, 2020, and Nov. 30, 2020, respectively.
Interest-bearing Debt	<ul style="list-style-type: none"> ● The outstanding balance of NPR's interest-bearing debt on its balance sheet as of today is 241,100 million yen, which consist of the balance of borrowings and investment corporation bonds. ● It is assumed that NPR will obtain the Borrowings along with the Offerings. Additionally, it is assumed that NPR will, out of the Borrowings, repay the short-term borrowings of 3,800 million yen before its maturity date, with refunds of consumption taxes related to the New Properties that will be reimbursed after the acquisition of the New Properties (the following figures defined as the "interest-bearing debt after the Borrowings" and

the “interest-bearing debt related to the Borrowings” are figures from which an amount of such short-term borrowings is deducted). Thus, the balance of NPR’s interest-bearing debt after the Borrowings is assumed to be 261,200 million yen. The actual amount of balance of interest-bearing debt may differ considerably from this assumption, depending on the actual number of new investment units to be issued in the Offering and the final issue price of such units.

- It is assumed that there will be no maturity of investment corporation bond until the end of the fiscal period ending Nov. 30, 2020.
- LTV was 37.8% as of Nov. 30, 2019, and is estimated to be 37.9% after the Borrowings. For LTV calculation, please refer to the following formula:

$$\text{LTV(\%)} = \text{interest-bearing debt} / \text{total assets} \times 100(\%) \text{ (as of Nov. 30, 2019)}$$

$$\text{LTV(\%)} \text{ after the Borrowings} = \text{Estimated total of interest-bearing debt after the Borrowings} / \text{total assets after the Borrowings} \times 100(\%)$$

$$\text{Estimated total of interest-bearing debt after the Borrowings} = \text{total interest-bearing debt as of Nov. 30, 2019 (241,100 million yen)} + \text{estimated total of interest-bearing debt related to the Borrowings (20,100 million yen)} \text{ (Note 1)}$$

$$\text{Total assets after the Borrowings} = \text{total assets as of Nov. 30, 2019 (638,461 million yen)} + \text{net proceeds from the Offerings (29,230 million yen)} \text{ (Note 2)} + \text{net proceeds from the Third-party Allotment (1,462 million yen)} \text{ (Note 2)} + \text{estimated total of interest-bearing debt related to the Borrowings (20,100 million yen)}$$

(Note 1) Represents the anticipated amount of interest-bearing debt related to the Borrowings to be obtained on the acquisition date of the New Properties as of today. The anticipated amount of interest-bearing debt related to the Borrowings is based on the assumed net proceeds from the Offerings, which is calculated on a pro forma basis based on the closing price for ordinary trading of an investment unit of NPR on the Tokyo Stock Exchange as of Friday, Dec. 20, 2019. The actual borrowing amounts may vary depending on the total net proceeds from the Offerings. Therefore, the amount of estimated total of interest-bearing debt related to the Borrowings may not necessarily correspond to an actual amount. NPR will announce details of the Borrowings once they are determined.

(Note 2) The net proceeds from the Offerings and the Third-party Allotment are calculated on a pro forma basis, based on the closing price for ordinary trading of an investment unit of NPR on the Tokyo Stock Exchange as of Friday, Dec. 20, 2019. Also, it is assumed that SMBC Nikko Securities Inc. will apply to purchase the whole number of investment units of the Third-party Allotment and pay to NPR the total issue amount of the Third-party Allotment. The net proceeds from the Offerings and the Third-party Allotment may be smaller, and as a result, the actual LTV after the Borrowings may be higher, if the actual issue price of the investment units issued through the Offering and the Third-party Allotment is lower than expected or if the Third-party Allotment does not take place in whole or in part. However, the net proceeds from the Offerings and the Third-party Allotment may be larger if the actual issue price of units issued through the Offerings and the Third-party Allotment is higher than expected, which would result in a lower LTV after the Borrowings. If the Third-party Allotment does not take place in whole or in part, the actual total issue value of the Third-party Allotment and the number of investment units outstanding after the acquisition of the New Properties may be smaller than expected, which would result in different LTV from the one aforementioned.

Investment units	<ul style="list-style-type: none"> ● It is assumed that no additional units will be issued until the end of Nov. 30, 2020, aside from the current outstanding and issued 2,349,150 units as of today and the 111,140 units to be issued through the Offering as well as the maximum 5,560 units to be issued through the Third-party Allotment as resolved at today’s NPR’s board of directors meeting.
Distributions per	<ul style="list-style-type: none"> ● Distributions per unit (excluding surplus cash distributions) are calculated based on the premise of the

<p>unit (excluding surplus cash distributions (SCD))</p>	<p>distribution policy in the Articles of Incorporation of NPR that all net income shall be distributed.</p> <ul style="list-style-type: none"> • Distributions per unit (excluding surplus cash distributions) may change due to various factors including any additional acquisitions or dispositions of properties, changes in rent revenues attributable to tenant moves, changes in the property management environment including unexpected repairment, changes in interest rates, or any additional issuance of new investment units in the future.
<p>Surplus cash distributions (SCD) per unit</p>	<ul style="list-style-type: none"> • SCD per unit are calculated based on the fund distribution policy in the NPR's Articles of Incorporation. • It is assumed that SCD (representing the total of regular surplus cash distributions and one-time surplus cash distributions) in the fiscal period ending May 31, 2020 will be equivalent to approximately 32.1% of depreciation expenses for the fiscal period, which is assumed to be 1,721 million yen. It is also assumed that the regular surplus cash distributions in the fiscal period ending Nov. 30, 2020 will be equivalent to approximately 28.5% of depreciation expenses for the relevant fiscal period, which is assumed to be 1,578 million yen. • Depreciation expenses may change depending on the amount of total assets under management, ancillary costs, capital expenditures, the allocation method of purchase prices for each asset and depreciable life of each asset, etc. Surplus cash distributions, which will be based on the amount of depreciation expenses, may change accordingly. • NPR intends to continually pay SCD only to the extent that it can maintain appropriate levels of financial soundness and stability after considering alternatives of cash uses such as repairs and capital expenditures, repayment of borrowings and property acquisition opportunities. The maximum payable SCD amount is 60% of depreciation expenses during the applicable fiscal period. • NPR intends to distribute approximately 30% of depreciation expense for an applicable accounting period as SCD. The amount will be determined based on a holistic consideration of various factors such as NPR's level of anticipated profitability for a particular fiscal period, which includes NPR's net income and one-time profits arising as capital gains from asset dispositions and/or penalties received from lease contract cancellations, etc., the total amount of distributions for a particular fiscal period, which includes SCD, NPR's LTV ratio and financial condition, etc. • However, NPR may adjust, reduce, or suspend the amount of SCD for a particular fiscal period, as a whole or partially, with considerations toward a level of NPR's profitability for a particular fiscal period which reflects NPR's net income and one-time profits arising as capital gains from asset disposition and/or penalties received from lease contract cancellations, etc., the total amount of distributions which include surplus cash distributions, NPR's LTV ratio, credit rating and financial conditions, as well as, macroeconomic real estate market conditions. • To maintain the stability of NPR's distributions per unit ("DPU") in the event that DPU is expected to decline to a certain degree as a result of financing activities, such as the issuance of new investment units, etc., which may cause NPR to incur short-term dilution of investment units and/or substantial increases in financing-related costs, as well as, certain inevitable and one-time events such as repair expenses and capital losses due to damages caused by natural disasters (e.g., earthquakes), accidents/incidents (e.g., fire) and/or other one-time expenses such as litigation settlements and capital losses from property dispositions, etc., NPR may make distributions as one-time surplus cash distributions. NPR intends to limit the maximum total amount of surplus cash distributions at 40% of the depreciation expense for the relevant fiscal period. • To determine the amount of SCDs, NPR will consider the ratio of surplus cash distributions to adjusted funds from operations ("AFFO"). NPR defines AFFO as funds from operations ("FFO") minus capital expenditures plus non-cash expenditure included in debt-related expenses. FFO is defined as the sum of net income and non-cash expenses. For calculations, please refer to the following formulas: $\text{FFO} = \text{net income} + \text{depreciation} + \text{property-related amortization} + \text{loss on sale of real estate, etc.} \\ - \text{gain on sale of real estate, etc.}$ $\text{AFFO} = \text{FFO} - \text{capital expenditure} + \text{non-cash expenditure included in debt-related expenses}$ • Capital expenditures are assumed to be 750 million yen and 668 million yen for the fiscal periods ending May 31, 2020, and Nov. 30, 2020, respectively.

	<ul style="list-style-type: none"> • NPR does not plan to pay SCDs in case such payment would cause the Distribution LTV, as defined below, to exceed 60%. <p>Distribution LTV(%) = $A / B \times 100$</p> <p>A = interest-bearing debt (including investment corporation bonds) at the end of the fiscal period + balance of tenant leasehold deposits released at the end of the fiscal period</p> <p>B = total appraisal real estate value at the end of the fiscal period + the amount of cash deposits at the end of the fiscal period – the total amount distributions (including SCDs)</p>
<p>Others</p>	<ul style="list-style-type: none"> • It is assumed that no revision that will have an impact on the forecast information above will be made in accordance with the laws and regulations, tax system, accounting standards, listing rules of the Tokyo Stock Exchange and rules of the Investment Trusts Association, Japan, etc. • It is assumed that no unexpected material change will arise in overall economic trends and real estate market conditions.

2. Financial Statements

(1) Balance Sheet

(Unit: Thousands of yen)

	As of May 31, 2019	As of Nov. 30, 2019
ASSETS		
Current assets:		
Cash and deposits	20,380,422	19,409,839
Cash and deposits in trust	4,336,217	5,101,730
Operating accounts receivable	1,373,710	1,417,858
Prepaid expenses	405,159	411,354
Consumption taxes receivables	338,417	2,219,569
Other current assets	130	32
Total current assets	<u>26,834,057</u>	<u>28,560,383</u>
Fixed assets:		
Property and equipment		
Buildings	7,561,012	7,565,831
Less: accumulated depreciation	<u>(1,143,411)</u>	<u>(1,234,464)</u>
Buildings, net	<u>6,417,601</u>	<u>6,331,366</u>
Structures	249,739	249,739
Less: accumulated depreciation	<u>(117,612)</u>	<u>(126,897)</u>
Structures, net	<u>132,126</u>	<u>122,841</u>
Tools, furniture and fixtures	5,434	5,434
Less: accumulated depreciation	<u>(3,157)</u>	<u>(3,353)</u>
Tools, furniture and fixtures, net	<u>2,276</u>	<u>2,080</u>
Land	3,834,204	3,834,204
Buildings in trust	348,811,354	389,170,066
Less: accumulated depreciation	<u>(36,253,246)</u>	<u>(40,823,321)</u>
Buildings in trust, net	<u>312,558,107</u>	<u>348,346,744</u>
Structures in trust	7,903,770	9,835,108
Less: accumulated depreciation	<u>(1,854,530)</u>	<u>(2,134,354)</u>
Structures in trust, net	<u>6,049,239</u>	<u>7,700,754</u>
Machinery and equipment in trust	13,117	21,594
Less: accumulated depreciation	<u>(2,976)</u>	<u>(3,892)</u>
Machinery and equipment in trust, net	<u>10,140</u>	<u>17,702</u>
Tools, furniture and fixtures in trust	764,555	913,989
Less: accumulated depreciation	<u>(301,421)</u>	<u>(343,829)</u>
Tools, furniture and fixtures in trust, net	<u>463,133</u>	<u>570,159</u>
Other tangible assets in trust	35	35
Less: accumulated depreciation	<u>(35)</u>	<u>(35)</u>
Other tangible assets in trust, net	<u>0</u>	<u>0</u>
Land in trust	219,810,580	241,111,797
Construction in progress in trust	16,687	644
Total property and equipment	<u>549,294,096</u>	<u>608,038,294</u>
Intangible assets		
Other intangible assets in trust	10,469	178,474
Total intangible assets	<u>10,469</u>	<u>178,474</u>
Investments and other assets		
Long-term prepaid expenses	1,422,231	1,605,259
Deferred tax assets	19	7
Security deposit	10,000	10,000
Other	400	400
Total investments and other assets	<u>1,432,650</u>	<u>1,615,666</u>
Total fixed assets	<u>550,737,217</u>	<u>609,832,436</u>

	(Unit: Thousands of yen)	
	As of May 31, 2019	As of Nov. 30, 2019
Deferred assets:		
Investment corporation bond issuance costs	75,739	68,979
Total deferred assets	75,739	68,979
Total assets	577,647,014	638,461,800
LIABILITIES		
Current liabilities:		
Operating accounts payable	1,330,813	1,779,273
Short-term loans payable	6,500,000	-
Current portion of investment corporation bonds payable	2,000,000	-
Current portion of long-term loans payable	1,000,000	-
Accounts payable	578,082	232,102
Accrued expenses	1,923,071	2,145,288
Income taxes payable	990	739
Advances received	3,381,118	3,773,909
Other current liabilities	94,779	83,554
Total current liabilities	16,808,855	8,014,867
Non-current liabilities:		
Investment corporation bonds payable	16,000,000	16,000,000
Long-term loans payable	192,000,000	225,100,000
Tenant leasehold and security deposits	247,773	247,773
Tenant leasehold and security deposits in trust	14,435,224	15,553,784
Other non-current liabilities	6,546	5,487
Total non-current liabilities	222,689,544	256,907,044
Total liabilities	239,498,399	264,921,911
NET ASSETS		
Unit holders' equity		
Unit holders' capital		
Unit holders' capital, gross	338,516,767	374,425,663
Deduction of unit holders' capital	(8,972,139)	(10,211,573)
Unit holders' capital	329,544,627	364,214,089
Surplus		
Unappropriated retained earnings (undisposed loss)	8,603,987	9,325,798
Total surplus	8,603,987	9,325,798
Total unit holders' equity	338,148,614	373,539,888
Total net assets	*2 338,148,614	*2 373,539,888
Total liabilities and net assets	577,647,014	638,461,800

(2) Statement of Income

	(Unit: Thousands of yen)	
	For the period from Dec. 1, 2018 to May 31, 2019	For the period from June 1, 2019 to Nov. 30, 2019
Operating revenues:		
Operating rental revenues	* ¹ 18,470,266	* ¹ 20,139,002
Other rental revenues	* ¹ 1,300,995	* ¹ 1,541,237
Total operating revenues	<u>19,771,261</u>	<u>21,680,240</u>
Operating expenses:		
Expenses related to property rental business	* ¹ 8,695,897	* ¹ 9,512,082
Asset management fee	1,717,183	1,882,842
Asset custody fee	42,988	45,304
Directors' compensation	7,200	7,200
Audit fee	15,000	15,000
Other operating expenses	52,735	70,537
Total operating expenses	<u>10,531,005</u>	<u>11,532,966</u>
Operating income	<u>9,240,255</u>	<u>10,147,273</u>
Non-operating income:		
Interest income	114	97
Reversal of distributions payable	587	531
Interest on refund of consumption taxes	-	1,551
Refund of real estate taxes and other	-	25,799
Total non-operating income	<u>701</u>	<u>27,981</u>
Non-operating expenses:		
Interest expenses	431,919	475,350
Interest expenses on investment corporation bonds	51,378	51,725
Amortization of investment corporation bond issuance costs	6,740	6,759
Borrowing related expenses	191,061	210,530
Investment unit issuance expenses	-	28,143
Offering costs associated with the issuance of investment units	-	78,412
Others	21	40
Total non-operating expenses	<u>681,121</u>	<u>850,962</u>
Ordinary income:	<u>8,559,835</u>	<u>9,324,291</u>
Extraordinary income:		
Insurance income	* ³ 759,531	-
Total extraordinary income	<u>759,531</u>	<u>-</u>
Extraordinary losses:		
Loss on disaster	* ³ 716,390	-
Total extraordinary losses	<u>716,390</u>	<u>-</u>
Income before income taxes	<u>8,602,976</u>	<u>9,324,291</u>
Incomes taxes – current	1,007	754
Incomes taxes – deferred	(4)	12
Total income taxes	<u>1,002</u>	<u>767</u>
Profit	<u>8,601,974</u>	<u>9,323,524</u>
Retained earnings brought forward	2,013	2,274
Unappropriated retained earnings (undisposed loss)	<u>8,603,987</u>	<u>9,325,798</u>

(3) Statement of Unit Holders' Equity

For the periods from Dec. 1, 2018, to May 31, 2019

(Units: Thousands of yen)

	Unit holders' equity						Total net assets
	Unit holders' capital			Surplus		Total unit holders' equity	
	Unit holders' capital, gross	Deduction of unit holders' capital	Unit holders' capital	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at the beginning of the period	338,516,767	(7,999,392)	330,517,375	8,710,838	8,710,838	339,228,213	339,228,213
Change during the period							
Surplus cash distributions		(972,747)	(972,747)			(972,747)	(972,747)
Dividends from surplus				(8,708,824)	(8,708,824)	(8,708,824)	(8,708,824)
Profit				8,601,974	8,601,974	8,601,974	8,601,974
Total change during the period	-	(972,747)	(972,747)	(106,850)	(106,850)	(1,079,598)	(1,079,598)
Balance at the end of the period	*1 338,516,767	(8,972,139)	329,544,627	8,603,987	8,603,987	338,148,614	338,148,614

For the periods from June 1, 2019, to Nov. 30, 2019

(Units: Thousands of yen)

	Unit holders' equity						Total net assets
	Unit holders' capital			Surplus		Total unit holders' equity	
	Unit holders' capital, gross	Deduction of unit holders' capital	Unit holders' capital	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at the beginning of the period	338,516,767	(8,972,139)	329,544,627	8,603,987	8,603,987	338,148,614	338,148,614
Change during the period							
Issuance of new investments	35,908,896		35,908,896			35,908,896	35,908,896
Surplus cash distributions		(1,239,433)	(1,239,433)			(1,239,433)	(1,239,433)
Dividends from surplus				(8,601,713)	(8,601,713)	(8,601,713)	(8,601,713)
Profit				9,323,524	9,323,524	9,323,524	9,323,524
Total change during the period	35,908,896	(1,239,433)	34,669,462	721,811	721,811	35,391,273	35,391,273
Balance at the end of the period	*1 374,425,663	(10,211,573)	364,214,089	9,325,798	9,325,798	373,539,888	373,539,888

(4) Statement of Cash Distribution

(Unit: Yen)

	For the period from Dec. 1, 2018 to May 31, 2019	For the period from June 1, 2019 to Nov. 30, 2019
I Unappropriated retained earnings (undisposed loss)	8,603,987,514	9,325,798,918
II Distributions in excess of retained earnings		
Deduction from unit holders' capital	1,239,433,650	1,423,584,900
III Distributions	9,841,146,900	10,747,361,250
(Distributions per unit)	(4,502)	(4,575)
Of which, distributions of retained earnings	8,601,713,250	9,323,776,350
(Of which, distributions of retained earnings per unit)	(3,935)	(3,969)
Of which, distributions in excess of retained earnings	1,239,433,650	1,423,584,900
(Of which, distributions in excess of retained earnings per unit)	(567)	(606)
IV Retained earnings carried forward	2,274,264	2,022,568
Calculation method of distribution amount	<p>Pursuant to the "Policy on the Distribution of Funds" as defined in Article 39, Paragraph 1 of Article 2 of incorporation of NPR, the amount of distributions shall be the amount that does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act.</p> <p>Based on the policy, NPR declared the distribution amount of 8,601,713,250 yen which was the amount determined not to exceed unappropriated retained earnings, and to minimize unitholders' burdens of income taxes, and was also equivalent to the integral multiples of number of investment units issued and outstanding (2,185,950 investment units) as of the reporting fiscal period.</p> <p>In addition, based on the distribution policy as defined in Article 39, Paragraph 2 of incorporation, NPR shall make Surplus Cash Distributions (SCD) as a general principle, defined as distributions in excess of retained earnings, as a return of unit holders' capital, each fiscal period on a continuous basis. Furthermore, NPR is per permitted to distribute One-time Surplus Cash Distributions for the purpose of maintaining stable distributions per unit in the event that its distributions per unit is expected to temporarily dilute by a certain degree as a result of financing actions, as well as, certain inevitable and one-time events such as repair expenses and capital losses due to damages caused</p>	<p>Pursuant to the "Policy on the Distribution of Funds" as defined in Article 39, Paragraph 1 of Article 2 of incorporation of NPR, the amount of distributions shall be the amount that does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act.</p> <p>Based on the policy, NPR declared the distribution amount of 9,323,776,350 yen which was the amount equivalent to the maximum integral multiples of number of investment units issued and outstanding (2,349,150 investment units) as of the reporting fiscal period.</p> <p>In addition, based on the distribution policy as defined in Article 39, Paragraph 2 of incorporation, NPR shall make Surplus Cash Distributions (SCD) as a general principle, defined as distributions in excess of retained earnings, as a return of unit holders' capital, each fiscal period on a continuous basis. Furthermore, NPR is per permitted to distribute One-time Surplus Cash Distributions for the purpose of maintaining stable distributions per unit in the event that its distributions per unit is expected to temporarily dilute by a certain degree as a result of financing actions, as well as, certain inevitable and one-time events such as repair expenses and capital losses due to damages caused by natural disasters (e.g., earthquakes), accidents/incidents (e.g., fire), and/or other one-time</p>

	<p>by natural disasters (e.g., earthquakes), accidents/incidents (e.g., fire), and/or other one-time expenses such as litigation settlements and capital losses from property dispositions, etc.,.</p> <p>Considering the amount of temporally revenue earned during the period, NPR declared SCD of 1,239,433,650 yen, which was the amount, excluding 41,533,050 yen as one-time revenue, from 1,280,966,700 yen that amount is approximately 28.5% of depreciation expense of 4,498,709,652 yen for the period.</p>	<p>expenses such as litigation settlements and capital losses from property dispositions, etc.,.</p> <p>Accordingly, NPR declared SCD of 1,423,584,900 yen, which was the amount equivalent to approximately 28.5% of depreciation expense of 5,000,818,006 yen for the period.</p>
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(Note) NPR is permitted to distribute cash in excess of the amount of retained earnings if the amount of the accounting profit is smaller than 90% of its distributable retained earnings on a tax basis to the extent that such distribution amount does not exceed the amount of NPR's depreciation for the same fiscal period, and if NPR determines that such excess distribution amount is appropriate. Also, NPR is permitted to distribute cash in any amount to the extent that such amount is determined by NPR's board of directors and if the amount of distributions does not satisfy certain conditions of special tax treatment which NPR shall be eligible to otherwise. Please note that the amount of SCD shall be subtracted from the balance of unit holders' paid-in capital upon payment.

(5) Statement of Cash Flows

	(Units: Thousands of yen)	
	For the period from Dec. 1, 2018 to May 31, 2019	For the period from June 1, 2019 to Nov. 30, 2019
Cash flows from operating activities:		
Income before income taxes	8,602,976	9,324,291
Depreciation	4,498,709	5,000,818
Amortization of investment corporation bond issuance costs	6,740	6,759
Investment unit issuance expenses	-	28,143
Interest income	(114)	(97)
Interest expense	483,298	527,076
Insurance income	(759,531)	-
Loss on disaster	716,390	-
Decrease (Increase) in operating accounts receivable	146,339	(44,148)
Decrease (Increase) in consumption taxes refund receivables	(338,417)	(1,881,151)
Decrease (Increase) in prepaid expenses	(56,483)	(6,194)
Decrease (Increase) in long-term prepaid expenses	112,911	(183,028)
Increase (Decrease) in operating accounts payable	(420,825)	592,930
Increase (Decrease) in accounts payable-other	602	(24,423)
Increase (Decrease) in accrued expenses	(2,290)	219,061
Increase (decrease) in accrued consumption taxes	(804,872)	-
Increase (Decrease) in advances received	44,279	392,791
Others, net	40,757	10,564
Subtotal	<u>12,270,471</u>	<u>13,963,392</u>
Interest received	114	97
Interest paid	(483,521)	(523,920)
Insurance income	759,531	-
Loss on disaster	(574,550)	(141,840)
Income taxes paid	(908)	(1,005)
Net cash used in operating activities	<u>11,971,137</u>	<u>13,296,724</u>
Cash flows from investing activities:		
Purchases of property and equipment	-	(8,252)
Purchases of property and equipment in trust	(13,766,068)	(64,054,009)
Purchases of intangible assets in trust	-	(175,066)
Proceeds from tenant leasehold and security deposits in trust	770,840	1,334,215
Repayments from tenant leasehold and security deposits in trust	(194,747)	(239,938)
Net cash used in investing activities	<u>(13,189,976)</u>	<u>(63,142,051)</u>
Cash flows from financing activities:		
Proceeds from short-term loans payable	6,500,000	54,400,000
Repayments of short-term loans payable	-	(60,900,000)
Proceeds from long-term loans payable	6,400,000	33,100,000
Repayments of long-term loans payable	(6,400,000)	(1,000,000)
Redemption of investment corporation bonds	-	(2,000,000)
Proceeds from issuance of new investment units	-	35,880,752
Payment of distributions of retained earnings	(8,708,319)	(8,601,199)
Payment of distributions in excess of retained earnings	(972,697)	(1,239,295)
Net cash provided by financing activities	<u>(3,181,017)</u>	<u>49,640,257</u>
Net increase (decrease) in cash and cash equivalents	<u>(4,399,855)</u>	<u>(205,070)</u>
Cash and cash equivalents at the beginning of period	<u>29,116,495</u>	<u>24,716,639</u>
Cash and cash equivalents at the end of period	<u>*1 24,716,639</u>	<u>*1 24,511,569</u>

(6) Notes Concerning Going Concerns Assumption

None

(7) Notes Concerning Significant Accounting Policies

<p>1. Method of depreciation of non-current assets</p>	<p>(1) Property and equipment (including trust assets) The straight-line method is used. The useful lives of major property and equipment are as follows.</p> <table border="0" style="margin-left: 40px;"> <tr> <td>Buildings</td> <td style="text-align: right;">3-67 years</td> </tr> <tr> <td>Structures</td> <td style="text-align: right;">2-60 years</td> </tr> <tr> <td>Machinery and equipment</td> <td style="text-align: right;">8-17 years</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td style="text-align: right;">2-18 years</td> </tr> </table> <p>(2) Intangible assets (including trust assets) The straight-line method is used.</p>	Buildings	3-67 years	Structures	2-60 years	Machinery and equipment	8-17 years	Tools, furniture and fixtures	2-18 years
Buildings	3-67 years								
Structures	2-60 years								
Machinery and equipment	8-17 years								
Tools, furniture and fixtures	2-18 years								
<p>2. Accounting method of deferred charges</p>	<p>(1) Investment unit issuance expenses The full amount of investment unit issuance expenses is recorded as expense at the time of expenditure.</p> <p>(2) Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized over the remaining life of the bonds using straight-line method.</p>								
<p>3. Revenue and expense recognition</p>	<p>Accounting treatment of property taxes and other taxes With respect to property taxes, city planning taxes and depreciable asset taxes, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as rental expenses. Of the amounts paid for the acquisitions of real estate properties or beneficiary right in trust of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the relevant property instead of being charged as an expense. Capitalized property taxes amounted to 469 thousand yen and 209,571 thousand yen for the fiscal period ended May 31, 2019 and Nov. 30, 2019, respectively.</p>								
<p>4. Hedge accounting</p>	<p>(1) Hedge accounting method For interest rate swaps, special accounting treatment is adopted.</p> <p>(2) Hedge instruments and hedged items Hedge instruments – interest rate swaps Hedged items – interests on loans payable</p> <p>(3) Hedging policy NPR uses interest rate swaps for the purpose of hedging risks defined in the articles of incorporation based on its risk management policies.</p> <p>(4) Hedge effectiveness test Assessment of the hedge effectiveness has been omitted since all interest rate swaps meet the specific matching criteria under the special accounting treatment.</p>								
<p>5. Cash and cash equivalents as stated in the Statement of Cash Flows</p>	<p>Cash and cash equivalents consist of cash on hand and cash in trust, floating deposits, deposits in trust and short-term investments that are very liquid and realizable with a maturity of three months or less when purchased and that are subject to insignificant risks of changes in value.</p>								
<p>6. Other significant matters which constitute the basis for preparation of financial statements</p>	<p>(1) Accounting treatment of trust beneficiary interests of real estate As to trust beneficiary interests of real estate, all accounts of assets and liabilities within assets in trust, as well as all income generated and expenses incurred from assets in trust, are recorded in the relevant balance sheets and income statement accounts. Of which, the following significant trust assets are shown separately on the balance sheet.</p> <ul style="list-style-type: none"> (a) Cash and deposits in trust (b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust (c) Construction in progress in trust (d) Tenant leasehold and security deposits in trust <p>(2) Accounting treatment of consumption taxes Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes. The nondeductible portion of consumption taxes imposed in connection with assets is charged to expense in the period incurred.</p>								

(8) Notes to Financial Statements

(Notes to Balance Sheet)

*1. Commitment line agreement

NPR is in the contract of commitment line agreement with three banks.

	As of May 31, 2019	As of Nov. 30, 2019
Total amount of committed line of credit	20,000,000 thousand yen	20,000,000 thousand yen
Borrowings drawn down	-thousand yen	-thousand yen
Balance of unused committed line of credit	20,000,000 thousand yen	20,000,000 thousand yen

As of May 31, 2019

*2. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations:
50,000 thousand yen.

As of Nov. 30, 2019

*2. Minimum net assets as required by Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations:
50,000 thousand yen.

(Notes to Statement of Income)

*1. Operating income from property leasing is as follows:

	(Units: Thousands of yen)	
	For the period from Dec. 1, 2018 to May 31, 2019	For the period from June 1, 2019 to Nov. 30, 2019
(1) Property-related revenues		
Rental revenues		
Rental revenues	17,225,509	18,789,171
Common area charges	1,244,756	1,349,831
Total	18,470,266	20,139,002
Other rental revenues		
Received utilities cost	1,069,175	1,280,842
Others	231,819	260,394
Total	1,300,995	1,541,237
Total property-related revenues	19,771,261	21,680,240
(2) Property-related expenses		
Rental expenses		
Subcontract expenses	1,046,431	1,278,313
Utilities cost	1,121,655	1,211,771
Taxes and dues	1,728,306	1,749,087
Non-life insurance premium	35,594	43,636
Repair and maintenance	242,981	202,927
Depreciation	4,498,709	5,000,818
Custodian fee	19,356	20,920
Other expenses	2,864	4,607
Total rental expenses	8,695,897	9,512,082
(3) Operating income from property leasing ((1)-(2))	11,075,363	12,168,157

*2. Extraordinary income and Extraordinary loss:

For the period from Dec. 1, 2018, to May 31, 2019

Due to the Northern Osaka Earthquake which occurred in June 2018 and two typhoons that hit Japan in Sep. 2018, NPR recorded extraordinary losses of 716,390 thousand yen as repair expenses, etc. and extraordinary profit of 759,531 thousand yen due to the insurance payment for such damages.

For the period from June 1, 2019, to Nov. 30, 2019

None

(Notes to Statement of Unit Holders' Equity)

*1. Number of investment units authorized and number of investment units issued and outstanding

	For the period from Dec. 1, 2018 to May 31, 2019	For the period from June 1, 2019 to Nov. 30, 2019
Number of investment units authorized	10,000,000 units	10,000,000 units
Number of investment units issued and outstanding	2,185,950 units	2,349,150 units

(Notes to Statement of Cash Flow)

*1. Relationship between cash and cash equivalents in statement of cash flows and accounts and amounts in the accompanying balance sheet

	For the period from Dec. 1, 2018 to May 31, 2019	For the period from June 1, 2019 to Nov. 30, 2019
Cash and deposits	20,380,422 thousand yen	19,409,839 thousand yen
Cash and deposits in trust	4,336,217 thousand yen	5,101,730 thousand yen
Cash and cash equivalents	24,716,639 thousand yen	24,511,569 thousand yen

(Notes Related to Lease Contracts)

Operating lease transactions (as lessor)

Unearned rental revenue

	As of May 31, 2019	As of Nov. 30, 2019
Due within one year	33,703,208 thousand yen	34,612,603 thousand yen
Due after one year	94,415,397 thousand yen	115,651,053 thousand yen
Total	128,118,605 thousand yen	150,263,657 thousand yen

(Notes Related to Financial Instruments)

1. Status of financial instruments

(1) Policy for Financial Instruments

NPR procures funds for the acquisition of assets through the issuance of new investment units, bank loans and the issuance of investment corporation bonds.

NPR generally invests surplus funds in bank deposits, considering the safety and liquidity of the investment and also reflecting the market environment and NPR's cash positions.

NPR enters into derivative transactions solely to reduce the risks of rising interest rates related to financings. NPR does not use derivative transactions for speculative purposes.

(2) Financial Instruments, their Risks and Risk Management System

Bank deposits are used for the investment of surplus funds. These deposits are exposed to credit risks, such as bankruptcy of depository financial institutions, but such credit risks are limited and carefully controlled by using only short-term deposits in financial institutions with high credit ratings, fully considering market environment and NPR's cash flow status.

Bank loans and investment corporation bonds are made primarily to procure funds for acquisition of properties, repayment of bank loans and redemption of investment corporation bonds. Although NPR is exposed to potential liquidity risks upon repayment and redemption of loans, such risks are mitigated by diversifying the maturities and lending institutions, establishing commitment line agreements, securing liquidity of cash in hand and managing such liquidity risks by preparing and monitoring cash flow projections.

In addition, certain loans bear floating interest rates and are exposed to potential risk of rising interest rates. NPR attempts to mitigate such risks by maintaining a conservative loan to value ratio and increasing the ratio of long-term fixed-

interest rate loans.

(3) Supplemental Explanation Regarding Fair Values of Financial Instruments

The fair value of financial instruments is calculated based on their observable market value, if available. When no observable market values are available, the fair value is assessed based on prices derived and estimated through reasonable assumptions. Because various factors are reflected in estimating the fair value, different assumptions and factors may result in variances of value.

2. Estimated Fair Value of Financial Instruments

As of May 31, 2019

The book value, the fair value and the difference between the values as of May 31, 2019, are as follows. Financial instruments for which fair value is extremely difficult to estimate are excluded from the following table. ^(Note 2)

	Book value	Fair value	(Unit: Thousands of yen) Difference
(1) Cash and deposits	20,380,422	20,380,422	-
(2) Cash and deposits in trust	4,336,217	4,336,217	-
Total assets	24,716,639	24,716,639	-
(3) Short-term loans payable	6,500,000	6,500,000	-
(4) Current portion of investment corporation bonds	2,000,000	2,002,000	2,000
(5) Current portion of long-term loans payable	1,000,000	1,000,000	-
(6) Investment corporation bonds payable	16,000,000	16,225,600	225,600
(7) Long-term loans payable	192,000,000	193,220,489	1,220,489
Total liabilities	217,500,000	218,948,089	1,448,089
(8) Derivative transactions	-	-	-

As of Nov. 30, 2019

The book value, the fair value and the difference between the values as of Nov. 30, 2019, are as follows. Financial instruments for which fair value is extremely difficult to estimate are excluded from the following table. ^(Note 2)

	Book value	Fair value	(Unit: Thousands of yen) Difference
(1) Cash and deposits	19,409,839	19,409,839	-
(2) Cash and deposits in trust	5,101,730	5,101,730	-
Total assets	24,511,569	24,511,569	-
(6) Investment corporation bonds payable	16,000,000	16,116,050	166,050
(7) Long-term loans payable	225,100,000	226,112,272	1,012,272
Total liabilities	241,100,000	242,278,322	1,178,322
(8) Derivative transactions	-	-	-

(Note 1) Methods used to calculate fair values of financial instruments and matters concerning derivative transactions

(1) Cash and deposits and (2) Cash and deposits in trust

Due to the short maturities, the book value of these instruments is deemed a reasonable approximation of the fair value and, therefore, book value is used as the fair value.

(3) Short-term loans payable

Due to the short maturities, the book value of short-term loans payable is deemed a reasonable approximation of the

fair value and, therefore, book value is used as the fair value.

(4) Current portion of investment corporation bonds (6) Investment corporation bonds payable

The reference value disclosed by the Japan Securities Dealers Association is used as the fair value

(5) Current portion of long-term loans payable and (7) Long-term loans payable

The fair value of long-term loans payable in trust is determined based on the present value of contractual cash flows that would be applicable to new loans payable in trust under the same terms and conditions.

(8) Derivative transactions

Please refer to "Notes related to Derivative Transactions," below.

(Note 2) Financial instruments for which fair value is extremely difficult to estimate

(Units: Thousands of yen)

	As of May 31, 2019	As of Nov. 30, 2019
Tenant leasehold and security deposits	247,773	247,773
Tenant leasehold and security deposits in trust	14,435,224	15,553,784

Because tenant leasehold and security deposits and tenant leasehold and security deposits in trust have no observable and available market price and it is impracticable to reasonably estimate their future cash flows, their fair value is not assessed herein.

(Note 3) Redemption schedule of monetary claims after the closing date of the fiscal period

As of May 31, 2019

(Units: Thousands of yen)

	Due within one year
Cash and deposits	20,380,422
Cash and deposits in trust	4,336,217

As of Nov. 30, 2019

(Units: Thousands of yen)

	Due within one year
Cash and deposits	19,409,839
Cash and deposits in trust	5,101,730

(Note 4) Redemption schedule of long-term loans payable and other interest-bearing debt after the closing date of the fiscal period

As of May 31, 2019

(Unit: Thousands of yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds payable	2,000,000	-	2,000,000	-	1,500,000	12,500,000
Long-term loans payable	1,000,000	21,300,000	30,000,000	27,600,000	16,000,000	97,100,000
Total	3,000,000	21,300,000	32,000,000	27,600,000	17,500,000	109,600,000

As of Nov. 30, 2019

(Unit: Thousands of yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds payable	-	2,000,000	-	1,500,000	3,000,000	9,500,000
Long-term loans payable	-	21,300,000	30,000,000	27,600,000	21,000,000	125,200,000
Total	-	23,300,000	30,000,000	29,100,000	24,000,000	134,700,000

(Notes Related to Investment Securities)

For the periods ended May 31, 2019, and Nov. 30, 2019

None

(Notes Related to Derivative Transactions)

1. Derivative transactions for which hedge accounting is not applied

For the periods ended May 31, 2019, and Nov. 30, 2019

None

2. Derivative transactions for which hedge accounting is applied

The contract and notional amount as of May 31, 2019, sorted by hedge accounting method is as follows:

(Units: Thousands of yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value (Note 2)	Fair value measurement
			Total	(Note 1) Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term loans payable	192,000,000	192,000,000	(Note)	-

(Note) Interest rate swaps under special accounting treatment are accounted for as the integral part of long-term loans payable designated as hedged items. Therefore, their fair value is included in long-term loans payable disclosed in the aforementioned "Notes Related to Financial Instruments, 2. Estimated Fair Values of Financial Instruments, (7) Long-term loans payable".

The contract and notional amount as of Nov. 30, 2019, sorted by hedge accounting method is as follows:

(Units: Thousands of yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
			Total	Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term loans payable	225,100,000	225,100,000	(Note)	-

(Note) Interest rate swaps under special accounting treatment are accounted for as the integral part of long-term loans payable designated as hedged items. Therefore, their fair value is included in long-term loans payable disclosed in the aforementioned "Notes Related to Financial Instruments, 2. Estimated Fair Values of Financial Instruments, (7) Long-term loans payable".

(Notes Related to Related Party Transactions)

1. Transactions with Account Balances with the Parent company and Major Unit Holders

For the periods from Dec. 1, 2018, to May 31, 2019, and June 1, 2019, to Nov. 30, 2019

None

2. Transactions and Account Balances with Affiliates

For the periods from Dec. 1, 2018, to May 31, 2019, and June 1, 2019, to Nov. 30, 2019

None

3. Transactions and Account Balances with Companies under Common Control

For the periods from Dec. 1, 2018, to May 31, 2019

Relationship	Name of the company	Address	Stated capital (Thousands of yen)	Type of business	% of voting rights owned	Relation		Type of transaction	Transaction amount (Thousands of yen)	Account	Balance (Thousands of yen)
						Common board member	Business relationship				
Subsidiary of an affiliate	Prologis REIT Master Lease GK (Note 3)	Chiyoda-ku, Tokyo	2,100	Real estate business	-	-	Lessee	Lease of properties in trust	18,529,327	Operating accounts receivable	797,207
										Advances received	3,148,814
								Proceeds of tenant leasehold and security deposits in trust	770,840	Tenant leasehold and security deposits in trust	13,621,025
								Repayments of tenant leasehold and security deposits in trust	194,747		
Subsidiary of an affiliate	Tdsukuba Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	12,900,000	-	-
Subsidiary of an affiliate	Prologis REIT Management K.K.	Chiyoda-ku, Tokyo	100,000	Investment management business	-	Executive Director of NPR and President & CEO of the Asset Manager	Asset Manager	Payment of asset management fee (Note 4)	1,781,683	Accrued expenses	1,854,557

(Note 1) The figures above do not include consumption taxes in the transaction amount. Nonetheless, it is included in the balance as of the fiscal period end.

(Note 2) The terms and conditions of these transactions were executed in line with general market practices.

(Note 3) With respect to 36 of the 42 properties held by NPR, NPR leases space to Prologis REIT Master Lease GK based on a pass-through type master lease agreement, and Prologis REIT Master Lease GK subleases the space to tenants.

(Note 4) The Asset management fee above includes management fees for property acquisition of 64,500 thousand yen.

For the periods from June 1, 2019, to Nov. 30, 2019

Relationship	Name of the company	Address	Stated capital (Thousands of yen)	Type of business	% of voting rights owned	Relation		Type of transaction	Transaction amount (Thousands of yen)	Account	Balance (Thousands of yen)
						Common board member	Business relationship				
Subsidiary of an affiliate	Prologis REIT Master Lease GK (Note 3)	Chiyoda-ku, Tokyo	2,100	Real estate business	-	-	Lessee	Lease of properties in trust	20,399,275	Operating accounts receivable	875,644
										Advances received	3,537,379
								Proceeds of tenant leasehold and security deposits in trust	1,334,215	Tenant leasehold and security deposits in trust	14,716,302
Repayments of tenant leasehold and security deposits in trust	238,938										
Subsidiary of an affiliate	Akagi Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	12,600,000	-	-
Subsidiary of an affiliate	Ibuki Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	35,800,000	-	-
Subsidiary of an affiliate	Iwaki Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	9,250,000	-	-
Subsidiary of an affiliate	Tateyama Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	5,020,000	-	-
Subsidiary of an affiliate	Prologis REIT Management K.K.	Chiyoda-ku, Tokyo	100,000	Investment management business	-	Executive Director of NPR and President & CEO of the Asset Manager	Asset Manager	Payment of asset management fee (Note 4)	2,196,192	Accrued expenses	2,071,126

(Note 1) The figures above do not include consumption taxes in the transaction amount. Nonetheless, it is included in the balance as of the fiscal period end.

(Note 2) The terms and conditions of these transactions were executed in line with general market practices.

(Note 3) With respect to 40 of the 46 properties held by NPR, NPR leases space to Prologis REIT Master Lease GK based on a pass-through type master lease agreement, and Prologis REIT Master Lease GK subleases the space to tenants.

(Note 4) The Asset management fee above includes management fees for property acquisition of 313,350 thousand yen.

4. Transaction and Account Balances with Board of Directors and Individual Unit Holders

For the periods from Dec. 1, 2018, to May 31, 2019, and June 1, 2019, to Nov. 30, 2019

None

(Notes Related to Retirement Payment)

For the periods from Dec. 1, 2018, to May 31, 2019, and June 1, 2019, to Nov. 30, 2019

None

(Notes Related to Deferred Tax Accounting)

1. Primary components of deferred tax assets and deferred tax liabilities

(Deferred tax assets)	(Unit: Thousands of yen)	
	As of May 31, 2019	As of Nov. 30, 2019
Enterprise tax payable	19	7
Total deferred tax assets	19	7
Net deferred tax assets	19	7

2. Reconciliations of major items that caused differences between statutory tax rate and effective tax rate after applying deferred tax accounting

	(Unit: %)	
	As of May 31, 2019	As of Nov. 30, 2019
Statutory tax rate	31.51	31.51
(Adjustments)		
Deductible distributions of retained earnings	(31.50)	(31.51)
Others	0.00	0.01
Effective tax rate	0.01	0.01

(Notes Related to Asset Retirement Obligations)

For the periods from Dec. 1, 2018, to May 31, 2019, and June 1, 2019, to Nov. 30, 2019

None

(Notes Related to Rental Properties)

NPR owns logistics facilities that it leases to tenants to earn rental income. The book value, the change in the balance during the reporting fiscal period and fair values of the properties are as follows:

		(Unit: Thousands of yen)	
		For the period from Dec. 1, 2018 to May 31, 2019	For the period from June 1, 2019 to Nov. 30, 2019
Book value	Balance at the beginning of the period	540,049,161	549,304,566
	Change during the period	9,255,404	58,912,203
	Balance at the end of the period	549,304,566	608,216,769
Fair value at the end of the period		693,550,000	766,040,000

(Note 1) Book value is the figure calculated by decreasing the accumulated amount of depreciation from acquisition cost.

(Note 2) The increase for the fiscal period ended May 31, 2019 was primarily a result of acquiring a property, Prologis Park Tsukuba 1-A, during the period for a total of 12,972,248 thousand yen. The decrease for the fiscal period ended May 31, 2019 was primarily a result of recognition of depreciation, which amounted to 4,498,709 thousand yen. The increase for the fiscal period ended Nov. 30, 2019 was primarily a result of acquiring properties, Prologis Park Higashimatsuyama, Prologis Park Kyotanabe, Prologis Park Sendai Izumi 2 and Prologis Park Kobe 4 during the period for a total of 63,279,719 thousand yen. The decrease for the fiscal period ended Nov. 30, 2019 was primarily a result of recognition of depreciation, which amounted to 5,000,818 thousand yen.

(Note 3) The fair value as of the end of the reporting period is determined based on appraisal value or investigation price provided by third party real estate appraisers.

Income and loss in connection with investment and rental properties are disclosed in "Notes to Statements of Income."

(Notes Related to Segment and Related Information)

(Segment Information)

1. Overview of operating and reportable segments

Operating segments are components of NPR for which separate financial information is available and whose operating results are regularly evaluated by NPR's internal institution, which makes the highest management decision, to make decisions about how resources are allocated and assess their performances. Therefore, NPR has two reportable segments of the "global markets" and the "regional markets" (*).

(*) NPR invests in real estate whose main use is logistics facilities. It makes investments by focusing on the areas in which the facilities are located and their features. NPR seeks to build a portfolio that is not concentrated in a specific region and invests in several areas of Japan that are vital to trade and logistics. By dividing Japan into its targeted global and regional markets, NPR aims to build a portfolio to minimize fluctuations in cash flow due to regional economic shifts or localized impacts from natural disasters.

As for investment strategies in the global markets, because such areas are vital for international trade and logistics, NPR aims to invest in locations surrounding the largest consumer bases that can also serve as important hubs within the domestic logistics network. The global markets are defined as the Kanto area, which refers to Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Tochigi and Gunma prefectures, and the Kansai area, which refers to Osaka, Hyogo, Kyoto, Nara, Wakayama, Shiga and Mie prefectures, respectively.

The regional markets are critical to Japan's domestic trade. NPR aims to invest in locations with substantial customer bases that play crucial roles in a widespread regional logistics network. The regional markets are defined as the Chubu, Tohoku and Kyushu areas which refer to Aichi, Shizuoka, Niigata, Toyama, Ishikawa, Fukui, Yamanashi, Nagano and Gifu prefectures; Aomori, Iwate, Miyagi, Akita, Yamagata and Fukushima prefectures and Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki and Kagoshima prefectures, respectively.

In addition, NPR is able to invest in areas besides the global and regional markets to the extent that such areas are adjacent to consumer areas or manufacturing areas, or if such areas are suitable and appropriate for logistics centers.

NPR's properties classified into each segment are as follows:

Global markets: Prologis Park Ichikawa 1, Prologis Park Zama 1, Prologis Park Kawajima, Prologis Park Osaka 2, Prologis Park Maishima 3, Prologis Park Takatsuki, Prologis Park Tokyo-Ohta, Prologis Park Zama 2, Prologis Park Funabashi 5, Prologis Park Narita 1-A&B, Prologis Park Narita 1-C, Prologis Park Amagasaki 1, Prologis Park Amagasaki 2, Prologis Park Narashino 4, Prologis Park Tokyo-Shinkiba, Prologis Park Yokohama-Tsurumi, Prologis Park Osaka 4, Prologis Park Kawajima 2, Prologis Park Kitamoto, Prologis Park Joso, Prologis Park Osaka 5, Prologis Park Ebina, Prologis Park Kawanishi, Prologis Park Amagasaki 3, Prologis Park Kobe, Prologis Park Narita 3, Prologis Park Koga 1, Prologis Park Kobe 2, Prologis Park Narashino 5, Prologis Park Ibaraki, Prologis Park Koga2, Prologis Park Ichikawa 3, Prologis Park Narita1-D, Prologis Park Yoshimi, Prologis Park Koga 3, Prologis Park Tsukuba 1-A, Prologis Park Higashimatsuyama, Prologis Park Kyotanabe and Prologis Park Kobe 4

Regional markets: Prologis Park Kasugai, Prologis Park Kitanagoya, Prologis Park Tosu 2, Prologis Park Tosu 4, Prologis Park Iwanuma 1, Prologis Park Sendai Izumi and Prologis Park Sendai Izumi 2

2. Basis of measurement for the amounts of income, assets, liabilities and other items for each reportable segment

The accounting policies of each reportable segment are consistent with policies disclosed in "Notes Concerning Significant Accounting Policies." Reported segment income is measured on the basis of operating income.

3. Information about segment results, assets, liabilities and other items

Fiscal period ended May 31, 2019

(Unit: Thousands of yen)

	Global markets	Regional markets	Reconciling adjustments	Amount on financial statements
Operating revenues ⁽¹⁾	18,275,362	1,495,899	-	19,771,261
Segment income ⁽²⁾	9,279,703	627,110	(666,558)	9,240,255
Segment assets ⁽²⁾	521,711,058	33,431,105	22,504,850	577,647,014
Other items				
Depreciation	4,118,887	379,821	-	4,498,709
Increase in property and equipment	13,746,482	7,631	-	13,754,114

(Note 1) Operating revenues of NPR are exclusively earned from external parties.

(Note 2) Reconciling adjustments to segment income of 666,558 thousand yen include general corporate expenses of 666,558 thousand yen that are not allocated to each reportable segment. General corporate expenses consist mainly of asset management fees, asset custody fees, administrative service fees and directors' compensation and other. Reconciling adjustments to segment assets of 22,504,850 thousand yen primarily include current assets of 20,996,965 thousand yen, investments and other assets of 1,432,145 thousand yen and deferred assets of 75,739 thousand yen.

Fiscal period ended Nov. 30, 2019

(Unit: Thousands of yen)

	Global markets	Regional markets	Reconciling adjustments	Amount on financial statements
Operating revenues ⁽¹⁾	19,873,268	1,806,971	-	21,680,240
Segment income ⁽²⁾	10,016,410	840,509	(709,645)	10,147,273
Segment assets ⁽²⁾	572,405,858	42,432,798	23,623,143	638,461,800
Other items				
Depreciation	4,528,270	472,547	-	5,000,818
Increase in property and equipment	54,506,443	9,406,577	-	63,913,021

(Note 1) Operating revenues of NPR are exclusively earned from external parties.

(Note 2) Reconciling adjustments to segment income of 709,645 thousand yen include general corporate expenses of 709,645 thousand yen that are not allocated to each reportable segment. General corporate expenses consist mainly of asset management fees, asset custody fees, administrative service fees and directors' compensation and other. Reconciling adjustments to segment assets of 23,623,143 thousand yen primarily include current assets of 21,946,755 thousand yen, investments and other assets of 1,607,407 thousand yen and deferred assets of 68,979 thousand yen.

(Related Information)

For the period from Dec. 1, 2018, to May 31, 2019

1. Information by products and services

Description of this information is not stated herein as operating revenues generated from external customers for a single product and service have exceeded 90 percent of total operating revenues on the statement of income.

2. Information by geographic region

(1) Operating revenues

Description of this information is not stated herein as operating revenues generated from external customers in Japan have exceeded 90 percent of total operating revenues on the statement of income.

(2) Property and equipment

Description of this information is not stated herein as the balance of property and equipment in Japan has exceeded 90 percent of total balance of property and equipment on the balance sheet.

3. Information by major customers

(Unit: Thousands of yen)

Counterparty	Operating revenues	Related segment
Prologis REIT Master Lease GK	18,529,327	Global market, Regional market

(Note 1) With respect to 36 of the 42 properties held by NPR, NPR leases space to Prologis REIT Master Lease GK based on a pass-through type master lease agreement, and Prologis REIT Master Lease GK subleases the space to actual tenants.

For the period from June 1, 2019, to Nov. 30, 2019

1. Information by products and services

Description of this information is not stated herein as operating revenues generated from external customers for a single product and service have exceeded 90 percent of total operating revenues on the statement of income.

2. Information by geographic region

(1) Operating revenues

Description of this information is not stated herein as operating revenues generated from external customers in Japan have exceeded 90 percent of total operating revenues on the statement of income.

(2) Property and equipment

Description of this information is not stated herein as the balance of property and equipment in Japan has exceeded 90 percent of total balance of property and equipment on the balance sheet.

3. Information by major customers

(Unit: Thousands of yen)

Counterparty	Operating revenues	Related segment
Prologis REIT Master Lease GK	20,399,275	Global market, Regional market

(Note 1) With respect to 40 of the 46 properties held by NPR, NPR leases space to Prologis REIT Master Lease GK based on a pass-through type master lease agreement, and Prologis REIT Master Lease GK subleases the space to actual tenants.

(Notes Related to Per Unit Information)

	For the period from Dec. 1, 2018 to May 31, 2019	For the period from June 1, 2019 to Nov. 30, 2019
Net assets per unit	154,691 yen	159,010 yen
Profit per unit	3,935 yen	3,996 yen

(Note 1) Profit or loss per unit is calculated by dividing profit or loss for the period by the weighted average number of investment units issued and outstanding based on the number of days during the applicable reporting periods. Diluted profit per unit is not stated as there is no dilutive equity issued and outstanding.

(Note 2) The basis for calculation of the profit per unit is as follows:

	For the period from Dec. 1, 2018 to May 31, 2019	For the period from June 1, 2019 to Nov. 30, 2019
Profit (Thousands of yen)	8,601,974	9,323,524
Amount not attributable to common unit holders (Thousands of yen)	-	-
Profit attributable to common unit holders (Thousands of yen)	8,601,974	9,323,524
Average number of investment units during the period (unit)	2,185,950	2,332,758

(Notes Related to Material Subsequent Events)

(a) Issuance of New Investment Units

NPR's board of directors made a resolution regarding the issuance of new investment units (the "Offering") on Jan. 17, 2020. The issue price per unit shall be determined at the board of directors meeting to be held on the date of the issue price determination.

Issuance of New Investment Units through the Public Offering

Number of units to be issued 111,140 units

Issuance of New Investment Units through the Third-Party Allotment

Number of units to be issued 5,560 units

Allottee SMBC Nikko Securities, Inc.

(b) Acquisition of New Properties

As resolved by the board of directors on Jan. 17, 2020, in line with the investment guidelines defined in its Articles of Incorporation, NPR is scheduled to acquire the properties described below on Feb. 5, 2020, with the net proceeds from the issuance of new investment units described in "(a) Issuance of New Investment Units" above, the new borrowings (the "Borrowings") (details of the Borrowings will be announced once a decision is made) and cash on hand.

Property name		Prologis Park Chiba 1
Location		210-27, Roppo-Cho, Inage Ward, Chiba, Chiba 210-27, Roppo-Cho, Inage Ward, Chiba, Chiba
Class of assets		Real estate trust beneficiary interests
Anticipated Acquisition date		Feb. 5, 2020
Anticipated Acquisition price		31,000 million yen
Land	Ownership form	Proprietary
	Land area	66,117.49 m ²
Building	Ownership form	Proprietary
	Gross floor area	138,547.18 m ²
	Date of construction	Sep. 20, 2019
	Purpose	Warehouse / Office
Structure/No. of stories		SRC, 5-story building

Property name		Prologis Park MFLP Kawagoe
Location		9-3, Minamidai 1-chome, Kawagoe, Saitama 9-3, Minamidai 1-chome, Kawagoe, Saitama
Class of assets		Real estate trust beneficiary interests (50% co-ownership interest)
Anticipated Acquisition date		Feb. 5, 2020
Anticipated Acquisition price		14,800 million yen
Land	Ownership form	Proprietary
	Land area	58,749.53 m ² (*1)
Building	Ownership form	Proprietary
	Gross floor area	117,337.69m ² (*1)
	Date of construction	Oct. 16, 2018
	Purpose	Warehouse / Office
Structure/No. of stories		SRC, 4-story building

(*1) Although we plan to acquire a 50% co-ownership interest in Prologis Park MFLP Kawagoe, the gross floor area shown is for the entire property.

Property name		Prologis Park Tsukuba 1-B
Location		6-1, Tokodai 5 chome, Tsukuba, Ibaraki 6-1, Tokodai 5 chome, Tsukuba, Ibaraki
Class of assets		Real estate trust beneficiary interests
Anticipated Acquisition date		Feb. 5, 2020
Anticipated Acquisition price		13,500 million yen
Land	Ownership form	Proprietary
	Land area	32,804.36 m ²
Building	Ownership form	Proprietary
	Gross floor area	65,676.87 m ²
	Date of construction	Aug. 22, 2019
	Purpose	Warehouse / Office
Structure/No. of stories		S, 4-story building

(9) Change in Number of Investment Units Issued and Outstanding

Changes in the number of investment units issued and outstanding and unit holders' equity for the last five years are as follows:

Date	Type of issue	Number of investment units issued and outstanding (Units)		Unit holders' equity (Note 1) (Thousands of yen)		Note
		Increase	Total	Increase	Total	
Feb. 13, 2015	Surplus cash distribution (Return on capital)	-	1,730,750	(1,002,104)	235,915,634	(Note 2)
Aug. 14, 2015	Surplus cash distribution (Return on capital)	-	1,730,750	(996,912)	234,918,722	(Note 3)
Feb. 15, 2016	Surplus cash distribution (Return on capital)	-	1,730,750	(835,952)	234,082,769	(Note 4)
Mar. 14, 2016	Public offering	105,900	1,836,650	23,710,374	257,793,144	(Note 5)
Apr. 13, 2016	Secondary distribution	5,300	1,841,950	1,186,638	258,979,782	(Note 6)
Aug. 15, 2016	Surplus cash distribution (Return on capital)	-	1,841,950	(1,123,589)	257,856,193	(Note 7)
Dec. 19, 2016	Public offering	61,330	1,903,280	13,190,979	271,047,172	(Note 8)
Jan. 16, 2017	Secondary distribution	3,070	1,906,350	660,301	271,707,473	(Note 9)
Feb. 15, 2017	Surplus cash distribution (Return on capital)	-	1,906,350	(946,762)	270,760,711	(Note 10)
Aug. 7, 2017	Public offering	143,430	2,049,780	31,609,963	302,370,675	(Note 11)
Sept. 6, 2017	Secondary distribution	7,170	2,056,950	1,580,167	303,950,843	(Note 12)
Mar. 12, 2018	Public offering	122,860	2,179,810	26,715,661	330,666,504	(Note 13)
Apr. 11, 2018	Secondary distribution	6,140	2,185,950	1,335,130	332,001,635	(Note 14)
Aug. 15, 2018	Surplus cash distribution (Return on capital)	-	2,185,950	(1,484,260)	330,517,375	(Note 15)
Feb. 15, 2019	Surplus cash distribution (Return on capital)	-	2,185,950	(972,747)	329,544,627	(Note 16)
June 18, 2019	Public offering	155,430	2,341,380	34,199,262	363,743,890	(Note 17)

July 17, 2019	Secondary distribution	7,770	2,349,150	1,709,633	365,453,523	(Note 18)
Aug. 15, 2019	Surplus cash distribution (Return on capital)	-	2,349,150	(1,239,433)	364,214,089	(Note 19)

(Note 1) Refers to the value after the deduction of unit holders' capital.

(Note 2) Cash distributions for the fiscal period ended Nov. 2014 in the amount of 579 yen per unit as return of capital. It was decided on Jan. 19, 2015, and payment began on Feb. 13, 2015.

(Note 3) Cash distributions for the fiscal period ended May 2015 in the amount of 576 yen per unit as return of capital. It was decided on July 15, 2015 and payment began on Aug. 14, 2015.

(Note 4) Cash distributions for the fiscal period ended Nov. 2015 in the amount of 483 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on Jan. 19, 2016, and payment began on Feb. 15, 2016.

(Note 5) New investment units were issued at a price of 231,574 yen per unit (223,894 yen after deduction of gross spread to underwriters) to raise funds for the repayment of borrowings for the acquisition of new properties.

(Note 6) New investment units were issued at a price of 223,894 yen per unit through third-party allotment to raise funds for the future acquisition of properties or the repayment of borrowings.

(Note 7) Cash distributions for the fiscal period ended May 2016 in the amount of 610 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on July 14, 2016, and payment began on Aug. 15, 2016.

(Note 8) New investment units were issued at a price of 222,460 yen per unit (215,082 yen after deduction of gross spread to underwriters) to raise funds for the repayment of borrowings for the acquisition of new properties.

(Note 9) New investment units were issued at a price of 215,082 yen per unit through third-party allotment to raise funds for the future acquisition of properties or the repayment of borrowings.

(Note 10) Cash distributions for the fiscal period ended Nov. 2016 in the amount of 514 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on Jan. 17, 2017, and payment began on Feb. 15, 2017.

(Note 11) New investment units were issued at a price of 227,850 yen per unit (220,386 yen after deduction of gross spread to underwriters) to raise funds for the repayment of borrowings for the acquisition of new properties.

(Note 12) New investment units were issued at a price of 220,386 yen per unit through third-party allotment to raise funds for the future acquisition of properties or the repayment of borrowings.

(Note 13) New investment units were issued at a price of 224,812 yen per unit (217,448 yen after deduction of gross spread to underwriters) to raise funds for the repayment of borrowings for the acquisition of new properties.

(Note 14) New investment units were issued at a price of 217,448 yen per unit through third-party allotment to raise funds for the future acquisition of properties or the repayment of borrowings.

(Note 15) Cash distributions for the fiscal period ended May 2018 in the amount of 679 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on July 17, 2018, and payment began on Aug. 15, 2018.

(Note 16) Cash distributions for the fiscal period ended Nov. 2018 in the amount of 445 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on Jan. 18, 2019, and payment began on Feb. 15, 2019.

(Note 17) New investment units were issued at a price of 227,458 yen per unit (220,030 yen after deduction of gross spread to underwriters) to raise funds for the repayment of borrowings for the acquisition of new properties.

(Note 18) New investment units were issued at a price of 220,030 yen per unit through third-party allotment to raise funds for the future acquisition of properties or the repayment of borrowings.

(Note 19) Cash distributions for the fiscal period ended May 2018 in the amount of 567 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on July 18, 2019, and payment began on Aug. 15, 2019.

3. Reference Information

(1) Composition of NPR's Assets

Type of asset	Region	Thirteenth fiscal period (As of May 31, 2019)		Fourteenth fiscal period (As of Nov. 30, 2019)	
		Retained amount (Millions of yen) (Note 3)	Ratio of total asset (%)	Retained amount (Millions of yen) (Note 3)	Ratio of total asset (%)
Real estate	Global markets (Note 1)				
	Kanto area	-	-	-	-
	Kansai area	4,132	0.7	4,103	0.6
	Regional markets (Note 2)				
	Chubu area	-	-	-	-
	Tohoku area	-	-	-	-
	Kyushu area	6,253	1.1	6,187	1.0
	Total	10,386	1.8	10,290	1.6
Beneficiary right in trust	Global markets (Note 1)				
	Kanto area	327,058	56.6	337,518	52.9
	Kansai area	185,055	32.0	224,619	35.2
	Regional markets (Note 2)				
	Chubu area	17,197	3.0	17,041	2.7
	Tohoku area	9,590	1.7	18,746	2.9
	Kyushu area	-	-	-	-
	Total	538,901	93.3	597,925	93.7
Total of real estate and others	549,287	95.1	608,216	95.3	
Deposit and other assets	28,359	4.9	30,245	4.7	
Total assets (Note 4)	577,647 (549,287)	100.0 (95.1)	638,461 (608,216)	100.0 (95.3)	

(Note 1) Global markets are vital areas for international trade and logistics and surround the largest customer bases, which can also serve as important hubs within the domestic logistics network. It refers to the following areas:

- Kanto area, which refers to Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Tochigi and Gunma prefectures
- Kansai area, which refers to Osaka, Hyogo, Kyoto, Nara, Wakayama, Shiga and Mie prefectures

(Note 2) Regional markets are critical to Japan's domestic trade and play a crucial role in a widespread regional logistics network. It refers to following areas:

- Chubu area, which refers to Aichi, Shizuoka, Niigata, Toyama, Ishikawa, Fukui, Yamanashi, Nagano and Gifu prefectures
- Tohoku area, which refers to Aomori, Iwate, Miyagi, Akita, Yamagata and Fukushima prefectures
- Kyushu area, which refers to Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki and Kagoshima prefectures

(Note 3) "Retained amount" is from the balance (for the "Total of real estate and others", the book value after depreciation) as of end of the reporting fiscal period. Note that "Book value" does not include "Construction in progress in trust".

(Note 4) "Total assets" refers to the value on the balance sheet, and the figures in the brackets show the figures related to actual owned real estate.

(Note 5) "Ratio of total assets" is rounded down to the nearest first decimal place.

(2) Overview of the Portfolio

The following summarizes the real estate or the real estate properties in trust owned by NPR at the end of the reporting fiscal period:

(I) Overview of Assets Held (acquisition price, book value, appraisal value as of the end of the reporting fiscal period and others)

Property number	Property name	Form of ownership	Acquisition price (Millions of yen) ⁽¹⁾	Book value (Millions of yen) ⁽²⁾	Appraisal value as of the end of the reporting fiscal period (Millions of yen) ⁽³⁾	Return price					Investment rate (%) ⁽⁴⁾
						Direct capitalization method		DCF method			
						Priced based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Priced based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
M-01	Prologis Park Ichikawa 1	Beneficiary right in trust	33,900	31,766	44,600	45,400	3.9	44,600	3.7	4.1	5.3
M-02	Prologis Park Zama 1	Beneficiary right in trust	27,900	25,594	34,000	34,300	4.2	34,000	4.0	4.4	4.4
M-03	Prologis Park Kawajima	Beneficiary right in trust	25,600	22,870	33,200	33,800	4.5	33,200	4.3	4.7	4.0
M-04	Prologis Park Osaka 2	Beneficiary right in trust	25,000	22,684	33,700	33,500	4.3	33,700	4.1	4.4	3.9
M-05	Prologis Park Maishima 3	Beneficiary right in trust	13,500	12,088	16,100	16,200	4.4	16,100	4.2	4.5	2.1
M-06	Prologis Park Kasugai	Beneficiary right in trust	12,500	11,222	18,400	18,600	4.5	18,400	4.3	4.6	1.9
M-07	Prologis Park Kitanagoya	Beneficiary right in trust	6,500	5,819	9,420	9,550	4.3	9,420	4.1	4.4	1.0
M-09	Prologis Park Tokyo-Ohta	Beneficiary right in trust	29,500	28,852	39,800	40,200	3.6	39,800	3.4	3.8	4.6
M-10	Prologis Park Zama 2	Beneficiary right in trust	21,900	20,230	29,100	29,500	4.1	29,100	3.9	4.3	3.4
M-11	Prologis Park Funabashi 5 (Annex)	Beneficiary right in trust	9,500	10,380	14,300	14,400	4.0	14,300	3.8	4.2	1.7
			1,500								
M-12	Prologis Park Narita 1-A&B	Beneficiary right in trust	8,420	7,850	10,500	10,500	4.9	10,400	4.6	5.1	1.3
M-13	Prologis Park Narita 1-C	Beneficiary right in trust	4,810	4,555	5,990	6,000	4.9	5,970	4.6	5.1	0.7
M-14	Prologis Park Amagasaki 1	Beneficiary right in trust	17,600	16,625	21,200	21,300	4.5	21,100	4.2	4.6	2.7
M-15	Prologis Park Amagasaki 2	Beneficiary right in trust	19,200	18,214	22,300	22,300	4.5	22,300	4.2	4.6	3.0
M-16	Prologis Park Tokyo-Shinkiba	Beneficiary right in trust	13,600	13,300	18,600	18,600	3.6	18,600	3.4	3.7	2.1
M-17	Prologis Park Yokohama-Tsurumi	Beneficiary right in trust	13,800	12,725	18,500	18,600	4.0	18,500	3.8	4.1	2.2
M-18	Prologis Park Osaka 4	Beneficiary right in trust	21,000	19,285	26,100	26,100	4.3	26,100	4.1	4.4	3.3
M-19	Prologis Park Iwanuma 1	Beneficiary right in trust	5,670	5,002	8,010	8,070	4.7	8,010	4.5	4.8	0.9
M-20	Prologis Park Kawajima 2	Beneficiary right in trust	8,180	7,577	9,490	9,580	4.5	9,490	4.3	4.7	1.3

Property number	Property name	Form of ownership	Acquisition price (Millions of yen) ⁽¹⁾	Book value (Millions of yen) ⁽²⁾	Appraisal value as of the end of the reporting fiscal period (Millions of yen) ⁽³⁾	Return price					Investment rate (%) ⁽⁴⁾
						Direct capitalization method		DCF method			
						Priced based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Priced based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
M-21	Prologis Park Kitamoto	Beneficiary right in trust	12,600	12,053	14,000	14,000	4.7	13,900	4.4	4.9	2.0
M-22	Prologis Park Joso	Beneficiary right in trust	7,120	6,733	7,550	7,650	4.6	7,550	4.4	4.8	1.1
M-23	Prologis Park Osaka 5	Beneficiary right in trust	17,600	16,846	19,100	19,500	4.3	19,100	4.1	4.5	2.7
M-24	Prologis Park Narita 3	Beneficiary right in trust	9,240	8,934	10,500	10,600	4.7	10,300	4.5	4.9	1.4
M-25	Prologis Park Narashino 5	Beneficiary right in trust	13,600	13,202	15,100	15,100	4.0	15,100	3.8	4.1	2.1
M-26	Prologis Park Ibaraki	Beneficiary right in trust	38,300	37,502	42,400	42,100	4.1	42,400	3.9	4.2	6.0
M-27	Prologis Park Ichikawa 3	Beneficiary right in trust	17,000	16,768	18,000	18,200	3.8	18,000	3.6	4.0	2.7
M-28	Prologis Park Narita 1-D	Beneficiary right in trust	5,260	5,202	5,350	5,370	4.9	5,320	4.6	5.1	0.8
M-29	Prologis Park Yoshimi	Beneficiary right in trust	21,300	20,887	21,900	22,200	4.5	21,900	4.3	4.7	3.3
M-30	Prologis Park Higashimatsuyama	Beneficiary right in trust	12,600	12,595	12,800	13,000	4.5	12,800	4.3	4.7	2.0
M-31	Prologis Park Kyotanabe	Beneficiary right in trust	35,800	35,886	36,700	36,900	4.3	36,500	4.1	4.5	5.6
B-02	Prologis Park Takatsuki	Real estate	4,410	4,103	5,340	5,270	4.5	5,340	4.2	4.6	0.7
B-03	Prologis Park Tosu 2	Real estate	3,030	2,719	3,920	3,960	4.6	3,920	4.3	4.7	0.5
B-04	Prologis Park Tosu 4	Real estate	3,810	3,467	4,930	5,120	4.6	4,930	4.3	4.7	0.6
B-05	Prologis Park Narashino 4	Beneficiary right in trust	20,000	18,381	26,500	26,800	3.9	26,500	3.7	4.0	3.1
B-06	Prologis Park Ebina	Beneficiary right in trust	8,250	7,936	10,900	10,900	4.0	10,900	3.8	4.1	1.3
B-07	Prologis Park Kawanishi	Beneficiary right in trust	13,600	12,812	15,000	15,400	4.4	15,000	4.2	4.7	2.1
B-08	Prologis Park Amagasaki 3	Beneficiary right in trust	9,090	8,583	10,600	10,700	4.3	10,400	4.1	4.5	1.4
B-09	Prologis Park Kobe	Beneficiary right in trust	6,410	5,936	7,180	7,240	4.8	7,120	4.6	5.1	1.0
B-10	Prologis Park Sendai Izumi	Beneficiary right in trust	4,820	4,476	5,390	5,430	5.0	5,350	4.8	5.4	0.8
B-11	Prologis Park Koga 1	Beneficiary right in trust	7,680	7,306	8,320	8,380	4.8	8,250	4.5	5.0	1.2

Property number	Property name	Form of ownership	Acquisition price (Millions of yen) ⁽¹⁾	Book value (Millions of yen) ⁽²⁾	Appraisal value as of the end of the reporting fiscal period (Millions of yen) ⁽³⁾	Return price					Investment rate (%) ⁽⁴⁾
						Direct capitalization method		DCF method			
						Priced based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Priced based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
B-12	Prologis Park Kobe 2	Beneficiary right in trust	13,700	13,107	14,400	14,400	4.8	14,400	4.6	5.1	2.1
B-13	Prologis Park Koga 2	Beneficiary right in trust	3,930	3,779	4,020	4,050	4.8	3,990	4.5	5.0	0.6
B-14	Prologis Park Koga 3	Beneficiary right in trust	5,440	5,346	5,550	5,610	4.8	5,490	4.5	5.0	0.8
B-15	Prologis Park Tsukuba 1-A	Beneficiary right in trust	12,900	12,685	13,000	13,100	4.6	13,000	4.4	4.8	2.0
B-16	Prologis Park Sendai Izumi 2	Beneficiary right in trust	9,250	9,267	9,260	9,350	5.0	9,160	4.4	5.5	1.4
B-17	Prologis Park Kobe 4	Beneficiary right in trust	5,020	5,045	5,020	5,070	4.8	4,960	4.6	5.0	0.8
Total		-	641,340	608,216	766,040	771,900	-	764,670	-	-	100.0

(Note 1) Acquisition price represents the purchase price of each property or beneficiary right in trust as set forth on the relevant purchase agreement and does not include expenses such as consumption taxes, and is rounded down to nearest million yen. Note that "Acquisition price" of Prologis Park Zama1 does not reflect prices related to the partial acquisition and disposition of Land, executed on Oct. 3, 2018.

(Note 2) Book value represents the value on the balance sheet after depreciation and is rounded down to nearest million yen. Note that "Book value" does not include "Construction in progress in trust".

(Note 3) NPR has retained JLL Morii Valuation & Advisory K.K., CBRE K.K. and Japan Real Estate Institute to appraise or investigate the properties. Appraisal or Investigation value as of the end of the reporting fiscal period represents the appraisal or investigation value as set forth on the relevant study reports by real estate appraisers as of Nov. 30, 2019.

(Note 4) Investment rate is calculated by dividing the acquisition price for each property by the total acquisition price and is rounded to nearest tenth. Thus the sum of the figures in total may not add up to the figure in the total column.

(II) Overview of Assets Held (property age, occupancy rate and annual rent)⁽¹⁾

Property number	Property name	Property age (years) ⁽²⁾	Leasable area(m ²) ⁽³⁾	Leased area(m ²) ⁽⁴⁾	Gross number of tenants ⁽⁵⁾	Occupancy rate (%) ⁽⁶⁾	Annual rent (Millions of yen) ⁽⁷⁾	Security deposit (Millions of yen) ⁽⁸⁾	Average lease contract (years) ⁽⁹⁾	Average remaining lease contract (years) ⁽¹⁰⁾
M-01	Prologis Park Ichikawa 1	11.1	125,026.84	125,026.84	10	100.0	2,155	955	10.5	5.2
M-02	Prologis Park Zama 1	10.6	113,471.12	113,299.81	7	99.8	1,830	589	6.9	1.4
M-03	Prologis Park Kawajima	8.5	144,897.54	144,597.08	8	99.8	1,861	604	3.8	2.3
M-04	Prologis Park Osaka 2	12.6	130,553.85	129,654.71	6	99.3	1,767	628	5.4	2.2
M-05	Prologis Park Maishima 3	11.8	74,874.37	67,350.18	5	90.0	858	271	7.5	2.0
M-06	Prologis Park Kasugai	11.9	91,455.06	89,742.80	5	98.1	1,034	396	2.3	1.0
M-07	Prologis Park Kitanoagoya	10.5	42,751.60	42,751.60	3	100.0	535	172	4.5	0.3
M-09	Prologis Park Tokyo-Ohta	14.2	73,115.63	72,928.70	21	99.7	1,739	672	4.6	2.0
M-10	Prologis Park Zama 2	7.4	95,121.43	95,121.43	8	100.0	1,488	629	5.5	3.2
M-11	Prologis Park Funabashi 5 (Annex)	15.0	56,556.95	56,556.95	4	100.0	785	346	4.6	2.4
M-12	Prologis Park Narita 1-A&B	14.8	62,058.81	59,546.90	10	96.0	687	173	2.4	0.8
M-13	Prologis Park Narita 1-C	12.6	32,230.25	32,230.25	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	1.6	1.2
M-14	Prologis Park Amagasaki 1	14.3	91,446.75	91,446.75	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	6.3
M-15	Prologis Park Amagasaki 2	12.7	91,399.12	91,308.07	7	99.9	1,219	527	4.8	2.4
M-16	Prologis Park Tokyo-Shinkiba	12.5	31,022.88	30,109.09	9	97.1	845	410	5.7	2.9
M-17	Prologis Park Yokohama-Tsurumi	11.6	63,973.26	63,598.58	4	99.4	954	419	5.5	2.3
M-18	Prologis Park Osaka 4	7.6	106,135.15	106,135.15	8	100.0	1,395	425	2.2	1.1
M-19	Prologis Park Iwanuma 1	11.2	40,520.44	40,520.44	3	100.0	451	269	4.6	2.4
M-20	Prologis Park Kawajima 2	5.8	42,005.07	42,005.07	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	7.8	2.2
M-21	Prologis Park Kitamoto	5.7	69,432.01	69,432.01	4	100.0	817	247	5.4	0.9
M-22	Prologis Park Joso	5.1	37,165.49	37,165.49	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	4.9	0.9
M-23	Prologis Park Osaka 5	4.9	78,087.30	78,087.30	8	100.0	1,089	390	5.5	2.2

Property number	Property name	Property age (years) ⁽²⁾	Leasable area(m ²) ⁽³⁾	Leased area(m ²) ⁽⁴⁾	Gross number of tenants ⁽⁵⁾	Occupancy rate (%) ⁽⁶⁾	Annual rent (Millions of yen) ⁽⁷⁾	Security deposit (Millions of yen) ⁽⁸⁾	Average lease contract (years) ⁽⁹⁾	Average remaining lease contract (years) ⁽¹⁰⁾
M-24	Prologis Park Narita 3	11.5	52,982.99	46,895.99	11	88.5	604	202	3.6	1.5
M-25	Prologis Park Narashino 5	3.7	58,159.44	58,159.44	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	5.6	3.0
M-26	Prologis Park Ibaraki	3.2	154,182.43	154,182.43	3	100.0	2,292	565	9.0	6.2
M-27	Prologis Park Ichikawa 3	2.0	50,714.15	50,714.15	3	100.0	902	367	6.2	4.4
M-28	Prologis Park Narita 1-D	4.9	27,960.13	27,960.13	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	3.7	1.4
M-29	Prologis Park Yoshimi	4.0	98,076.60	98,076.60	4	100.0	1,202	455	8.9	6.3
M-30	Prologis Park Higashimatsuyama	1.9	60,540.99	45,999.66	1	76.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.6	10.1
M-31	Prologis Park Kyotanabe	1.1	135,024.76	135,024.76	4	100.0	2,020	556	8.7	7.8
B-02	Prologis Park Takatsuki	7.9	19,898.05	19,898.05	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	7.2
B-03	Prologis Park Tosu 2	7.4	21,778.87	21,778.87	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	2.7
B-04	Prologis Park Tosu 4	7.9	28,765.31	28,765.31	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.3	7.5
B-05	Prologis Park Narashino 4	6.4	91,529.07	91,529.07	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	3.8
B-06	Prologis Park Ebina	9.7	32,500.08	32,500.08	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	5.7	0.3
B-07	Prologis Park Kawanishi	6.0	75,493.23	75,493.23	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	4.0
B-08	Prologis Park Amagasaki 3	6.2	39,527.85	39,527.85	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	3.8
B-09	Prologis Park Kobe	6.0	32,511.56	32,511.56	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.2	9.3
B-10	Prologis Park Sendai Izumi	4.2	26,353.50	26,353.50	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	20.3	16.3
B-11	Prologis Park Koga 1	3.1	34,158.16	34,158.16	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	11.9
B-12	Prologis Park Kobe 2	3.1	62,468.19	62,468.19	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	11.9
B-13	Prologis Park Koga 2	2.6	19,699.36	19,699.36	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	12.4
B-14	Prologis Park Koga 3	1.4	29,196.84	29,196.84	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	8.7
B-15	Prologis Park Tsukuba 1-A	1.2	65,168.90	65,168.90	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	11.0	9.8

Property number	Property name	Property age (years) ⁽²⁾	Leasable area(m ²) ⁽³⁾	Leased area(m ²) ⁽⁴⁾	Gross number of tenants ⁽⁵⁾	Occupancy rate (%) ⁽⁶⁾	Annual rent (Millions of yen) ⁽⁷⁾	Security deposit (Millions of yen) ⁽⁸⁾	Average lease contract (years) ⁽⁹⁾	Average remaining lease contract (years) ⁽¹⁰⁾
B-16	Prologis Park Sendai Izumi 2	1.2	36,542.37	36,542.37	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	20.0	18.8
B-17	Prologis Park Kobe 4	0.5	24,154.17	24,154.17	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	9.6
Total		7.6	2,970,687.92	2,935,373.87	183	98.8	40,714	15,706	7.6	4.3

(Note 1) The figures excluding property age in this table are based on the Nov. 30, 2019 Lease Agreements. References to “Nov. 30, 2019 Lease Agreements” are to lease agreements, at our current properties, that have commenced as of Nov. 30, 2019, excluding a lease agreement for the jointly owned convenience store building at Prologis Park Narita 1-A&B, Prologis Park Narita 1-C and Prologis Park Narita 1-D. The figures including property age do not account for a jointly owned convenience store building at Prologis Park Narita 1 A&B, Prologis Park Narita 1 C and Prologis Park Narita 1 D. The same applies hereinafter.

(Note 2) Property age for each property is calculated based on the property registry and rounded to the nearest tenth. Total amount is a weighted average based on acquisition prices. The property age of Prologis Park Funabashi 5 is calculated based on the weighted average based on acquisition prices of the main structure and the annex. The property age of Prologis Park Zama 2 is calculated based only on the main structure of the property and does not include its annex.

(Note 3) Equal to the gross leasable space in each property based on the Nov. 30, 2019 Lease Agreements and floor plans included in such lease agreements plus available space based on such floor plans, rounded down to the nearest square meter.

(Note 4) Equal to gross floor area of leased space in property based on the Nov. 30, 2019 Lease Agreements and floor plans included in such lease agreements. Area has been rounded down to the nearest square meter.

(Note 5) For properties with pass-through master lease agreements, this is the total number of end-tenants.

(Note 6) Occupancy rate is calculated by dividing total leased area for each property by the total leasable area. The total occupancy rate is calculated by dividing the aggregate total leased area for the relevant properties by the aggregate total leasable area for the relevant properties. Figures are rounded to the nearest tenth.

(Note 7) Annual rent for each property is based on total annual rent (including common area charges) as indicated in the Nov. 30, 2019 Lease Agreements. If the relevant agreements include monthly contracted rent, annual rent is calculated in accordance with the terms stipulated in the agreements. Figures are rounded down to millions of yen.

(Note 8) Calculated as the total security deposit as indicated in the Nov. 30, 2019 Lease Agreement. If the security deposit is amortized, we state the security deposit amount after subtracting the relevant amortization amount. Figures are rounded down to millions of yen.

(Note 9) Average lease contract is calculated as the weighted average of length of lease contract indicated in the Nov. 30, 2019 Lease Agreements for all warehouses, offices and stores for each property or property in trust as of Nov. 30, 2019, by the rent and figures are rounded to the nearest tenth.

(Note 10) Average remaining lease contract is calculated as the weighted average of length of remaining lease contract indicated in the Nov. 30, 2019 Lease Agreements for all warehouses, offices and stores for each property or property in trust as of Nov. 30, 2019, by the rent and figures are rounded to the nearest tenth.

(Note 11) We have not obtained permission from the tenant of the properties to disclose the information unstated in this table.

(3) Capital Expenditures for Owned Properties

(I) Future Plans for Capital Expenditure

The following summarizes the major capital expenditure plans in connection with scheduled renovations and other work for properties owned by NPR. Estimated construction cost includes the amounts to be expensed for accounting purposes.

Name (Location)	Purpose	Planned period	Estimate construction cost (Millions of yen) ⁽¹⁾		
			Total amount	Paid during the reporting period	Total amount already paid
Prologis Park Kitanagoya other (Kitanagoya, Aichi, other)	Installment of LED lighting	From Dec. 2019 to Nov. 2020	409	-	-
Prologis Park Funabashi 5 (Funabashi, Chiba)	Repair work of exterior walls	From Dec. 2018 to Mar. 2020	174	0	0
Prologis Park Ebina (Ebina, Kanagawa)	Extension of eaves	From June 2019 to May 2020	110	-	-

(Note 1) Figures are rounded down to the nearest million yen.

(II) Capital Expenditure Incurred for the Reported Fiscal Period

The following summarizes the major construction work to NPR's owned properties that resulted in capital expenditures for the reporting fiscal period. NPR conducted construction work worth 852 million yen in the reporting fiscal period which is a sum of capital expenditures of 649 million yen and repair and maintenance expenses of 202 million yen.

Name (Location)	Purpose	Expenditure Period	Amount spent (Millions of yen) ⁽¹⁾
Prologis Park Tokyo Shinkiba (Koto, Tokyo)	Repair work of exterior walls	From Dec. 2018 to Sep. 2019	206
Prologis Park Osaka 4 other (Osaka, Osaka, other)	Reinforcement of shutter	From Jan. 2019 to Nov. 2019	83
Prologis Park Kitamoto other (Kitamoto, Saitama, other)	Installment of LED lighting	From July 2019 to Nov. 2019	108
Others	-	-	250
Total			649

(Note) Figures are rounded down to the nearest million yen.

(c) Reserved Amount for Long-Term Repairs, Maintenance and Renovation Plans

None

(4) Information Concerning Major Tenants

(I) Major Tenants (tenants accounting for more than 10 percent of aggregate leased area)

None

(II) Information Related to Major Properties (properties accounting for more than 10 percent of aggregate property-related revenue)

None

(5) Overview of Property Leasing and Status of Operating Income

Fourteenth Fiscal Period from June 1, 2019, to Nov. 30, 2019

(Units: Thousands of yen)

Property number	M-01	M-02	M-03	M-04	M-05
Property name	Prologis Park Ichikawa 1	Prologis Park Zama 1	Prologis Park Kawajima	Prologis Park Osaka 2	Prologis Park Maishima 3
Operating days	183	183	183	183	183
(1) Property related revenues	1,224,871	988,383	1,008,079	979,071	490,525
Property revenues	1,072,375	903,873	919,799	878,460	454,775
Other property related revenues	152,496	84,509	88,280	100,610	35,749
(2) Total of property related expenses	512,576	395,397	445,192	480,715	261,970
Property taxes	86,935	72,267	69,223	83,789	51,688
Subcontract expenses	75,439	64,713	66,868	95,677	45,860
Utilities cost	120,979	49,896	76,440	67,134	19,635
Non-life insurance premium	2,003	1,752	2,135	2,215	1,242
Repair and maintenance	14,590	3,026	1,341	17,013	16,257
Depreciation	212,147	201,121	228,681	214,385	126,806
Custodian fee	480	500	500	500	480
Other expenses	-	2,119	-	-	-
(3) Operating income from property leasing (= (1)-(2))	712,295	592,985	562,887	498,355	228,554
NOI ((3) + Depreciation)	924,443	794,106	791,569	712,741	355,360

(Units: Thousands of yen)

Property number	M-06	M-07	M-09	M-10	M-11
Property name	Prologis Park Kasugai	Prologis Park Kitanagoya	Prologis Park Tokyo-Ohta	Prologis Park Zama 2	Prologis Park Funabashi 5 (include Annex)
Operating days	183	183	183	183	183
(1) Property related revenues	548,616	282,411	950,114	822,807	406,062
Property revenues	511,927	267,250	858,990	726,086	391,061
Other property related revenues	36,689	15,161	91,123	96,721	15,000
(2) Total of property related expenses	259,473	148,989	353,291	325,465	153,812
Property taxes	57,460	30,417	59,921	62,268	34,256
Subcontract expenses	28,140	31,913	71,372	38,247	24,318
Utilities cost	27,629	14,612	63,462	67,729	11,727
Non-life insurance premium	1,344	560	1,367	1,445	763
Repair and maintenance	15,275	10,190	11,699	1,775	3,080
Depreciation	129,123	60,794	144,967	153,498	78,706
Custodian fee	500	500	500	500	960
Other expenses	-	-	-	-	-
(3) Operating income from property leasing (= (1)-(2))	289,143	133,422	596,823	497,342	252,249
NOI ((3) + Depreciation)	418,266	194,217	741,791	650,840	330,956

(Units: Thousands of yen)

Property number	M-12	M-13	M-14	M-15	M-16
Property name	Prologis Park Narita 1-A&B	Prologis Park Narita 1-C	Prologis Park Amagasaki 1	Prologis Park Amagasaki 2	Prologis Park Tokyo-Shinkiba
Operating days	183	183	183	183	183
(1) Property related revenues	383,793	Not disclosed (Note 1)	Not disclosed (Note 1)	697,047	449,085
Property revenues	348,067			609,560	406,461
Other property related revenues	35,726			87,486	42,624
(2) Total of property related expenses	176,853			322,321	160,537
Property taxes	23,380			57,513	37,012
Subcontract expenses	33,933			39,396	23,467
Utilities cost	24,920			73,005	30,367
Non-life insurance premium	758			1,143	465
Repair and maintenance	12,873			6,732	5,745
Depreciation	80,486			147,049	62,977
Custodian fee	500	480	500		
Other expenses	-	-	-		
(3) Operating income from property leasing (= (1)-(2))	206,940	114,154	349,932	374,725	288,548
NOI ((3) + Depreciation)	287,426	161,190	464,152	521,775	351,526

(Note 1) We have not obtained permission from the tenants of the properties to disclose the information and therefore it has been omitted from this table.

(Units: Thousands of yen)

Property number	M-17	M-18	M-19	M-20	M-21
Property name	Prologis Park Yokohama- Tsurumi	Prologis Park Osaka 4	Prologis Park Iwanuma 1	Prologis Park Kawajima 2	Prologis Park Kitamoto
Operating days	183	183	183	183	183
(1) Property related revenues	524,522	748,917	305,039	Not disclosed (Note 1)	424,297
Property revenues	475,456	687,691	222,856		406,438
Other property related revenues	49,065	61,225	82,183		17,858
(2) Total of property related expenses	245,626	345,430	176,329		197,431
Property taxes	51,921	76,405	21,102		31,616
Subcontract expenses	32,102	44,697	12,383		45,610
Utilities cost	48,235	44,299	61,843		13,543
Non-life insurance premium	833	1,420	474		852
Repair and maintenance	3,744	7,436	12,090		2,906
Depreciation	107,990	170,691	67,934		102,421
Custodian fee	500	480	500	480	
Other expenses	300	-	-	-	
(3) Operating income from property leasing (= (1)-(2))	278,896	403,487	128,710	174,672	226,866
NOI ((3) + Depreciation)	386,886	574,178	196,644	242,334	329,288

(Note 1) We have not obtained permission from the tenants of the properties to disclose the information and therefore it has been omitted from this table.

(Units: Thousands of yen)

Property number	M-22	M-23	M-24	M-25	M-26
Property name	Prologis Park Joso	Prologis Park Osaka 5	Prologis Park Narita 3	Prologis Park Narashino 5	Prologis Park Ibaraki
Operating days	183	183	183	183	183
(1) Property related revenues	Not disclosed (Note 1)	567,048	356,747	Not disclosed (Note 1)	1,160,046
Property revenues		542,240	317,695		1,113,284
Other property related revenues		24,808	39,051		46,761
(2) Total of property related expenses		254,644	198,157		534,887
Property taxes		61,684	30,372		119,113
Subcontract expenses		28,486	36,751		84,757
Utilities cost		21,250	35,090		42,919
Non-life insurance premium		1,211	935		2,531
Repair and maintenance		594	16,257		970
Depreciation		140,937	78,269		283,803
Custodian fee	480	480	480		
Other expenses	-	-	312		
(3) Operating income from property leasing (= (1)-(2))	96,216	312,403	158,589	209,104	625,159
NOI ((3) + Depreciation)	161,314	453,341	236,859	321,017	908,962

(Note 1) We have not obtained permission from the tenants of the properties to disclose the information and therefore it has been omitted from this table.

(Units: Thousands of yen)

Property number	M-27	M-28	M-29	M-30	M-31
Property name	Prologis Park Ichikawa 3	Prologis Park Narita 1-D	Prologis Park Yoshimi	Prologis Park Higashimatsuyama	Prologis Park Kyotanabe
Operating days	183	183	183	178	178
(1) Property related revenues	464,772	Not disclosed (Note 1)	628,111	Not disclosed (Note 1)	1,022,974
Property revenues	444,942		596,620		970,766
Other property related revenues	19,830		31,491		52,208
(2) Total of property related expenses	212,921		284,243		357,653
Property taxes	46,482		48,713		-
Subcontract expenses	30,925		30,494		35,696
Utilities cost	13,190		19,708		56,230
Non-life insurance premium	1,033		1,503		2,249
Repair and maintenance	395		2,365		566
Depreciation	120,414		180,978		260,718
Custodian fee	480		480		465
Other expenses	-		-		1,725
(3) Operating income from property leasing (= (1)-(2))	251,850		96,426		343,867
NOI ((3) + Depreciation)	372,265	138,222	524,846	244,720	926,040

(Note 1) We have not obtained permission from the tenants of the properties to disclose the information and therefore it has been omitted from this table.

(Units: Thousands of yen)

Property number	B-02	B-03	B-04	B-05	B-06
Property name	Prologis Park Takatsuki	Prologis Park Tosu 2	Prologis Park Tosu 4	Prologis Park Narashino 4	Prologis Park Ebina
Operating days	183	183	183	183	183
(1) Property related revenues	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)
Property revenues					
Other property related revenues					
(2) Total of property related expenses					
Property taxes					
Subcontract expenses					
Utilities cost					
Non-life insurance premium					
Repair and maintenance					
Depreciation					
Custodian fee					
Other expenses					
(3) Operating income from property leasing (= (1)-(2))	93,984	58,784	74,221	380,405	160,065
NOI ((3) + Depreciation)	126,118	90,746	110,660	524,705	198,389

(Note 1) We have not obtained permission from the tenants of the properties to disclose the information and therefore is omitted from this table.

(Units: Thousands of yen)

Property number	B-07	B-08	B-09	B-10	B-11
Property name	Prologis Park Kawanishi	Prologis Park Amagasaki 3	Prologis Park Kobe	Prologis Park Sendai Izumi	Prologis Park Koga 1
Operating days	183	183	183	183	183
(1) Property related revenues	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)
Property revenues					
Other property related revenues					
(2) Total of property related expenses					
Property taxes					
Subcontract expenses					
Utilities cost					
Non-life insurance premium					
Repair and maintenance					
Depreciation					
Custodian fee					
Other expenses					
(3) Operating income from property leasing (= (1)-(2))	322,459	174,268	134,142	88,033	132,840
NOI ((3) + Depreciation)	410,632	234,517	186,412	142,659	204,201

(Note 1) We have not obtained permission from the tenants of the properties to disclose the information and therefore is omitted from this table.

(Units: Thousands of yen)

Property number	B-12	B-13	B-14	B-15	B-16
Property name	Prologis Park Kobe 2	Prologis Park Koga 2	Prologis Park Koga 3	Prologis Park Tsukuba 1-A	Prologis Park Sendai Izumi 2
Operating days	183	183	183	183	178
(1) Property related revenues	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)
Property revenues					
Other property related revenues					
(2) Total of property related expenses					
Property taxes					
Subcontract expenses					
Utilities cost					
Non-life insurance premium					
Repair and maintenance					
Depreciation					
Custodian fee					
Other expenses					
(3) Operating income from property leasing (= (1)-(2))	243,168	59,954	74,624	166,319	175,622
NOI ((3) + Depreciation)	357,840	99,211	133,253	317,906	267,290

(Note 1) We have not obtained permission from the tenants of the properties to disclose the information and therefore is omitted from this table.

(Units: Thousands of yen)

Property number	B-17	
Property name	Prologis Park Kobe 4	
Operating days	61	
(1) Property related revenues	Not disclosed (Note 1)	
Property revenues		
Other property related revenues		
(2) Total of property related expenses		
Property taxes		
Subcontract expenses		
Utilities cost		
Non-life insurance premium		
Repair and maintenance		
Depreciation		
Custodian fee		
Other expenses		
(3) Operating income from property leasing (= (1)-(2))		33,743
NOI ((3) + Depreciation)		47,143

(Note 1) We have not obtained permission from the tenants of the properties to disclose the information and therefore is omitted from this table.