

SUMMARY OF FINANCIAL RESULTS (REIT) For the 11th Fiscal Period Ended May 31, 2018

Jul. 17, 2018

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

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Supplementary Materials for Financial Results: Yes • No
Investors & Analysts Meeting: Yes • No

1. Financial Results for the Fiscal Period ended May 31, 2018 (11th Fiscal Period) (Dec. 1, 2017 to May 31, 2018)

(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	%
May 31, 2018	18,435	(4.4)	8,803	(14.8)	8,076	(15.9)	8,075	(15.9)
Nov. 30, 2017	19,287	(9.2)	10,333	(20.0)	9,601	(14.4)	9,601	8.8

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	%	%	%
May 31, 2018	3,821	2.5	1.5	43.8
Nov. 30, 2017	4,799	3.2	1.9	49.8

(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	%	%
May 31, 2018	4,373	3,694	679	9,559	8,074	1,484	100.0	2.4
Nov. 30, 2017	4,668	4,668	0	9,601	9,601	-	100.0	3.1

* “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 May 31, 2018, is 0.005. The payment of SCD is deemed a return of capital. This calculation methodology is pursuant to Article 23, Paragraph 1, Item 3 of the Act on Special Measures Concerning Taxation.

(Note 3) As there were issuance of new investment units during both fiscal periods and accordingly there were changes of outstanding investment units, the following formula was used for the calculation of payout ratio:

$$\text{Payout ratio} = \text{Total distributions (excluding SCD)} / \text{Net income} * 100$$

(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
May 31, 2018	567,153	340,077	60.0	155,574
Nov. 30, 2017	527,624	313,553	59.4	152,436

(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
May 31, 2018	12,436	(43,820)	30,225	24,051
Nov. 30, 2017	18,754	(56,277)	28,599	25,210

2. Earnings Forecasts for the Fiscal Period ending Nov. 30, 2018 (12th Fiscal Period) (from June 1, 2018, to Nov. 30, 2018) and May 31, 2019 (13th Fiscal Period) (from Dec. 1, 2018, to May 31, 2019)

(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
Nov. 30, 2018	19,542	6.0	9,260	5.2	8,567	6.1	8,566	6.1	4,400	3,919	481
May 31, 2019	19,597	0.3	9,103	(1.7)	8,405	(1.9)	8,404	(1.9)	4,431	3,845	586

(Reference) Forecasted Profit per unit for the fiscal period ending Nov. 30, 2018: 3,918 yen
Forecasted Profit per unit for the fiscal period ending May 31, 2019: 3,844 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 May 31, 2018 2,185,950 units
As of Nov. 30, 2017 2,056,950 units

Number of treasury units at end of period:

As of May 31, 2018 0 units
As of Nov. 30, 2017 0 units

*** The Implementation Status of Statutory Audit**

At the time of this financial report, the audit procedures for the financial statements pursuant to the Financial Instruments and Exchange Act have not yet been completed.

*** Explanation on the Appropriate Use of the Forecast of Results and Other Matters of Special Consideration**

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 fiscal periods ending Nov. 30, 2018 (12th Fiscal Period) (from June 1, 2018, to Nov. 30, 2018) and May 31, 2019 (13th Fiscal Period) (from Dec. 1, 2018, to May 31, 2019)" on page 7 for assumptions regarding forward-looking statements.

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1. Organizational Structure of Investment Corporation

Jinba Special Purpose Company has ceased to be categorized as Prologis REIT Management K.K.'s "specified related party" (a party engaged in the transactions set forth in Article 29-3, Paragraph 3, Item 2 of the Order for Enforcement of the Financial Instruments and Exchange Act) as of June 1, 2018 and the extraordinary report has been submitted on June 1, 2018. No significant changes have occurred to the organizational structure of the investment corporation since the most recent securities report (filed Feb. 23, 2018); therefore, their descriptions are omitted here.

2. Management Policies and Results of Operations

(1) Management Policies

No significant changes have occurred to investment policies, investment targets and distribution policies since the most recent securities report (filed Feb. 23, 2018); therefore, their descriptions are not included here.

(2) Results of Operations

(I) Overview of the Eleventh Fiscal Period ended May 31, 2018

(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 is a real estate investment trust (REIT) that invests in logistics real estate with the sponsorship of the Prologis Group^(*1), the global leader in logistics real estate. NPR focuses on investing in logistics facilities, targeting high-quality, Class-A properties that meet the demands of tenant logistics companies and other users with respect to operational efficiency, and which fulfill certain size, location, equipment, convenience and safety criteria. NPR aims to maximize its unit holder value through stability in rental revenues and steady growth of its portfolio and by optimizing the value of its portfolio.

NPR acquired 12 properties (aggregate acquisition price: 173,020 million yen) on Feb. 15, 2013, following its listing, and acquired an additional 27 properties in total (aggregate acquisition price: 360,620 million yen) through the tenth fiscal period and disposed two properties (aggregate acquisition price: 16,870 million yen) during the ninth and tenth fiscal periods. NPR acquired three additional properties (aggregate acquisition price: 43,560 million yen), and also executed purchase agreements for two properties, which closings will take place more than a month after the date of the respective purchase and sale agreements^(*2) during the reporting fiscal period. As a result, NPR owned 40 properties (aggregate acquisition price: 560,330 million yen), all of which are Class-A facilities developed by the Prologis Group, as of the end of the reporting fiscal period^(*3).

(*1) 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).

(*2) These properties are under construction as of the closing date and since the closing of purchase and sale will take place more than a month after the date of execution of the respective purchase and sale agreements, such agreements are categorized as the "forward commitment contracts." Please refer to Page 33 "Additional Information" for further details.

(*3) 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 Eleventh Fiscal Period ended May 31, 2018

During the reporting fiscal period, Japan's macroeconomic outlook continued to expand. Backed by the BOJ's significant monetary easing policy, the macroeconomic cycle of income being expended towards consumption continued in both of the corporate and household sectors. The steady growth of the global economy continued to stimulate Japanese imports and exports, which resulted in an increase in general demand, further tightening the labor market.

The J-REIT market were previously soft as a result of continued of cash outflows from monthly distribution-type domestic mutual

funds, but in the first quarter of 2018, the market momentum has shown signs of slow recovery. In total, we believe the J-REIT dividend yield still remains attractive in the global monetary easing environment and J-REITs' financial and operational performances continue to be deemed relatively defensive, being relatively unsusceptible to uncertainties of the global macroeconomy. However, the J-REIT market itself will continue to be affected by various investor trends, and therefore, its directions is unclear for now.

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.

Notwithstanding, we recently observed new entrants into the modern logistics real estate market, and developments and completions of large-scale multi-tenant logistics facilities are on the rise. Such new supply is temporarily increasing the overall vacancy rates of large-scale multi-tenant logistics facilities, and to make appropriate assessments of the future market conditions, we acknowledge that we need to closely monitor the status of the supply/demand balance.

Under these circumstances, the occupancy rate of NPR's portfolio remained significantly high, at 98.3 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 follow-on offering (122,860 units), with a payment date of Mar. 12, 2018, with an aim to procure funds to acquire three new properties and two properties which are scheduled to be acquired. NPR additionally issued units through a third-party allotment (6,140 units) with a payment date of Apr. 11, 2018. As a result of these offerings, NPR successfully raised 28,050 million yen equity capital (net of underwriters' fees), and the balance of NPR's unit holders' capital was 332,001 million yen and the total number of units issued and outstanding was 2,185,950 as of the end of the reporting fiscal period.

(b) Borrowings

For the purpose of acquiring the three new properties, including ancillary costs and expenses, NPR borrowed bridge loans of 32,200 million yen on Mar. 1, 2018. These bridge loans were subsequently prepaid with the net proceeds from the abovementioned offerings and borrowed long-term loans of 11,800 million yen on Mar. 13, 2018. As a result, the ending balance of NPR's interest-bearing debt was 206,300 million yen, out of which investment corporation bonds accounted for 12,000 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 36.4 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 (May 31, 2018) 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 these investment activities and financings, NPR generated operating revenues of 18,435 million yen, operating income of 8,803 million yen, ordinary income of 8,076 million yen and profit of 8,075 million yen for the reporting fiscal period. NPR's distributions for the same period were 3,694 yen per unit, which included NPR's profit distributions in 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). The distribution amount was determined to distribute all unappropriated retained earnings for the reporting period, excluding fractions less than one 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 in the event that an amount of distributions per unit temporarily decreases due to a series of financing actions such as the issuance of new investment units (including investment unit third-party allotment), the issuance of investment corporation bonds and borrowings, etc. and cancellation, redemption or repayment of such debt, which may result in a temporary dilution of investment units or incurrence of large expenses, 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, NPR made Regular Surplus Cash Distributions of 1,165 million yen, equivalent to 28.5 percent of NPR's depreciation expense of 4,088 million yen for the reporting fiscal period. In addition, NPR made One-time Surplus Cash Distributions of 319 million yen, equivalent to 7.8 percent of the same depreciation expense. Consequently, the total amount of SCD per unit for the reporting fiscal period was determined at 679 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.
- (*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 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 344 million yen. This assessment was conducted in the engineering report for each property prepared by Earth-Appraisal 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 of support from the Prologis Group and its global customer network, operational expertise and other management resources.

The Prologis Group is a leading logistics real estate company and pioneer of the development of Class-A logistics facilities in Japan. It plans to continue to actively develop Class-A logistics facilities in the region. Through cooperation with the Prologis Group, NPR believes it can provide unique opportunities for its unit holders to invest in high-quality logistics facilities developed by the Prologis Group. NPR and the Asset Manager will concentrate solely on owning and operating logistics facilities, while the Prologis Group will focus on development and property management. Through these delineated roles, NPR believes it can minimize potential conflicts of interest with the sponsor and efficiently manage and grow its portfolio.

(b) External Growth Strategies

Pursuant to the sponsor support agreement, NPR was granted exclusive negotiation rights from the Prologis Group for five properties. The Prologis Group will continue to develop new assets of approximately 40 to 60 billion yen every year in Japan, and as of the closing date of the reporting fiscal period, plans for 8 development properties have been 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 Higashimatsuyama	Higashimatsuyama, Saitama	Dec. 5, 2016	61,885 m ²
Prologis Park Sendai Izumi 2	Sendai, Miyagi	Dec. 15, 2017	40,083 m ²
Prologis Park Kyotanabe	Kyotanabe, Kyoto	Dec. 15, 2017	161,057 m ²
Prologis Park MFLP Kawagoe (50% co-ownership)	Kawagoe, Saitama	Dec. 15, 2017	131,298 m ² (Note)

(Note) Prologis Group affiliate retains a 50% co-ownership of Prologis Park MFLP Kawagoe. However, the above figure of the gross floor area represents the entire property.

Properties under development or planning by Prologis Group

Property name	Location	GFA
Prologis Park Kobe 4	Kobe, Hyogo	24,700 m ²
Prologis Park Tsukuba 1-B	Tsukuba, Ibaraki	71,595 m ²
Prologis Park Chiba 1	Chiba, Chiba	146,805 m ²
Prologis Park Kobe 3	Kobe, Hyogo	38,700 m ²
Prologis Park Ebina 2	Ebina, Kanagawa	38,000 m ²
Prologis Park Kobe 5	Kobe, Hyogo	44,470 m ²
Prologis Park Chiba 2	Chiba, Chiba	66,000 m ²
Prologis Park Inagawa Project	Inagawa, Hyogo	258,000 m ²

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 basically have lease terms of five years with diversified multiple tenants, resulting in a 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 market environment while we mitigate tenant credit concentration risks and lease-up risks at lease maturities. Fundamentally, total current stock of Class-A logistics facilities in Japan remains significantly small in light of anticipated tenant demand and, as a result, we have observed gradual rent growth in the past couple of years. 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 this 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.

NPR and the Asset Manager receive support based on the sponsor support agreement with the Prologis Group in connection with property management, market research and human resources. In addition, NPR is able to attract a greater number of tenants by accessing the Prologis Group's global customer network, providing further tenant diversification and earnings stability.

(d) Financing Strategies

NPR and the Asset Manager intend to implement strategic and flexible financing 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. NPR will manage its balance sheet as a stabilized LTV of approximately 50 percent (with an upper limit of 60 percent) to maintain its sound financial status. NPR intends to borrow from financial institutions that hold the potential for sustainable long-term relationships. In addition, NPR will continue to consider issuance of investment corporation bonds to diversify sources of debt financings.

(ii) Significant Subsequent Events

Not applicable

(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 Nov. 30, 2018 (12th period)	19,542	9,260	8,567	8,566	4,400	3,919	481
Period ending May 31, 2019 (13th period)	19,597	9,103	8,405	8,404	4,431	3,845	586

(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 fiscal periods ending Nov. 30, 2018 (Twelfth Fiscal Period) (from June 1, 2018, to Nov. 30, 2018) and May 31, 2019 (Thirteenth Fiscal Period) (from Dec. 1, 2018, to May 31, 2019)

Item	Assumption
Accounting period	<ul style="list-style-type: none"> ● Fiscal period ending Nov. 30, 2018 (12th fiscal period) (from June 1, 2018 to Nov. 30, 2018) (183 days) ● Fiscal period ending May. 31, 2019 (13th fiscal period) (from Dec. 1, 2018 to May 31, 2019) (182 days)
Portfolio of Investment Assets Held	<ul style="list-style-type: none"> ● It is assumed that, in addition to its 40 properties held as of the end of the 11th fiscal period, NPR will acquire the real estate trust beneficiary interests in the two properties; Prologis Park Koga 3 will be acquired on Oct. 1, 2018 and Prologis Park Tsukuba 1-A will be acquired on Dec. 3, 2018 (Prologis Park Koga 3 and Prologis Park Tsukuba 1-A may hereinafter be collectively called the “Anticipated Acquisitions”). It is also assumed there will be no change (including acquisition of new properties and dispositions of existing properties) in the operational status of the properties, other than the acquisition of the Anticipated Acquisitions, until after May 31, 2019. Prologis Park Koga 3 is currently under construction and is scheduled, as of the closing date, to be completed on July 31, 2018. Prologis Park Tsukuba 1-A is currently also under construction and is scheduled to be completed on Sep. 28, 2018, as of the closing date. ● The sales and purchase agreements pertaining to the Anticipated Acquisitions stipulate that transfer price of such Anticipated Acquisitions may be increased or decreased, respectively for a certain amount calculated according to the prescribed formula based on any change in profitability of the relevant Anticipated Acquisition, by the time when such property is acquired, for any prescribed reason including any increase or decrease in estimated rent, outsourcing expenses, or repair expenses or capital expenditure. It is assumed that neither such change in profitability or associated increase or decrease in transfer prices of the Anticipated Acquisitions will not occur. ● The actual results may change due to acquisitions of new properties or dispositions of existing properties, etc.
Operating revenues	<ul style="list-style-type: none"> ● Operating rental revenues are estimated, by taking into account factors such as market trends and competitiveness of NPR’s properties, to be 19,542 million yen and 19,597 million yen for the periods ending Nov. 30, 2018, and May 31, 2019, respectively. The expected average occupancy rates are estimated to be 97.8 percent and 98.0 percent for the periods ending Nov. 30, 2018, and May 31, 2019, respectively. ● Rent revenues from the Anticipated Acquisitions are calculated based on the lease agreements and information that are executed or provided by sellers of property as of the closing date. However, as the buildings of the Anticipated Acquisitions are under construction and are yet to be completed, the contents of these lease agreements may be changed thereafter. ● For operating rental revenues, it is assumed that tenants will pay rents without delinquency or withholding.
Operating expenses	<ul style="list-style-type: none"> ● Expenses except depreciation are calculated by taking into account variable factors such as seasonal events and are assumed to be 4,143 million yen and 4,183 million yen for the periods ending Nov. 30, 2018, and May 31, 2019, respectively. ● Depreciation expenses, including ancillary costs associated with property acquisitions, are calculated using the straight-line method and are assumed to be 4,296 million yen and 4,500 million yen for the periods ending Nov. 30, 2018, and May 31, 2019, respectively. ● Property tax and city planning tax 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 tax and city planning tax for the three new properties (Prologis Park Ichikawa 3, Prologis Park Narita 1-D and Prologis Park Yoshimi (the “Acquisitions in the 11th Fiscal Period”)) and the Anticipated Acquisitions will start to be expensed from the fiscal period ending May 31, 2019. The total amount of property tax and city planning tax included in the purchase price of the Acquisitions in the 11th Fiscal Period and the Anticipated Acquisitions is assumed to be 111 million yen for the periods ending Nov. 30, 2018 (equivalent to expenses for 183 days for the Acquisitions in the 11th Fiscal Period and 61 days for Prologis Park Koga 3) and 27 million yen for the periods ending May 31, 2019 (equivalent to expenses for 31 days for the Acquisitions in the 11th Fiscal Period and Prologis Park Koga 3, and 29 days for Prologis Park Tsukuba 1-A).

	<ul style="list-style-type: none"> With respect to building repair expenses, the amount assumed to be necessary for each property is calculated based on the repair and maintenance plans of the Asset Manager. However, actual repair expenses may be substantially different from the expected amount due to certain unanticipated factors. In addition, expenses caused by an earthquake, which took place with an epicenter in northern Osaka Prefecture on Jun. 18, 2018 (the “Northern Osaka Earthquake”), is assumed that there will be 77 million yen for the fiscal period ending Nov. 30, 2018. The actual results of the repair expenses caused by the Northern Osaka Earthquake may vary from the current estimate amount due to certain unanticipated factors.
Non-operating expenses	<ul style="list-style-type: none"> As for interest expenses and other debt-related costs, 663 million yen and 668 million yen are expected for each of the periods ending Nov. 30, 2018, and May 31, 2019, respectively. The debt-related amortization, which is included in debt-related expenses, is expected to be 174 million yen and 176 million yen for each of the periods ending Nov. 30, 2018, and May 31, 2019.
Borrowings and bonds	<ul style="list-style-type: none"> The balance of NPR’s interest-bearing debt outstanding as of the date hereof is 206,300 million yen, including the balance of investment corporation bonds. It is assumed that 5,000 million yen and 6,500 million yen will be borrowed on Oct. 1, 2018 and Dec. 3, 2018 in connection with the acquisitions of Prologis Park Koga 3 and Prologis Park Tsukuba 1-A, respectively. It is assumed that we will fully refinance a 6,300 million yen short-term loan that is due on Aug. 8, 2018. We assume there will be no bonds maturing prior to the end of the fiscal period ending May 31, 2019.
Investment units	<ul style="list-style-type: none"> It is assumed that the number of investment units currently issued and outstanding will not change. Currently, there are 2,185,950 units issued and outstanding.
Distributions per unit (excluding surplus cash distributions (SCD))	<ul style="list-style-type: none"> Distributions per unit (excluding SCD) are calculated based on the premises of the distribution policy in the articles of incorporation of NPR that all profit shall be distributed. Distributions per unit (excluding SCD) may change considerably due to various factors including changes in operational environment arising from any additional acquisitions or dispositions of properties, changes in rent revenues attributable to tenant moves, occurrence of unexpected repairs, changes in interest rates and issues of new investment units in the future.
Surplus cash distributions (SCD) per unit	<ul style="list-style-type: none"> SCD per unit is calculated based on the premises of the fund distribution policy contained in the articles of incorporation of NPR. It is assumed that SCD in the fiscal period ending Nov. 30, 2018 will be 1,051 million yen, which is equivalent to 28.5 percent of the amount of depreciation expenses assumed for the fiscal period, net of 250 million yen as a portion of one-time revenue caused as a tenant’s penalty payment of lease termination at Prologis Park Joso, and with addition of 77 million yen as one-time repair expenses caused by the Northern Osaka Earthquake. The actual results of the repair expenses caused by the Northern Osaka Earthquake may vary from the current estimate, and accordingly, the actual addition to the amount of SCD may also vary. It is assumed that SCD in the fiscal period ending May 31, 2019 will be 1,280 million yen, which is equivalent to 28.5 percent of the amount of depreciation expenses assumed for the fiscal period. The amount of depreciation expenses may vary as a result of changes in the amount of total assets under management, ancillary costs, capital expenditures, the allocation of purchase price to each asset item, estimated depreciable life, etc. SCD, which will be based on the amount of depreciation expenses, may vary accordingly. NPR intends to 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 percent of depreciation expenses during the applicable fiscal period. However, NPR may decide not to make surplus cash distributions for a fiscal period based on a consideration of factors such as economic or real estate market conditions and NPR’s LTV ratio, credit rating, financial condition or the amount of anticipated profitability, which includes one-time revenue such as capital gains arising from property dispositions and penalty revenue caused by lease cancellation, etc. In addition, in the event NPR needs to allocate its cash to emergency capital expenditures for unexpected damage on NPR’s assets, etc., surplus cash distributions per unit may be reduced.

	<ul style="list-style-type: none"> ● In addition, NPR may make one-time surplus cash distributions to maintain the stability of its distributions per unit in the event that distributions per unit are expected to temporarily decline to a certain degree due to dilution from an increase in the number of investment units or a substantial increase in costs as a result of its financing activities, such as the issuance of new investment units, including third-party allotments; the issuance of investment corporation bonds; or entering into additional borrowing contracts (including, in each case, the amortization, cancellation or repayment thereof). NPR intends to limit the total amount of surplus cash distributions (including surplus cash distributions on an ongoing basis and a one-time basis) that can be made at 40% of the depreciation expense for the relevant fiscal period. ● For now, NPR intends to pay SCD at an amount equivalent to approximately 30 percent of the depreciation expense for the relevant fiscal period. ● To determine the amount of SCD, NPR also considers the payout ratio of total distribution amount relative to adjusted funds from operations (“AFFO”). NPR defines AFFO as funds from operations (“FFO”) minus capital expenditures plus amortization of capitalized finance costs. FFO is defined as the sum of profit and non-cash expenses. For calculations, please refer to the following formulas: $\text{FFO} = \text{profit} + \text{depreciation} + \text{property-related amortization} + \text{loss on sale of real estate} - \text{gain on sale of real estate}$ $\text{AFFO} = \text{FFO} - \text{capital expenditure} + \text{amortization of capitalized finance costs}$ ● Capital expenditures are assumed to be 798 million yen and 747 million yen in the periods ending Nov. 30, 2018, and May 31, 2019, respectively. ● NPR does not plan to pay SCD in case such payment would cause the Distribution LTV, as defined below, to exceed 60 percent. <ul style="list-style-type: none"> ● $\text{Distribution LTV}(\%) = A / B \times 100$ A = interest-bearing debt (including borrowings held in trust and investment corporation bonds) at the end of the fiscal period + balance of tenant leasehold deposits released at the end of the fiscal period 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 SCD)
Others	<ul style="list-style-type: none"> ● It is assumed that any revision that will have an impact on the forecast information above will be made with regard to 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 general economic trends and real estate market conditions.

3. Financial Statements

(1) Balance Sheet

(Unit: Thousands of yen)

	As of Nov. 30, 2017	As of May 31, 2018
ASSETS		
Current assets:		
Cash and deposits	21,091,230	19,994,172
Cash and deposits in trust	4,119,378	4,057,793
Operating accounts receivable	1,178,794	1,537,088
Prepaid expenses	333,265	378,745
Deferred tax assets	1	27
Consumption taxes receivables	1,540,068	1,319,143
Other current assets	28	4,025
Total current assets	28,262,768	27,290,997
Fixed assets:		
Property and equipment		
Buildings	7,552,840	7,555,149
Less: accumulated depreciation	(870,984)	(961,767)
Buildings, net	6,681,856	6,593,381
Structures	249,739	249,739
Less: accumulated depreciation	(89,757)	(99,042)
Structures, net	159,982	150,696
Tools, furniture and fixtures	5,434	5,434
Less: accumulated depreciation	(2,439)	(2,691)
Tools, furniture and fixtures, net	2,995	2,742
Land	3,834,204	3,834,204
Buildings in trust	302,769,605	332,280,817
Less: accumulated depreciation	(24,436,588)	(28,186,185)
Buildings in trust, net	278,333,016	304,094,631
Structures in trust	6,603,247	7,299,125
Less: accumulated depreciation	(1,195,163)	(1,339,303)
Structures in trust, net	5,408,084	5,899,822
Machinery and equipment in trust	11,267	11,267
Less: accumulated depreciation	(1,918)	(2,250)
Machinery and equipment in trust, net	9,348	9,016
Tools, furniture and fixtures in trust	663,106	735,174
Less: accumulated depreciation	(200,945)	(234,147)
Tools, furniture and fixtures in trust, net	462,160	501,126
Other tangible assets in trust	35	35
Less: accumulated depreciation	(35)	(35)
Other tangible assets in trust, net	0	0
Land in trust	202,635,652	217,022,982
Construction in progress in trust	71,138	16,974
Total property and equipment	497,598,439	538,125,481
Intangible assets		
Other intangible assets	12,526	11,820
Total intangible assets	12,526	11,820
Investments and other assets		
Long-term prepaid expenses	1,682,701	1,662,057
Security deposit	10,000	10,000
Other	400	400
Total investments and other assets	1,693,101	1,672,457

	(Unit: Thousands of yen)	
	As of Nov. 30, 2017	As of May 31, 2018
Total fixed assets	499,304,066	539,809,758
Deferred assets:		
Investment corporation bond issuance costs	57,272	52,333
Total deferred assets	57,272	52,333
Total assets	527,624,107	567,153,089
LIABILITIES		
Current liabilities:		
Operating accounts payable	1,434,686	1,088,428
Short-term loans payable	6,300,000	6,300,000
Current portion of long-term loans payable	-	6,400,000
Accounts payable	296,133	197,281
Accrued expenses	1,677,895	1,796,019
Income taxes payable	616	1,166
Advances received	2,961,566	3,610,862
Other current liabilities	399,534	66,493
Total current liabilities	13,070,433	19,460,250
Non-current liabilities:		
Investment corporation bonds payable	12,000,000	12,000,000
Long-term loans payable	176,200,000	181,600,000
Tenant leasehold and security deposits	247,773	247,773
Tenant leasehold and security deposits in trust	12,551,061	13,766,843
Other non-current liabilities	1,377	328
Total non-current liabilities	201,000,212	207,614,944
Total liabilities	214,070,645	227,075,195
NET ASSETS		
Unit holders' equity		
Unit holders' capital		
Unit holders' capital, gross	310,465,975	338,516,767
Deduction of unit holders' capital	(6,515,132)	(6,515,132)
Unit holders' capital	303,950,843	332,001,635
Surplus		
Unappropriated retained earnings (undisposed loss)	9,602,618	8,076,258
Total surplus	9,602,618	8,076,258
Total unit holders' equity	313,553,462	340,077,894
Total net assets (*2)	*2 313,553,462	*2 340,077,894
Total liabilities and net assets	527,624,107	567,153,089

(2) Statement of Income

	(Unit: Thousands of yen)	
	For the period from June 1, 2017 to Nov. 30, 2017	For the period from Dec. 1, 2017 to May 31, 2018
Operating revenues:		
Operating rental revenues	* ¹ 15,944,794	* ¹ 17,173,631
Other rental revenues	* ¹ 1,272,775	* ¹ 1,261,650
Gain on sales of real estate properties	* ² 2,069,771	-
Total operating revenues	19,287,342	18,435,281
Operating expenses:		
Expenses related to property rental business (* ¹)	* ¹ 7,348,224	* ¹ 7,910,462
Asset management fee	1,503,755	1,611,517
Asset custody fee	40,156	41,954
Directors' compensation	4,800	4,800
Audit fee	15,000	15,000
Other operating expenses	41,882	47,639
Total operating expenses	8,953,818	9,631,374
Operating income	10,333,523	8,803,907
Non-operating income:		
Interest income	140	110
Reversal of distributions payable	1,210	895
Gain on real estate tax settlement	-	279
Interest on refund of consumption taxes	4,876	607
Total non-operating income	6,227	1,892
Non-operating expenses:		
Interest expenses	395,072	411,521
Interest expenses on investment corporation bonds	30,536	31,795
Amortization of deferred organization expenses	6,787	-
Amortization of investment corporation bond issuance costs	4,732	4,939
Borrowing related expenses	177,955	183,848
Investment unit issuance expenses	25,041	24,691
Offering costs associated with the issuance of investments unit	78,659	72,342
Others	18,982	22
Total non-operating expenses	737,767	729,161
Ordinary income	9,601,983	8,076,639
Income before income taxes	9,601,983	8,076,639
Incomes taxes – current	638	1,183
Incomes taxes – deferred	10	(26)
Total income taxes	649	1,156
Profit	9,601,334	8,075,482
Retained earnings brought forward	1,284	776
Unappropriated retained earnings (undisposed loss)	9,602,618	8,076,258

(3) Statement of Unit Holders' Equity

The Reporting Period (from June 1, 2017 to Nov. 30, 2017)

(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	277,275,843	(6,515,132)	270,760,711	8,823,872	8,823,872	279,584,584	279,584,584
Change during the period							
Issuance of new investments	33,190,131		33,190,131			33,190,131	33,190,131
Dividends from surplus				(8,822,587)	(8,822,587)	(8,822,587)	(8,822,587)
Profit				9,601,334	9,601,334	9,601,334	9,601,334
Total change during the period	33,190,131	-	33,190,131	778,746	778,746	33,968,877	33,968,877
Balance at the end of the period	*1 310,465,975	(6,515,132)	303,950,843	9,602,618	9,602,618	313,553,462	313,553,462

The Reporting Period (from Dec. 1, 2017 to May. 31, 2018)

(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	310,465,975	(6,515,132)	303,950,843	9,602,618	9,602,618	313,553,462	313,553,462
Change during the period							
Issuance of new investments	28,050,792		28,050,792			28,050,792	28,050,792
Dividends from surplus				(9,601,842)	(9,601,842)	(9,601,842)	(9,601,842)
Profit				8,075,482	8,075,482	8,075,482	8,075,482
Total change during the period	28,050,792	-	28,050,792	(1,526,360)	(1,526,360)	26,524,431	26,524,431
Balance at the end of the period	*1 338,516,717	(6,515,132)	332,001,635	8,076,258	8,076,258	340,077,894	340,077,894

(4) Statement of Cash Distribution

(Unit: Yen)

	For the period from June 1, 2017 to Nov. 30, 2017	For the period from Dec 1, 2017 to May 31, 2018
I Unappropriated retained earnings (undisposed loss)	9,602,618,972	8,076,258,887
II Distributions in excess of retained earnings		
Deduction from unit holders' capital	-	1,484,260,050
III Distributions	9,601,842,600	9,559,159,350
(Distributions per unit)	(4,668)	(4,373)
Of which, distributions of retained earnings	9,601,842,600	8,074,899,300
(Of which, distributions of retained earnings per unit)	(4,668)	(3,694)
Of which, distributions in excess of retained earnings	-	1,484,260,050
(Of which, distributions in excess of retained earnings per unit)	(-)	(679)
IV Retained earnings carried forward	776,372	1,359,587
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 9,601,842,600 yen which was the amount equivalent to the maximum integral multiples of number of investment units issued and outstanding (2,056,950 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), defined as distributions in excess of retained earnings, as a return of unit holders' capital, each fiscal period on a continuous basis.</p> <p>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.</p> <p>Considering the amount of current profit, including the gain on sales of</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 8,074,899,300 yen which was the amount equivalent to the maximum 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), defined as distributions in excess of retained earnings, as a return of unit holders' capital, each fiscal period on a continuous basis.</p> <p>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.</p> <p>Accordingly, NPR declared SCD of 1,165,111,350 yen, as a return of unit</p>

	<p>real estate properties, NPR decided to suspend to declare SCD.</p>	<p>holders' capital, which was the amount equivalent to approximately 28.5% of depreciation expense of 4,088,323,800 yen for the period. In addition, NPR made One-time Surplus Cash Distributions of 319,148,700 yen based on an assessment of temporary earnings dilution of 146 yen per unit as a result of financing actions.</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 June 1, 2017 to Nov. 30, 2017	For the period from Dec. 1, 2017 to May. 31, 2018
Cash flows from operating activities:		
Income before income taxes	9,601,983	8,076,639
Depreciation	3,765,984	4,088,323
Amortization of organization expenses	6,787	-
Amortization of investment corporation bond issuance costs	4,732	4,939
Investment unit issuance expenses	25,041	24,691
Interest income	(140)	(110)
Interest expense	425,609	443,317
Decrease (Increase) in operating accounts receivable	(389,906)	4,939
Decrease (Increase) in consumption taxes refund receivables	(368,658)	220,925
Decrease (Increase) in prepaid expenses	25,633	(45,479)
Decrease (Increase) in long-term prepaid expenses	160,006	20,643
Increase (Decrease) in operating accounts payable	393,123	(345,995)
Increase (Decrease) in accounts payable-other	(25,504)	(4,641)
Increase (Decrease) in accrued expenses	295,585	117,905
Increase (Decrease) in advances received	257,009	-
Changes due to sales of property and equipment in trust	4,991,936	(11,826)
Others, net	(1,726)	(45,479)
Subtotal	19,167,497	12,880,334
Interest received	140	110
Interest paid	(412,450)	(443,099)
Income taxes paid	(864)	(633)
Net cash used in operating activities	18,754,322	12,436,711
Cash flows from investing activities:		
Purchases of property and equipment	(240)	(5,111)
Purchases of property and equipment in trust	(57,096,532)	(44,698,754)
Purchases of intangible assets in trust	(9,049)	(25)
Proceeds from tenant leasehold and security deposits in trust	1,466,536	1,220,649
Repayments from tenant leasehold and security deposits in trust	(638,142)	(337,203)
Net cash used in investing activities	(56,277,428)	(43,820,446)
Cash flows from financing activities:		
Proceeds from short-term loans payable	6,300,000	-
Repayments of short-term loans payable	(7,000,000)	-
Proceeds from long-term loans payable	39,500,000	44,000,000
Repayments of long-term loans payable	(41,500,000)	(32,200,000)
Proceeds from issuance of investment corporation bonds	6,956,052	-
Proceeds from issuance of new investment units	33,165,090	28,026,100
Payment of distributions of retained earnings	(8,821,771)	(9,600,941)
Payment of distributions in excess of retained earnings	(203)	(67)
Net cash provided by financing activities	28,599,167	30,225,091
Net increase (decrease) in cash and cash equivalents	(8,923,938)	(1,158,642)
Cash and cash equivalents at the beginning of period	34,134,547	25,210,609
Cash and cash equivalents at the end of period	*1 25,210,609	*1 24,051,966

(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="width: 100%;"> <tr> <td style="padding-left: 20px;">Buildings</td> <td style="text-align: right;">3-67 years</td> </tr> <tr> <td style="padding-left: 20px;">Structures</td> <td style="text-align: right;">2-60 years</td> </tr> <tr> <td style="padding-left: 20px;">Machinery and equipment</td> <td style="text-align: right;">17 years</td> </tr> <tr> <td style="padding-left: 20px;">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	17 years	Tools, furniture and fixtures	2-18 years
Buildings	3-67 years								
Structures	2-60 years								
Machinery and equipment	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) Organization expenses All organization expenses are amortized over five years using straight-line method.</p> <p>(3) 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 139,685 thousand yen and 120,698 thousand yen respectively for the fiscal period ended Nov. 30, 2017, and May. 31, 2018.</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 amended the term of its commitment line agreement to extend the term of the commitment line agreement and expand the commitment provider.

	As of Nov. 30, 2017	As of May 31, 2018
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 Nov. 30, 2017

*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 May 31, 2018

*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 June 1, 2017 to Nov. 30, 2017	For the period from Dec. 1, 2017 to May 31, 2018
(1) Property-related revenues		
Rental revenues		
Rental revenues	14,895,492	15,996,435
Common area charges	1,049,302	1,177,196
Total	15,944,794	17,173,631
Other rental revenues		
Received utilities cost	1,059,098	1,008,089
Others	213,677	253,561
Total	1,272,775	1,261,650
Total property-related revenues	17,217,570	18,435,281
(2) Property-related expenses		
Rental expenses		
Subcontract expenses	908,116	998,077
Utilities cost	1,012,001	977,897
Taxes and dues	1,430,718	1,563,454
Non-life insurance premium	24,870	27,296
Repair and maintenance	187,413	235,160
Depreciation	3,765,984	4,088,323
Custodian fee	16,549	17,680
Other expenses	2,569	2,572
Total rental expenses	7,348,224	7,910,462
(3) Operating income from property leasing ((1)-(2))	9,869,345	10,524,819

*2. Gain on sales of real estate properties:

For the period from June 1, 2017, to Nov. 30, 2017

<Prologis Park Tagajo>

	(Units: Thousands of yen)
Sales proceed	7,155,000
Book value of properties sold	4,991,936
Other sales expenses	93,291
Gain on sales of real estate properties	2,069,771

For the period from Dec. 1, 2017, to May 31, 2018

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 June 1, 2017 to Nov. 30, 2017	For the period from Dec. 1, 2017 to May 31, 2018
Number of investment units authorized	10,000,000 units	10,000,000 units
Number of investment units issued and outstanding	2,056,950 units	2,185,950 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 June 1, 2017 to Nov. 30, 2017	For the period from Dec. 1, 2017 to May 31, 2018
Cash and deposits	21,091,230 thousand yen	19,994,172 thousand yen
Cash and deposits in trust	4,119,378 thousand yen	4,057,793 thousand yen
Cash and cash equivalents	25,210,609 thousand yen	24,051,966 thousand yen

(Notes Related to Lease Contracts)

Operating lease transactions (as lessor)

Unearned rental revenue

	As of Nov. 30, 2017	As of May 31, 2018
Due within one year	24,737,154 thousand yen	33,177,955 thousand yen
Due after one year	104,147,726 thousand yen	104,000,734 thousand yen
Total	128,884,881 thousand yen	137,178,689 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, some loans bear floating interest rates and are exposed to potential risks 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 Nov. 30, 2017

The book value, the fair value and the difference between the values as of Nov. 30, 2017, are as follows. Financial instruments for which fair value is extremely difficult to estimate are excluded from the following table. (Note 2)

(Unit: Thousands of yen)

	Book value	Fair value	Difference
(1) Cash and deposits	21,091,230	21,091,230	-
(2) Cash and deposits in trust	4,119,378	4,119,378	-
Total assets	25,210,609	25,210,609	-
(3) Short-term loans payable	6,300,000	6,300,000	-
(5) Investment corporation bonds payable	12,000,000	12,129,500	129,500
(6) Long-term loans payable	176,200,000	177,453,182	1,253,182
Total liabilities	194,500,000	195,882,682	1,382,682
(7) Derivative transactions	-	-	-

As of May 31, 2018

The book value, the fair value and the difference between the values as of May 31, 2018, are as follows. Financial instruments for which fair value is extremely difficult to estimate are excluded from the following table. (Note 2)

(Unit: Thousands of yen)

	Book value	Fair value	Difference
(1) Cash and deposits	19,994,172	19,994,172	-
(2) Cash and deposits in trust	4,057,793	4,057,793	-
Total assets	24,051,966	24,051,966	-
(3) Short-term loans payable	6,300,000	6,300,000	-
(4) Current portion of long-term loans payable	6,400,000	6,401,516	
(5) Investment corporation bonds payable	12,000,000	12,074,900	74,900
(6) Long-term loans payable	181,600,000	182,988,973	1,388,973
Total liabilities	206,300,000	207,765,389	1,465,389
(7) Derivative transactions	-	-	-

(Note 1) Methods used to calculate fair values of financial instruments

(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 these instruments is deemed a reasonable approximation of the fair value and, therefore, book value is used as the fair value.

(4) Current portion of long-term loans payable and (6) 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.

(5) Investment corporation bonds payable

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

(7) Derivative transactions

Please refer to “Notes related to Derivative Transactions,” below.

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

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.

(Units: Thousands of yen)

	As of Nov. 30, 2017	As of May 31, 2018
Tenant leasehold and security deposits	247,773	247,773
Tenant leasehold and security deposits in trust	12,551,061	13,766,843

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

As of Nov. 30, 2017

(Units: Thousands of yen)

	Due within one year
Cash and deposits	21,091,230
Cash and deposits in trust	4,119,378

As of May 31, 2018

(Units: Thousands of yen)

	Due within one year
Cash and deposits	19,994,172
Cash and deposits in trust	4,057,793

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

As of Nov. 30, 2017

(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	-	8,000,000
Long-term loans payable	-	7,400,000	-	21,300,000	30,000,000	117,500,000
Total	-	9,400,000	-	23,300,000	30,000,000	125,500,000

As of May 31, 2018

(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	6,400,000	2,000,000	-	2,000,000	-	8,000,000
Long-term loans payable	6,400,000	1,000,000	21,300,000	30,000,000	27,600,000	101,700,000
Total	6,400,000	3,000,000	21,300,000	32,000,000	27,600,000	109,700,000

(Notes Related to Investment Securities)

For the periods ended Nov. 30, 2017, and May 31, 2018

None

(Notes Related to Derivative Transactions)

1. Derivative transactions for which hedge accounting is not applied

For the periods ended Nov. 30, 2017, and May 31, 2018

None

2. Derivative transactions for which hedge accounting is applied

The contract and notional amount as of Nov. 30, 2017, 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	177,200,000	175,200,000	(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, (6) Long-term loans payable".

The contract and notional amount as of May 31, 2018, 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	187,000,000	180,600,000	(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, (4) Current portion of long-term and (6) 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 June 1, 2017, to Nov. 30, 2017, and Dec. 1, 2017, to May 31, 2018

None

2. Transactions and Account Balances with Affiliates

For the periods from June 1, 2017, to Nov. 30, 2017, and Dec. 1, 2017, to May 31, 2018

None

3. Transactions and Account Balances with Companies under Common Control

For the periods from June 1, 2017, to Nov. 30, 2017

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	15,975,178	Operating accounts receivable	587,232
										Advances received	2,748,588
								Proceeds of tenant leasehold and security deposits in trust	1,466,536	Tenant leasehold and security deposits in trust	12,052,552
Repayments of tenant leasehold and security deposits in trust	638,142										
Subsidiary of an affiliate	Hakuba Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	13,600,000	Accrued expenses	-
Subsidiary of an affiliate	Ibaraki Special Purpose Company (Note 4)	Chiyoda-ku, Tokyo	131,100	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	38,300,000	-	-
Subsidiary of an affiliate	Gassan Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	3,930,000	-	-
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 5)	1,818,680	Accrued expenses	1,624,055

(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 31 of the 37 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) Ibaraki Special Purpose Company changed its trade name to Jinba Special Purpose Company on Nov. 20, 2017.

(Note 5) The Asset management fee above includes management fees for property disposition and acquisition of 35,775 thousand yen and 279,150, respectively.

For the periods from Dec. 1, 2017, to May 31, 2018

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	17,168,998	Operating accounts receivable	892,006
										Advances received	3,379,140
								Proceeds of tenant leasehold and security deposits in trust	1,220,649	Tenant leasehold and security deposits in trust	12,935,998
Repayments of tenant leasehold and security deposits in trust	337,203										
Subsidiary of an affiliate	Ichikawa three Purpose Company	Chiyoda-ku, Tokyo	10,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	17,000,000	-	-
Subsidiary of an affiliate	Prologis Narita One Y.K	Chiyoda-ku, Tokyo	99,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	5,260,000	-	-
Subsidiary of an affiliate	Hotaka Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	21,300,000	-	-
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)	1,829,317	Accrued expenses	1,740,438

(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 34 of the 40 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 217,800 thousand yen.

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

For the periods from June 1, 2017, to Nov. 30, 2017, and Dec. 1, 2017, to May 31, 2018

None

(Notes Related to Retirement Payment)

For the periods from June 1, 2017, to Nov. 30, 2017, and Dec. 1, 2017, to May 31, 2018

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 Nov. 30, 2017	As of May 31, 2018
Enterprise tax payable	1	27
Total deferred tax assets	1	27
Net deferred tax assets	1	27

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

	(Unit: %)	
	As of Nov. 30, 2017	As of May 31, 2018
Statutory tax rate	31.74	31.74
(Adjustments)		
Deductible distributions of retained earnings	(31.74)	(31.73)
Others	0.01	0.00
Effective tax rate	0.01	0.01

(Notes Related to Asset Retirement Obligations)

For the periods from June 1, 2017, to Nov. 30, 2017, and Dec. 1, 2017, to May 31, 2018

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 June 1, 2017 to Nov. 30, 2017	For the period from Dec. 1, 2017 to May 31, 2018
Book value	Balance at the beginning of the period	449,407,618	497,610,965
	Change during the period	48,203,347	40,526,335
	Balance at the end of the period	497,610,965	538,137,301
Fair value at the end of the period		610,150,000	659,260,000

(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 Nov. 30, 2017 was primarily a result of acquiring three properties, Prologis Park Narashino 5, Prologis Park Ibaraki and Prologis Park Koga 2, during the period for a total of 56,342,299 thousand yen. The decrease for the fiscal period ended Nov. 30, 2017 was primarily a result of the disposition of Prologis Park Tagajo and the recognition of depreciation, which amounted to 4,991,936 thousand yen and 3,765,984 thousand yen, respectively.

The increase for the fiscal period ended May 31, 2018 was primarily a result of acquiring three properties, Prologis Park Ichikawa 3, Prologis Park Narita1-D and Prologis Park Yoshimi, during the period for a total of 43,962,900 thousand yen. The decrease for the fiscal period ended May 31, 2018 was primarily a result of recognition of depreciation, which amounted to 4,088,258 thousand yen.

(Note 3) The fair value as of the end of the reporting period is determined based on appraisal value 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 and Prologis Park Yoshimi.

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

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

As of Nov. 30, 2017

(Unit: Thousands of yen)

	Global markets	Regional markets	Reconciling adjustments	Amount on financial statements
Operating revenues ⁽¹⁾	15,708,101	3,579,241	-	19,287,342
Segment income ⁽²⁾	8,295,713	2,620,234	(582,423)	10,333,523
Segment assets ⁽²⁾	468,564,436	34,426,000	24,633,670	527,624,107
Other items				
Depreciation	3,381,860	384,123	-	3,765,984
Increase in property and equipment	56,842,562	81,389	-	56,923,951

(Note 1) Operating revenues of NPR are exclusively earned from external parties. Operating revenues in Regional markets includes 2,069,771 thousand yen of gain on sales of real estate properties.

(Note 2) Reconciling adjustments to segment income of (582,423) thousand yen include general corporate expenses of 582,423 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 24,633,670 thousand yen include current assets of 22,883,784 thousand yen, investments and other assets of 1,692,613 thousand yen and deferred assets of 57,272 thousand yen.

As of May 31, 2018

(Unit: Thousands of yen)

	Global markets	Regional markets	Reconciling adjustments	Amount on financial statements
Operating revenues ⁽¹⁾	16,935,580	1,499,701	-	18,435,281
Segment income ⁽²⁾	8,747,112	681,270	(624,474)	8,803,907
Segment assets ⁽²⁾	509,781,789	34,066,246	23,305,052	567,153,089
Other items				
Depreciation	3,711,484	376,839	-	4,088,323
Increase in property and equipment	44,598,651	16,008	-	44,614,659

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

(Note 2) Reconciling adjustments to segment income of (624,474) thousand yen include general corporate expenses of 624,474 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 23,305,05 thousand yen include current assets of 21,580,811 thousand yen, investments and other assets of 1,671,907 thousand yen and deferred assets of 52,333 thousand yen.

(Related Information)

For the period from June 1, 2017, to Nov. 30, 2017

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	15,975,178	Global market, Regional market

(Note 1) With respect to 31 of the 37 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.

For the period from Dec. 1, 2017, to May 31, 2018

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	17,168,998	Global market, Regional market

(Note 1) With respect to 34 of the 40 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 June 1, 2017 to Nov. 30, 2017	For the period from Dec. 1, 2017 to May 31, 2018
Net assets per unit	152,436 yen	155,574 yen
Profit per unit	4,799 yen	3,821 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 June 1, 2017 to Nov. 30, 2017	For the period from Dec. 1, 2017 to May 31, 2018
Profit (Thousands of yen)	9,601,334	8,075,482
Amount not attributable to common unit holders (Thousands of yen)	-	-
Profit attributable to common unit holders (Thousands of yen)	9,601,334	8,075,482
Average number of investment units during the period (unit)	2,000,636	2,113,350

(Notes Related to Material Subsequent Events)

None

(Additional Information)

Acquisition of assets

NPR plans to acquire the following asset based on the purchase agreement as of Feb. 26, 2018.

Property Name	Location	(Anticipated) Acquisition Date (Note 1)	Previous Owner	(Anticipated) Acquisition Price (yen in thousands) (Note 2)
Prologis Park Koga 3 (Note 3)	Koga, Ibaraki	Oct. 1, 2018 (scheduled)	Gassan Special Purpose Company	5,440,000
Prologis Park Tsukuba 1-A (Note 3)	Tsukuba, Ibaraki	Dec.1, 2018 (scheduled)	Tsukuba Special Purpose Company	12,900,000

(Note 1) “(Anticipated) acquisition date” indicates the anticipated acquisition date in the relevant trust beneficiary interests disposition contract (the “Sale and Purchase Agreement”) that was executed with the current owners of the relevant properties.

(Note 2) “(Anticipated) acquisition price” indicates the transfer price of the Five New Properties in the relevant Sale and Purchase Agreement, rounded down to the nearest thousand yen and does not include national or local consumption taxes or expenses which will be incurred in connection with the acquisition.

Regarding these properties, an appraisal report with appraisal date of May 31, 2018 has been obtained from the Japan Real Estate Institute and Jones Lang LaSalle K.K., the appraisal value according to which amounts to 5,440,000 thousand yen and 12,900,000 thousand yen as of appraisal date, respectively.

(Note 3) Prologis Park Koga 3 and Prologis Park Tsukuba 1-A are still under development and since payment for transfer of these properties will take place more than a month after the execution of their respective purchase agreements, such purchase agreements are considered forward commitment contracts. According to the purchase agreements for each property, if either the seller or buyer breach the purchase agreements in material respects and the purpose of the purchase agreement cannot be achieved because of such breach, the other party can terminate the contract by giving notice to the other party excluding the case set force in the purchase agreement separately. In such case, the breaching party shall pay the other party a penalty in an amount equivalent to 20% of the sale price after deduction of consumption tax and local consumption tax, and neither party shall seek damages for more than this penalty, even if actual damages exceed the penalty amount, or seek to reduce the size of the penalty, even if actual damages are less than the penalty amount. Under the purchase agreements, payment of the sale price is subject to NPR obtaining financing for the acquisition price, and if this condition is not met, NPR can terminate the purchase agreement by notification to the seller and NPR is not obliged to pay the penalty fee to the seller.

As a result, even if the offerings, the borrowings and the scheduled borrowings are not completed as scheduled and NPR cannot finance the acquisition of these properties, this would likely not directly or materially harm NPR’s financial condition or its ability to pay dividends, since NPR could terminate the purchase agreement in such a situation without paying any penalties.

Previous owner is expected to transfer these assets to trustee by the time of anticipated acquisition date and NPR is expected to acquire the beneficiary interest on those real estates.

(Note 4) The purchase agreements pertaining to the Anticipated Acquisitions stipulate that acquisition prices of these properties may increase or decrease under certain circumstances, for the purpose of preserving the Asset Manager’s expected yield for each property, regardless of any change in NCF of the Anticipated Acquisitions by the time when such properties are acquired (the “Price Adjustment Clause”).

Under the Price Adjustment Clause, it is stipulated that, in the event of any change in NCF of the relevant Anticipated Acquisition by the time such property is acquired for any prescribed reason, such as any increase or decrease in estimated rent prescribed in the lease agreement, outsourcing expenses, or repair expenses or capital expenditure (the “Reasons for Price Adjustment”), the transfer price of the relevant Anticipated Acquisition shall be increased or decreased, when NCF is increased or decreased, respectively, by a certain amount calculated based on a prescribed formula according to such change.

Based on that, the anticipated acquisition price of the relevant Anticipated Acquisition will be increased by an amount calculated according to the Price Adjustment Clause when NCF is increased because of any reason for Price Adjustment, while that will be decreased by an amount calculated according to the Price Adjustment Clause when NCF is decreased because of any reason for Price Adjustment. Therefore, anticipated acquisition prices stated in this document may differ from the actual acquisition prices of the Anticipated Acquisitions. Besides, if any event regarding the Reasons for Price Adjustment arises, the total of (anticipated) acquisition prices may change according to the anticipated acquisition prices as above. As a result, figures based on the total of (anticipated) acquisition prices may change accordingly

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

Changes in the number of investment units issued and outstanding and unit holders' equity from the date of establishment to the end of the reported fiscal period 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	
Nov. 7, 2012	Private placement for incorporation	400	400	200,000	200,000	(Note 2)
Feb. 13, 2013	Public offering	182,350	182,750	96,882,555	97,082,555	(Note 3)
June 10, 2013	Public offering	96,200	278,950	71,117,870	168,200,425	(Note 4)
Aug. 14, 2013	Surplus cash distribution (Return on capital)	-	278,950	(259,139)	167,941,285	(Note 5)
Dec. 2, 2013	Public offering	32,190	311,140	28,511,648	196,452,934	(Note 6)
Dec. 25, 2013	Secondary distribution	1,610	312,750	1,426,025	197,878,959	(Note 7)
Feb. 14, 2014	Surplus cash distribution (Return on capital)	-	312,750	(604,763)	197,274,196	(Note 8)
Mar. 1, 2014	Investment unit split	1,251,000	1,563,750	-	197,274,196	(Note 9)
Aug. 15, 2014	Surplus cash distribution (Return on capital)	-	1,563,750	(745,908)	196,528,287	(Note 10)
Sept. 16, 2014	Public offering	159,050	1,722,800	38,466,719	234,995,007	(Note 11)
Oct. 16, 2014	Secondary distribution	7,950	1,730,750	1,922,731	236,917,738	(Note 12)
Feb. 13, 2015	Surplus cash distribution (Return on capital)	-	1,730,750	(1,002,104)	235,915,634	(Note 13)
Aug. 14, 2015	Surplus cash distribution (Return on capital)	-	1,730,750	(996,912)	234,918,722	(Note 14)
Feb. 15, 2016	Surplus cash distribution (Return on capital)	-	1,730,750	(835,952)	234,082,769	(Note 15)
Mar. 14, 2016	Public offering	105,900	1,836,650	23,710,374	257,793,144	(Note 16)
Apr. 13, 2016	Secondary distribution	5,300	1,841,950	1,186,638	258,979,782	(Note 17)
Aug. 15, 2016	Surplus cash distribution (Return on capital)	-	1,841,950	(1,123,589)	257,856,193	(Note 18)
Dec. 19, 2016	Public offering	61,330	1,903,280	13,190,979	271,047,172	(Note 19)
Jan. 16, 2017	Secondary distribution	3,070	1,906,350	660,301	271,707,473	(Note 20)
Feb. 15, 2017	Surplus cash distribution (Return on capital)	-	1,906,350	(946,762)	270,760,711	(Note 21)

Aug. 7, 2017	Public offering	143,430	2,049,780	31,609,963	302,370,675	(Note 22)
Sept. 6, 2017	Secondary distribution	7,170	2,056,950	1,580,167	303,950,843	(Note 23)
Mar. 12, 2018	Public offering	122,860	2,179,810	26,715,661	330,666,504	(Note 24)
Apr. 11, 2018	Secondary distribution	6,140	2,185,950	1,335,130	332,001,635	(Note 25)

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

(Note 2) NPR was incorporated through private placement at an issue price of 500,000 yen per unit.

(Note 3) New investment units were issued at a price of 550,000 yen per unit (531,300 yen after deduction of gross spread to underwriters) to raise funds for the acquisition of new properties.

(Note 4) New investment units were issued at a price of 763,420 yen per unit (739,271 yen after deduction of gross spread to underwriters) to raise funds for the acquisition of new properties.

(Note 5) Cash distributions for the fiscal period ended May 2013 in the amount of 1,418 yen per unit as return of capital. It was decided on July 12, 2013, and payment began on Aug. 14, 2013.

(Note 6) New investment units were issued at a price of 916,112 yen per unit (885,730 yen after deduction of gross spread to underwriters) to raise funds for the acquisition of new properties.

(Note 7) New investment units were issued at a price of 885,730 yen per unit through third-party allotment to raise funds for the payment of expenses associated with the issuance of new investment units and ancillary costs.

(Note 8) Cash distributions for the fiscal period ended Nov. 2013 in the amount of 2,168 yen per unit as return of capital. It was decided on Jan. 17, 2014, and payment began on Feb. 14, 2014.

(Note 9) With Mar. 1, 2014 as an effective date, NPR has implemented a 5-to-1 investment unit split.

(Note 10) Cash distributions for the fiscal period ended May 2014 in the amount of 477 yen per unit as return of capital. It was decided on July 14, 2014, and payment began on Aug. 15, 2014.

(Note 11) New investment units were issued at a price of 250,096 yen per unit (241,853 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 241,853 yen per unit through third-party allotment to raise funds for the future acquisition of properties or the repayment of borrowings.

(Note 13) 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 14) 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 15) 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 16) 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 17) 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 18) 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 19) 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 20) 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 21) 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 22) 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 23) 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 24) 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 25) 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.

4. Change of Directors

No change in directors of NPR. Effective Apr. 20, 2018, Yusuke Shinjo took office as a part-time corporate auditor and effective Apr. 19, 2018, Hirokuni Tadokoro resigned a part-time corporate auditor of PLDRM.

5. Reference Information

(1) Composition of NPR's Assets

Type of asset	Region	Ninth fiscal period (As of Nov. 30, 2017)		Tenth fiscal period (As of May 31, 2018)	
		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	4,225	0.8	4,193	0.7
	Regional markets (Note 2)				
	Chubu area	-	-	-	-
	Tohoku area	-	-	-	-
	Kyushu area	6,453	1.2	6,387	1.1
	Total	10,679	2.0	10,581	1.9
Beneficiary right in trust	Global markets (Note 1)				
	Kanto area	270,479	51.3	312,840	55.2
	Kansai area	188,788	35.8	187,411	33.0
	Regional markets (Note 2)				
	Chubu area	17,708	3.4	17,522	3.1
	Tohoku area	9,884	1.9	9,764	1.7
	Kyushu area	-	-	-	-
	Total	486,860	92.3	527,539	93.0
Total of real estate and others		497,539	94.3	538,120	94.9
Deposit and other assets		30,084	5.7	29,032	5.1
Total assets (Note 4)		527,624 (497,539)	100.0 (94.3)	567,153 (538,120)	100.0 (94.9)

(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) The 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 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	32,303	43,700	44,300	4.0	43,700	3.8	4.2	6.05
M-02	Prologis Park Zama 1	Beneficiary right in trust	27,900	26,147	33,500	34,000	4.3	33,500	4.1	4.5	4.98
M-03	Prologis Park Kawajima	Beneficiary right in trust	25,600	23,509	32,800	33,200	4.6	32,800	4.4	4.8	4.57
M-04	Prologis Park Osaka 2	Beneficiary right in trust	25,000	23,253	31,700	31,600	4.4	31,700	4.2	4.5	4.46
M-05	Prologis Park Maishima 3	Beneficiary right in trust	13,500	12,439	15,500	15,600	4.5	15,500	4.3	4.6	2.41
M-06	Prologis Park Kasugai	Beneficiary right in trust	12,500	11,532	17,000	17,200	4.8	17,000	4.6	4.9	2.23
M-07	Prologis Park Kitanagoya	Beneficiary right in trust	6,500	5,990	8,960	9,260	4.5	8,960	4.4	4.7	1.16
M-09	Prologis Park Tokyo-Ohta	Beneficiary right in trust	29,500	29,267	36,500	37,200	3.8	36,500	3.6	4.0	5.26
M-10	Prologis Park Zama 2	Beneficiary right in trust	21,900	20,678	28,200	28,600	4.3	28,200	4.1	4.5	3.91
M-11	Prologis Park Funabashi 5 (Annex)	Beneficiary right in trust	9,500	10,564	13,700	13,800	4.2	13,700	4.0	4.4	1.96
			1,500								
M-12	Prologis Park Narita 1-A&B	Beneficiary right in trust	8,420	7,995	10,300	10,300	4.9	10,200	4.6	5.1	1.50
M-13	Prologis Park Narita 1-C	Beneficiary right in trust	4,810	4,459	5,890	5,920	4.9	5,850	4.6	5.1	0.86
M-14	Prologis Park Amagasaki 1	Beneficiary right in trust	17,600	16,957	20,700	20,800	4.6	20,500	4.3	4.7	3.14
M-15	Prologis Park Amagasaki 2	Beneficiary right in trust	19,200	18,219	21,800	21,800	4.6	21,700	4.3	4.7	3.43
M-16	Prologis Park Tokyo-Shinkiba	Beneficiary right in trust	13,600	13,231	17,000	16,900	3.8	17,000	3.6	3.9	2.43
M-17	Prologis Park Yokohama-Tsurumi	Beneficiary right in trust	13,800	13,012	17,300	17,500	4.1	17,300	3.9	4.2	2.46
M-18	Prologis Park Osaka 4	Beneficiary right in trust	21,000	19,708	25,000	24,900	4.4	25,000	4.2	4.5	3.75
M-19	Prologis Park Iwanuma 1	Beneficiary right in trust	5,670	5,124	7,320	7,340	5.0	7,320	4.8	5.1	1.01
M-20	Prologis Park Kawajima 2	Beneficiary right in trust	8,180	7,748	9,480	9,560	4.6	9,480	4.4	4.8	1.46

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	12,295	13,800	13,800	4.7	13,700	4.4	4.9	2.25
M-22	Prologis Park Joso	Beneficiary right in trust	7,120	6,904	7,560	7,660	4.7	7,560	4.5	4.9	1.27
M-23	Prologis Park Osaka 5	Beneficiary right in trust	17,600	17,261	18,500	18,600	4.5	18,500	4.3	4.7	3.14
M-24	Prologis Park Narita 3	Beneficiary right in trust	9,240	9,109	10,300	10,400	4.7	10,100	4.5	4.9	1.65
M-25	Prologis Park Narashino 5	Beneficiary right in trust	13,600	13,537	14,200	14,200	4.2	14,200	4.0	4.3	2.43
M-26	Prologis Park Ibaraki	Beneficiary right in trust	38,300	38,198	40,600	39,800	4.2	40,600	4.0	4.3	6.84
M-27	Prologis Park Iichikawa 3	Beneficiary right in trust	17,000	17,069	17,300	17,300	4.0	17,300	3.8	4.2	3.03
M-28	Prologis Park Narita 1-D	Beneficiary right in trust	5,260	5,305	5,340	5,370	4.9	5,310	4.6	5.1	0.94
M-29	Prologis Park Yoshimi	Beneficiary right in trust	21,300	21,428	21,400	21,400	4.6	21,400	4.4	4.8	3.80
B-02	Prologis Park Takatsuki	Real estate	4,410	4,193	5,250	5,310	4.7	5,250	4.4	4.8	0.79
B-03	Prologis Park Tosu 2	Real estate	3,030	2,815	3,850	3,830	4.7	3,850	4.4	4.8	0.54
B-04	Prologis Park Tosu 4	Real estate	3,810	3,572	4,770	4,870	4.7	4,770	4.4	4.8	0.68
B-05	Prologis Park Narashino 4	Beneficiary right in trust	20,000	18,810	25,200	25,200	4.1	25,200	3.9	4.2	3.57
B-06	Prologis Park Ebina	Beneficiary right in trust	8,250	8,047	10,300	10,300	4.2	10,300	4.0	4.3	1.47
B-07	Prologis Park Kawanishi	Beneficiary right in trust	13,600	13,064	14,800	14,900	4.6	14,800	4.4	4.9	2.43
B-08	Prologis Park Amagasaki 3	Beneficiary right in trust	9,090	8,764	10,300	10,400	4.4	10,200	4.2	4.6	1.62
B-09	Prologis Park Kobe	Beneficiary right in trust	6,410	6,092	7,340	7,390	4.8	7,280	4.6	5.1	1.14
B-10	Prologis Park Sendai Izumi	Beneficiary right in trust	4,820	4,640	5,290	5,320	5.1	5,250	4.9	5.5	0.86
B-11	Prologis Park Koga 1	Beneficiary right in trust	7,680	7,518	8,400	8,450	4.8	8,340	4.5	5.0	1.37
B-12	Prologis Park Kobe 2	Beneficiary right in trust	13,700	13,451	14,400	14,400	4.8	14,400	4.6	5.1	2.44
B-13	Prologis Park Koga 2	Beneficiary right in trust	3,930	3,896	4,010	4,040	4.8	3,980	4.5	5.0	0.70

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 (%)
Total		-	560,330	538,120	659,260	662,720	-	658,200	-	-	100.00

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

(Note 3) NPR has retained Jones Lang LaSalle K.K., CBRE K.K. and Japan Real Estate Institute to appraise the properties. "Appraisal value as of the end of the reporting fiscal period" represents the appraisal value as set forth on the relevant study reports by real estate appraisers as of May 31, 2018.

(Note 4) "Investment ratio" is calculated by dividing the acquisition price for each property by the total acquisition price and is rounded to nearest second decimal place. 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	9.6	125,026.84	125,026.84	11	100.0	2,152	934	10.6	6.4
M-02	Prologis Park Zama 1	9.0	113,471.12	107,425.60	7	94.7	1,741	541	8.5	2.0
M-03	Prologis Park Kawajima	7.0	144,897.54	138,166.01	7	95.4	1,780	586	3.8	1.6
M-04	Prologis Park Osaka 2	11.1	130,553.85	124,229.27	5	95.2	1,688	619	5.5	3.6
M-05	Prologis Park Maishima 3	10.3	74,874.39	67,110.92	5	89.6	845	306	7.7	2.8
M-06	Prologis Park Kasugai	10.4	91,455.06	89,742.80	5	98.1	1,015	415	2.7	1.3
M-07	Prologis Park Kitanoagoya	9.0	42,751.60	42,751.60	3	100.0	535	172	4.5	1.8
M-09	Prologis Park Tokyo-Ohta	12.7	73,145.02	68,652.93	19	93.9	1,627	615	4.7	2.7
M-10	Prologis Park Zama 2	5.8	95,121.43	95,121.43	8	100.0	1,481	633	5.9	3.5
M-11	Prologis Park Funabashi 5	13.5	56,556.95	56,556.95	4	100.0	783	344	4.3	2.7
M-12	Prologis Park Narita 1-A&B	13.3	62,058.81	60,566.97	10	97.6	652	162	2.3	1.4
M-13	Prologis Park Narita 1-C	11.1	32,230.25	32,230.25	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	3.7	1.7
M-14	Prologis Park Amagasaki 1	12.8	91,446.75	91,446.75	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	7.8
M-15	Prologis Park Amagasaki 2	11.2	91,399.12	91,182.28	7	99.8	1,216	493	5.3	3.7
M-16	Prologis Park Tokyo-Shinkiba	11.0	31,022.88	29,232.72	8	94.2	817	395	5.2	2.7
M-17	Prologis Park Yokohama-Tsurumi	10.1	63,973.26	63,598.58	4	99.4	940	414	5.6	1.7
M-18	Prologis Park Osaka 4	6.1	106,135.15	106,135.15	8	100.0	1,395	456	2.9	1.2
M-19	Prologis Park Iwanuma 1	9.7	40,520.44	40,520.44	3	100.0	444	266	5.0	1.8
M-20	Prologis Park Kawajima 2	4.3	42,005.07	42,005.07	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	7.8	3.7
M-21	Prologis Park Kitamoto	4.2	69,432.01	69,432.01	4	100.0	817	247	5.4	2.4
M-22	Prologis Park Joso	3.4	78,087.30	78,087.30	8	100.0	1,087	389	5.8	3.4
M-23	Prologis Park Osaka 5	3.4	78,087.30	78,087.30	8	100.0	1,087	389	5.8	3.4

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	10.0	52,982.99	52,982.99	12	100.0	675	254	3.7	2.4
M-25	Prologis Park Narashino 5	2.2	58,159.44	58,159.44	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	5.6	5.0
M-26	Prologis Park Ibaraki	1.7	154,182.43	154,182.43	4	100.0	2,292	565	9.0	7.7
M-27	Prologis Park Ichikawa 3	0.5	50,714.15	43,535.26	3	85.8	780	310	6.5	6.1
M-28	Prologis Park Narita 1-D	3.4	27,960.13	27,960.13	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	4.1	2.5
M-29	Prologis Park Yoshimi	2.5	98,076.60	98,076.60	4	100.0	100.0	1,202	455	8.9
B-02	Prologis Park Takatsuki	6.4	19,898.05	19,898.05	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	8.7
B-03	Prologis Park Tosu 2	5.9	21,778.87	21,778.87	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	4.2
B-04	Prologis Park Tosu 4	6.4	28,765.31	28,765.31	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.3	9.0
B-05	Prologis Park Narashino 4	4.9	91,529.07	91,529.07	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	5.3
B-06	Prologis Park Ebina	8.2	32,500.08	32,500.08	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	5.7	1.8
B-07	Prologis Park Kawanishi	4.5	75,493.23	75,493.23	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	5.5
B-08	Prologis Park Amagasaki 3	4.7	39,527.85	39,527.85	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	5.3
B-09	Prologis Park Kobe	4.5	32,511.56	32,511.56	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.2	10.8
B-10	Prologis Park Sendai Izumi	2.7	26,353.50	26,353.50	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	20.3	17.8
B-11	Prologis Park Koga 1	1.6	34,158.16	34,158.16	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	13.4
B-12	Prologis Park Kobe 2	1.6	62,468.19	62,468.19	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	13.4
B-13	Prologis Park Koga 2	1.1	19,699.36	19,699.36	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	13.9
Total		7.1	2,620,089.30	2,575,967.44	172	98.3	35,838	13,926	7.4	4.5

(Note 1) "Leasable area", "Leased area" and "Occupancy rate" does not include the area of the convenience store building that is jointly owned by the owners of 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" of each property is calculated based on the date in the property registration as of May 31, 2018, and is rounded to the nearest first tenth. Although Prologis Park Zama 2 also has an annex, the property age is calculated based only on the main structure of the property, as the annex is relatively small. Also, a convenience store building jointly owned by the owners of Prologis Park 1-A&B and Prologis Park 1-C is excluded.

- (Note 3) “Leasable area” equals the gross leasable space in each property or property in trust based on lease agreements and floor plans included in lease agreements, plus available space based on floor plans, rounded down to the nearest square meter.
- (Note 4) “Leased area” equals to gross floor area of leased space in each property or property in trust as of May 31, 2018, based on the lease agreements and floor plans included in the lease agreements.
- (Note 5) “Gross number of tenants” is based on the lease agreements with tenants for warehouses, offices and stores for each property or property in trust as of May 31, 2018. For properties with pass-through master lease agreements, this is the total number of end-tenants.
- (Note 6) “Occupancy rate” is as of May 31, 2018, 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” is based on total annual rent (including common area charges) as of May 31, 2018, as indicated in the relevant lease agreements for all warehouses, offices and stores for each property or property in trust. If the relevant agreements include monthly contracted rent, anticipated annual rent is calculated in accordance with the terms provided in the agreements. Figures are rounded down to the nearest million yen.
- (Note 8) “Security deposit” is calculated as the total security deposit as indicated in the relevant lease agreements for all warehouses, offices and stores for each property or property in trust as of May 31, 2018, rounded down to the nearest million yen.
- (Note 9) “Average lease contract” is calculated as the weighted average of length of lease contract indicated in the relevant lease agreements for all warehouses, offices and stores for each property or property in trust as of May 31, 2018, 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 relevant lease agreements for all warehouses, offices and stores for each property or property in trust as of May 31, 2018, 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 Amagasaki 2, other (Amagasaki, Hyogo, other)	Repair work of exterior walls	From June 2018 to May 2018	541	5	5
Prologis Park Iwanuma 1, other (Iwanuma, Miyagi, other)	Countermeasure work of BCP	From Jan. 2018 to May 2019	207	10	10
Prologis Park Amagasaki 2 (Amagasaki, Hyogo)	Installment of LED lighting	From June 2018 to May 2019	149	-	-

(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 941 million yen in the reporting fiscal period which is a sum of capital expenditures of 705 million yen and repair and maintenance expenses of 235 million yen.

Name (Location)	Purpose	Expenditure Period	Amount spent (Millions of yen) ⁽¹⁾
Prologis Park Tokyo-Ohta (Ota, Tokyo)	Repair work of ramps and extension work of shared building	From Dec. 2016 to Nov. 2017	293
Prologis Park Funabashi 5, other (Funabashi, Chiba, other)	Installment of LED lighting	From Jan. 2018 to May 2018	135
Prologis Park Zama 1, (Zama, Kanagawa)	Repair of pavement	From Feb. 2018 to May 2018	70
Others	-	-	205
Total			705

(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

Eleventh Fiscal Period from Dec. 1, 2017, to May 31, 2018

(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	182	182	182	182	182
(1) Property related revenues	1,201,216	948,786	965,014	900,640	421,551
Property revenues	1,069,448	882,653	890,950	835,888	390,638
Other property related revenues	131,768	66,133	74,063	64,751	30,913
(2) Total of property related expenses	480,522	367,028	436,601	424,745	262,243
Property taxes	84,314	72,370	69,593	83,941	51,860
Subcontract expenses	76,211	42,872	72,941	49,427	38,342
Utilities cost	89,300	47,593	56,787	56,869	21,742
Non-life insurance premium	1,430	1,244	1,466	1,522	849
Repair and maintenance	19,119	4,439	6,894	20,232	23,251
Depreciation	209,665	195,888	228,417	212,251	125,716
Custodian fee	480	500	500	500	480
Other expenses	-	2,119	-	-	-
(3) Operating income from property leasing (= (1)-(2))	720,693	581,757	528,413	475,894	159,308
NOI ((3) + Depreciation)	930,359	777,646	756,830	688,146	285,025

(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	182	182	182	182	182
(1) Property related revenues	540,958	279,551	916,446	810,322	406,323
Property revenues	510,129	267,250	838,947	720,251	388,191
Other property related revenues	30,829	12,301	77,499	90,071	18,131
(2) Total of property related expenses	260,095	132,970	322,095	329,079	170,360
Property taxes	57,505	30,587	61,308	62,726	33,480
Subcontract expenses	30,936	20,447	48,778	41,055	29,341
Utilities cost	29,923	11,326	56,013	65,978	13,296
Non-life insurance premium	939	402	904	1,012	597
Repair and maintenance	12,901	8,976	10,171	3,798	15,822
Depreciation	127,389	60,729	144,419	154,007	76,862
Custodian fee	500	500	500	500	960
Other expenses	-	-	-	-	-
(3) Operating income from property leasing (= (1)-(2))	280,862	146,581	594,350	481,243	235,962
NOI ((3) + Depreciation)	408,252	207,310	738,770	635,250	312,825

(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	182	182	182	182	182
(1) Property related revenues	371,054	Not disclosed (Note 1)	Not disclosed (Note 1)	680,207	447,905
Property revenues	337,870			611,038	382,644
Other property related revenues	33,183			69,169	65,260
(2) Total of property related expenses	161,210			303,447	167,867
Property taxes	23,318			57,642	36,953
Subcontract expenses	29,431			33,794	35,146
Utilities cost	22,017			57,295	28,936
Non-life insurance premium	599			902	370
Repair and maintenance	7,065			12,862	5,823
Depreciation	78,277			140,469	60,137
Custodian fee	500	480	500		
Other expenses	-	-	-		
(3) Operating income from property leasing (= (1)-(2))	209,843	125,526	342,497	376,760	280,038
NOI ((3) + Depreciation)	288,121	167,930	456,449	517,229	340,175

(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	182	182	182	182	182
(1) Property related revenues	508,939	736,108	280,820	Not disclosed (Note 1)	427,687
Property revenues	469,938	688,557	219,254		406,438
Other property related revenues	39,001	47,551	61,565		21,248
(2) Total of property related expenses	239,293	331,047	156,485		183,083
Property taxes	51,909	76,857	20,790		32,000
Subcontract expenses	32,374	44,373	15,808		32,274
Utilities cost	39,710	33,259	51,117		16,367
Non-life insurance premium	658	1,117	375		675
Repair and maintenance	6,636	5,556	2,113		591
Depreciation	107,203	169,402	65,780		100,695
Custodian fee	500	480	500	480	
Other expenses	300	-	-	-	
(3) Operating income from property leasing (= (1)-(2))	269,645	405,061	124,334	174,682	244,603
NOI ((3) + Depreciation)	376,849	574,464	190,115	241,387	345,299

(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-21	M-22	M-23	M-24	M-26
Property name	Prologis Park Joso	Prologis Park Osaka 5	Prologis Park Narita 3	Prologis Park Narashino 5	Prologis Park Ibaraki
Operating days	182	182	182	182	182
(1) Property related revenues	Not disclosed (Note 1)	567,344	362,775	Not disclosed (Note 1)	1,138,338
Property revenues		541,162	320,204		1,089,654
Other property related revenues		26,181	42,570		48,684
(2) Total of property related expenses		261,617	196,217		523,984
Property taxes		62,017	29,988		104,443
Subcontract expenses		31,690	41,655		85,518
Utilities cost		22,851	33,499		48,581
Non-life insurance premium		940	716		1,941
Repair and maintenance		2,910	13,889		1,137
Depreciation		140,727	75,986		281,881
Custodian fee	480	480	480		
Other expenses	-	2	-		
(3) Operating income from property leasing (= (1)-(2))	130,159	305,726	166,557	217,537	614,353
NOI ((3) + Depreciation)	194,595	446,454	242,543	329,445	896,235

(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-26	B-02	B-03	B-02	B-03
Property name	Prologis Park Ibaraki	Prologis Park Takatsuki	Prologis Park Tosu 2	Prologis Park Takatsuki	Prologis Park Tosu 2
Operating days	92	92	92	182	182
(1) Property related revenues	219,657	85,015	308,086	Not disclosed (Note 1)	Not disclosed (Note 1)
Property revenues	212,698	78,162	297,949		
Other property related revenues	6,959	6,853	10,136		
(2) Total of property related expenses	79,254	32,881	112,871		
Property taxes	-	-	-		
Subcontract expenses	14,086	6,673	14,808		
Utilities cost	4,719	5,339	6,424		
Non-life insurance premium	398	143	584		
Repair and maintenance	-	20	363		
Depreciation	59,809	20,463	90,449		
Custodian fee	240	240	240		
Other expenses	-	-	-		
(3) Operating income from property leasing (= (1)-(2))	140,403	52,134	195,215	94,802	59,444
NOI ((3) + Depreciation)	200,212	72,598	285,665	126,820	91,425

(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-04	B-05	B-06	B-07	B-08
Property name	Prologis Park Tosu 4	Prologis Park Narashino 4	Prologis Park Ebina	Prologis Park Kawanishi	Prologis Park Amagasaki 3
Operating days	182	182	182	182	182
(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))	68,332	387,037	176,434	325,518	174,422
NOI ((3) + Depreciation)	104,654	531,175	214,475	413,113	234,563

(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-09	B-10	B-11	B-12	B-13
Property name	Prologis Park Kobe	Prologis Park Sendai Izumi	Prologis Park Koga 1	Prologis Park Kobe 2	Prologis Park Koga 2
Operating days	182	182	182	182	182
(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))	134,621	87,570	130,724	244,244	61,516
NOI ((3) + Depreciation)	186,797	142,207	202,082	358,915	100,720

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