

## SUMMARY OF FINANCIAL RESULTS (REIT) For the 15th Fiscal Period Ended May 31, 2020

July 22, 2020

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

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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, 2020 (15th Fiscal Period) (Dec. 1, 2019 to May 31, 2020)

(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		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2020	22,655	4.5	10,617	4.6	9,734	4.4	6,008	(35.6)
Nov. 30, 2019	21,680	9.7	10,147	9.8	9,324	8.9	9,323	8.4

Period ended	Net income per unit	Return on unit holders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
	Yen	%	%	%
May 31, 2020	2,476	1.5	1.5	43.0
Nov. 30, 2019	3,996	2.6	1.5	43.0

#### (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, 2020	4,645	2,437	2,208	11,453	6,009	5,444	100.0	1.5
Nov. 30, 2019	4,575	3,969	606	10,747	9,323	1,423	100.0	2.5

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

(Note 1) From a Japanese taxation standpoint, total of SCD for the fiscal period ended May 31, 2020 consists of 3,750 million yen of allowance of temporary difference adjustments and another distribution which falls under the distributions through the reduction in unit holders' capital. Similarly from a Japanese taxation standpoint, and the total SCD for the fiscal period ended Nov. 2019 entirely falls under the distributions through the reduction in unit holders' capital.

(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, 2020 and Nov. 30, 2019, are 0.005 and 0.004, respectively. The payment of SCD is deemed a return of capital. This calculation methodology is pursuant to Article 23, Paragraph 1, Item 4 of the Act on Special Measures Concerning Taxation.

(3) Financial Position

	Total assets	Net assets	Ratio of unit holders' equity to total assets	Net asset per unit
Period ended	Millions of yen	Millions of yen	%	Yen
May 31, 2020	691,751	401,861	58.1	162,970
Nov. 30, 2019	638,461	373,539	58.5	159,010

(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, 2020	15,429	(58,929)	45,111	26,122
Nov. 30, 2019	13,296	(63,142)	49,640	24,511

2. Earnings Forecasts for the Fiscal Period ending Nov. 30, 2020 (16th Fiscal Period) (from June 1, 2020, to Nov. 30, 2020) and May 31, 2021 (17th Fiscal Period) (from Dec. 1, 2020, to May 31, 2021)

(Percentages indicate change from the previous period)

Period ending	Operating revenues		Operating income		Ordinary income		Net income		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, 2020	23,612	4.2	11,068	4.2	10,177	4.5	13,186	119.5	4,761	3,827	934
May 31, 2021	23,269	(1.5)	10,793	(2.5)	9,913	(2.6)	9,962	(24.4)	4,725	4,040	685

(Reference) Forecasted Net income per unit for the fiscal period ending Nov. 30, 2020: 5,347 yen  
Forecasted Net income per unit for the fiscal period ending May 31, 2021: 4,040 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, 2020 2,465,850 units  
As of Nov. 30, 2019 2,349,150 units

Number of treasury units at end of period:

As of May 31, 2020 0 units  
As of Nov. 30, 2019 0 units

**\* The Implementation Status of Statutory Audit**

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

**\* Special Note**

The forward-looking statements in this material are based on information currently available to us and on certain assumptions that we believe are reasonable. Actual operating performance may differ substantially due to various factors. Furthermore, those statements shall not be deemed a guarantee or any commitment of the amount of future distributions and surplus cash distributions. Please refer to "Assumptions for the forecasts for the fiscal periods ending Nov. 30, 2020 (16th Fiscal Period) and May 31, 2021 (17th Fiscal Period)" on page 7 for assumptions regarding forward-looking statements.

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## 1. Results of Operations

### (1) Results of Operations

#### (I) Overview of the 15th Fiscal Period ended May 31, 2020

##### (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).

By the end of the reporting fiscal period, NPR acquired 51 properties in total (aggregate acquisition price: 717,510 million yen), including 3 new properties (“Acquisitions in the 15th Fiscal Period”) (aggregate acquisition price<sup>(\*1)</sup>: 59,300 million yen) acquired in the reporting fiscal period, and disposed 2 properties (aggregate acquisition price: 16,870 million yen). In addition, as described below, the building and ancillary facilities of Prologis Park Iwanuma 1 (the “PP Iwanuma”) (aggregate acquisition price excluding land in trust: 4,490 million yen) excluding land in trust were burned down by a fire in the reporting fiscal period. As a result, NPR owned 49 properties (aggregate acquisition price: 696,149 million yen), all of which are Class-A logistics facilities<sup>(\*2)</sup> developed by the Prologis Group<sup>(\*3)</sup>, as of the end of the reporting fiscal period<sup>(\*4)</sup> <sup>(\*5)</sup>.

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

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

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

(\*4) Prologis Park Funabashi 5 and the Annex to Prologis Park Funabashi 5 are deemed 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.

(\*5) The number of acquired and owned properties includes PP Iwanuma.

#### (ii) Operational Results of the 15th Fiscal Period ended May 31, 2020

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 (“EC”) and third-party logistics (“3PL”) providers.

Meanwhile, due to the current COVID-19 pandemic, the global capital market continues to be highly volatile and the outlook of global macroeconomy is unclear. Notwithstanding, however, the modern logistics real estate leasing market currently appears to be more solid than before as a result of the continued growth of the EC market and the continued trend of consolidation of the logistics facilities to solve the labor shortage issues. In fact, as of the end of Mar. 2020, the vacancy rate for large multi-tenant logistics properties in the greater Tokyo market recorded historical low of 0.5% <sup>(\*1)</sup>. We anticipate, in the short term, that the spread of COVID-19 may have a negative impact on the modern logistics real estate leasing market due to the uncertainty of macroeconomy and potential decline in corporate earnings, but on the other hand, in the long term, it would not materially negatively impact on the modern logistics real estate leasing market since the EC business is accelerated and the inventory volume of logistics space users will increase.

Under these circumstances, the occupancy rate of NPR’s portfolio remained significantly high, at 99.2 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.

During the reporting fiscal period, the building and ancillary facilities of PP Iwanuma was burned down by a fire which occurred on April 30, 2020 and was extinguished on May 6, 2020 (the “Fire”). NPR and its asset management company, Prologis REIT Management K.K. (the “Asset Manager”), have commenced demolition work of the building wreckage of PP Iwanuma.

(\*1) Source: CBRE

(iii) Overview of Financing

(a) Issuance of New Investment Units

NPR issued new investment units through its public follow-on offering (111,140 units), with a payment date of Jan. 31, 2020 and through a third-party allotment (5,560 units) with a payment date of Feb. 26, 2020, with an aim to procure funds to be used for the Acquisitions in the 15th Fiscal Period which was conducted on Feb. 5, 2020. As a result of these offerings, NPR successfully raised 33,060 million yen equity capital, and the balance of NPR’s unit holders’ capital has increased to 395,850 million yen and the total number of units issued and outstanding has increased to 2,465,850 as of the end of the reporting fiscal period.

(b) Borrowings

For the purpose of raising capital for the Acquisitions in the 15th Fiscal Period associated with ancillary costs and expenses, NPR borrowed short-term loans of 13,800 million yen and long-term loans of 9,100 million yen on Feb. 5, 2020. Additionally, NPR issued investment corporation bonds as green bonds in the total principal amount of 10,000 million yen on Apr. 17, 2020 for the purpose of partial repayment of the subject short-term loans in the amount of 10,000 million yen.

As a result, the ending balance of NPR’s interest-bearing debt was 264,000 million yen, out of which bank borrowings accounted for 238,000 million yen and investment corporation bonds accounted for 26,000 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 38.2 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, 2020) were as follows:

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

(iv) Overview of Financial Results and Distributions

As a result of activities, including the aforementioned investments and financings, NPR generated operating revenues of 22,655 million yen, operating income of 10,617 million yen and ordinary income of 9,734 million yen. NPR recorded an extraordinary losses of 3,752 million yen due to the Fire as aforementioned (the “Fire Loss”). In addition, due to the typhoons which hit Japan in 2019, NPR recorded an extraordinary losses of 242 million yen which were repair expenses, etc. and an extraordinary income of 269 million yen from the insurance payment for such damages. As a result of these series of events, NPR generated net income of 6,008 million yen for the reporting fiscal period. The amount of NPR’s distributions for the reporting period was 2,437 yen per unit, which was approximately equivalent to NPR’s distributable income as deductible expenses in accordance with the Section 1 of Article 67-15 of the Act on Special Taxation Measures Law (a customary practice of J-REITs), being determined to distribute all unappropriated retained earnings for the reporting period, excluding fractions less than 1 yen.

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

stipulated by The Investment Trusts Association, Japan), in addition to distributions of Regular Surplus Cash Distributions and One-time Surplus Cash Distributions. For the reporting fiscal period, the total amount of NPR's Regular Surplus Cash Distributions was 1,526 million yen, approximately equivalent to 28.5 percent of NPR's depreciation expense of 5,362 million yen for the reporting fiscal period. NPR will distribute One-time Surplus Cash Distributions of 167 million yen, equivalent to the amount of compensation of the temporary diluted distributions due to the issuance of new investment units in Jan. and Feb. 2020, deducting the difference between the extraordinary income and extraordinary losses related to the typhoon that hit Japan in 2019. In addition, NPR will distribute ATA of 3,750 million yen to reduce NPR's tax liability arising from the discrepancy between NPR's taxation and accounting due to the recording of the Fire Loss (\*3). Consequently, the total amount of SCD per unit for the reporting fiscal period was determined at 2,208 yen; 619 yen from Regular Surplus Cash Distributions, 68 yen from One-time Surplus Cash Distributions and 1,521 yen from distributions of ATA (\*4).

- (\*1) In general, NPR intends to distribute Regular Surplus Cash Distributions on a regular basis in an amount no higher than 60 percent (However, if the result, calculated based on the rules of The Investment Trusts Association, Japan, etc, indicates lower amount, the amount should be adopted) of its depreciation expense for an applicable fiscal period, while pursuing other uses of capital such as maintenance expenses, capital expenditures, repayment of borrowings and funding of new acquisitions. In the meantime, NPR intends to regularly distribute approximately 30 percent of depreciation expense for an applicable fiscal period. However, NPR may adjust, reduce, or suspend the amount of SCD for a particular fiscal period, as a whole or partially, with considerations toward a level of NPR's profitability for a particular fiscal period which reflects the NPR's net income and one-time profits arising as capital gains from asset disposition and/or penalties received from lease contract cancellations, etc., the total amount of distributions which include SCD, NPR's LTV ratio, credit rating, and financial conditions, as well as, macroeconomic, real estate market conditions.
- (\*2) In general, NPR intends to maintain the maximum amount of 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) The Fire Loss is not deductible from NPR's taxable income until the insurance payment from the fire insurance which is covering the PP Iwanuma (the "Fire Insurance Income") is recorded. Therefore, a discrepancy between NPR's taxation and accounting occurred where NPR's taxable income exceeded the accounting profit by the amount of the Fire Loss for the reporting fiscal period. According to the J-REIT tax code, NPR loses its tax-exempt status in case it fails to distribute more than 90% of its taxable income in each fiscal period.
- (\*4) NPR estimates that the total amount of anticipated semi-annual average of imminent or short-term repair and maintenance expenses and medium- to long-term repair and maintenance expenses is 521 million yen except for PP Iwanuma. This assessment was conducted in the engineering report for each property prepared by Earth-Appraisal Co., Ltd and Tokio Marine & Nichido Risk Consulting Co., Ltd. NPR determines the amount of SCD, and distributes SCD, while focusing on maintaining its financial stability in addition to factors such as the current economic and real estate market environment, NPR's LTV and potential impacts on NPR's credit rating. Please note that the amount of SCD will be deducted from the balance of NPR's unit holders' equity upon payment.

## (II) Outlook for Next Fiscal Period

### (i) Future Management Policies and Issues

#### (a) Basic Policies

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

#### (b) External Growth Strategies

Pursuant to the sponsor support agreement, as of June 30, 2020, NPR held exclusive negotiation rights granted from the Prologis Group for 3 properties. The Prologis Group will continue to develop new assets of approximately 40 to 60 billion yen every year in Japan, and as of June 30, 2020, there were development plans for 9 properties and significant multi-property plans for 1 future

development project that have been publicly announced. NPR is entitled to receive exclusive negotiation rights for logistics facilities that will be developed, owned or operated by the Prologis Group once these facilities achieve stabilization to the extent that those facilities qualify for NPR's investment criteria. All acquisitions are subject to the related party transaction guidelines of the Asset Manager to ensure appropriate terms and conditions.

#### Properties with Exclusive Negotiation Rights

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

#### Properties under development and under planning by the Prologis Group

Property name	Location	GFA
Prologis Park Ebina 2	Ebina, Kanagawa	38,000 m <sup>2</sup>
Prologis Park Inagawa 1	Inagawa, Hyogo	218,152 m <sup>2</sup>
Prologis Park Inagawa 2	Inagawa, Hyogo	158,646 m <sup>2</sup>
Prologis Park Kobe 3	Kobe, Hyogo	38,700 m <sup>2</sup>
Prologis Park Kobe 5	Kobe, Hyogo	46,000 m <sup>2</sup>
Prologis Park Soka	Soka, Saitama	151,000 m <sup>2</sup>
Prologis Park Ogori	Ogori, Fukuoka	29,000 m <sup>2</sup>
Prologis Park Yachiyo 1	Yachiyo, Chiba	159,700 m <sup>2</sup>
Prologis Park Yachiyo 2	Yachiyo, Chiba	113,000 m <sup>2</sup>
Prologis Koga Project Phase 2	Koga, Ibaraki	TBD

The Asset Manager will also pursue acquisitions of properties from third parties. In those cases, both the status of the acquisition pipeline from the Prologis Group and the conditions of the real estate market will be considered.

#### (c) Internal Growth Strategies

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

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

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

#### (d) Financial Strategies

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

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

(ii) Significant Subsequent Events

None

(iii) Earnings Forecast

	Operating revenues (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (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, 2020 (16th period)	23,612	11,068	10,177	13,186	4,761	3,827	934
Period ending May 31, 2021 (17th period)	23,269	10,793	9,913	9,962	4,725	4,040	685

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



Assumptions for the forecasts for the fiscal periods ending Nov. 30, 2020 (16th Fiscal Period) and May 31, 2021 (17th Fiscal Period)

Item	Assumption
Accounting period	<ul style="list-style-type: none"> <li>Fiscal period ending Nov. 30, 2020 (16th Fiscal Period) (from June 1, 2020 to Nov. 30, 2020) (183 days)</li> <li>Fiscal period ending May 31, 2021 (17th Fiscal Period) (from Dec. 1, 2020 to May 31, 2021) (182 days)</li> </ul>
Assets under management	<ul style="list-style-type: none"> <li>It is assumed that, in addition to its 49 properties held as of today, there will be no change (including acquisition of new properties and dispositions of existing properties) in the operational status of the properties until May 31, 2021. For PP Iwanuma, since the building and other ancillary facilities (equipment in trust) were burned down due to the fire, only the land is included in the calculation of the assets under management.</li> <li>Results may change due to the acquisition of new properties other than above or the disposition of existing properties, etc.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>Operating revenues account for factors such as market trends and the competitiveness of each property, and are estimated to be 23,612 million yen and 23,269 million yen for the fiscal periods ending Nov. 30, 2020, and May 31, 2021, respectively. The expected average occupancy rates of the properties in the portfolio are estimated to be 99.2% and 98.7% for the fiscal periods ending Nov. 30, 2020 and May 31, 2021, respectively.</li> <li>For operating rent revenues, it is assumed that tenants will pay rents without delinquency or withholding.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>Operating rental expenses except depreciation are calculated from variable factors, and are assumed to be 4,885 million yen and 4,845 million yen for the fiscal periods ending Nov. 30, 2020, and May 31, 2021, respectively.</li> <li>Depreciation expenses are calculated using the straight-line method in relation to the anticipated acquisition price including ancillary costs and are assumed to be 5,492 million yen and 5,478 million yen for the fiscal periods ending Nov. 30, 2020, and May 31, 2021, respectively.</li> <li>In general, in case of real estate sales/purchases, property taxes and city planning taxes are generally included in the purchase price of properties on a pro-rated basis of a calendar year and start to be expensed from the next calendar year. Accordingly, property taxes and city planning taxes for the Acquisitions in the 15th Fiscal Period will start to be expensed from the fiscal period ending May 31, 2021. The total amount of property taxes and city planning taxes included in the purchase price of the Acquisitions in the 15th Fiscal Period are assumed to be 189 million yen (equivalent to expenses for 183 days) and 31 million yen (equivalent to expenses for 31 days) for the fiscal period ending Nov. 30, 2020 and May 31, 2021, respectively.</li> <li>Regarding building repair expenses, the amount assumed to be necessary for each property is based on the repair and maintenance plans of the Asset Manager. However, repair expenses may differ substantially due to unexpected factors.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>As for interest expenses and other debt-related costs, 871 million yen and 860 million yen are expected to be incurred for the fiscal periods ending Nov. 30, 2020, and May 31, 2021, respectively. The non-cash expenditure, which is included in debt-related expenses, is expected to be 224 million yen and 197 million yen for the fiscal periods ending Nov. 30, 2020, and May 31, 2021, respectively.</li> </ul>
Extraordinary Income	<ul style="list-style-type: none"> <li>It is assumed that, in the fiscal period ending Nov. 30, 2020, the Fire Insurance Income of 4,000 million yen shall be recorded as extraordinary income.</li> <li>It is assumed that, in the fiscal period ending May 31, 2021, the insurance payment from the business interruption insurance which is covering PP Iwanuma of 180 million yen shall be recorded as extraordinary income.</li> </ul>
Extraordinary Losses	<ul style="list-style-type: none"> <li>It is assumed that, in the fiscal period ending Nov. 30, 2020, the extraordinary losses of 990 million yen (“the Extraordinary Losses in the 16th FP”) shall be recorded in connection with the demolition work to be completed by the end of the fiscal period ending Nov. 30, 2020 in PP Iwanuma.</li> <li>It is assumed that, in the fiscal period ending May 31, 2021, the extraordinary losses of 130 million yen (“the Extraordinary Losses in the 17th FP”) shall be recorded in connection with the demolition work to be completed by the end of the fiscal period ending May 31, 2021 in PP Iwanuma.</li> </ul>
Interest-bearing Debt	<ul style="list-style-type: none"> <li>The outstanding balance of NPR’s interest-bearing debt on its balance sheet as of today is 264,000 million yen, which consist of the balance of borrowings and investment corporation bonds.</li> <li>It is assumed that NPR will prepay the short-term borrowings of 3,800 million yen out of the borrowings obtained on Feb. 5, 2020 related to the Acquisitions in the 15th Fiscal Period in the fiscal period ending Nov.</li> </ul>

	<p>30, 2020, with refunds of consumption taxes reimbursement related to the Acquisitions in the 15th Fiscal Period. Thus, the balance of NPR's interest-bearing debt after the repayment is assumed to be 260,200 million yen.</p> <ul style="list-style-type: none"> <li>● It is assumed that NPR will refinance all of the borrowings which are due by the end of the fiscal period ending May 31, 2021.</li> <li>● It is assumed that there will be no maturity of investment corporation bond until the end of the fiscal period ending May 31, 2021.</li> </ul>
Investment units	<ul style="list-style-type: none"> <li>● It is assumed that the number of investment units currently issued and outstanding will not change by the end of the fiscal period ending May 31, 2021. As of today, there are 2,465,850 units issued and outstanding.</li> </ul>
Distributions per unit (excluding surplus cash distributions (SCD))	<ul style="list-style-type: none"> <li>● Distributions per unit (excluding SCDs) are calculated based on the premise of the distribution policy in the Articles of Incorporation of NPR that all the profit available for dividend shall be distributed.</li> <li>● It is assumed that the full amount of ATA, 3,750 million yen, will be counter-recorded from unappropriated retained earnings at the time of distributions payment for the fiscal period ending Nov. 30, 2020.</li> <li>● Distributions per unit (excluding surplus cash distributions) may vary due to various causes, including, but not limited to, changes in various expenses related to the Fire, changes in insurance payments related to the Fire, acquisitions or dispositions of properties, changes in rent revenues attributable to tenant movements, etc., unexpected repairs, etc., changes in interest rates, or the issuance of investment units. Especially, the actual amount of the expenses related to the demolition work and the insurance payments may be significantly different from the current estimate, which is calculated based on the available information as of today.</li> </ul>
Surplus cash distributions (SCD) per unit	<ul style="list-style-type: none"> <li>● SCD per unit are calculated based on the fund distribution policy in the NPR's Articles of Incorporation.</li> <li>● It is assumed that SCD in the fiscal period ending Nov. 30, 2020 will be 2,303 million yen, calculated by summing the amount of the Regular Surplus Cash Distributions and the One-time Surplus Cash Distributions. The Regular Surplus Cash Distributions will be equivalent to 28.5% of depreciation expenses for the fiscal period. The One-time Surplus Cash Distributions will be the amount equivalent to the Extraordinary Losses in the 16th FP, deducting the difference between the Fire Insurance Income and the amount of counter-record of ATA. The SCD will be conducted subject to completion of NPR's internal procedures and the expected consent from various parties because the total amount of SCD will likely temporarily exceed 40% of depreciation expenses for the fiscal period.</li> <li>● It is assumed that the SCD in the fiscal period ending May 31, 2021 will be 1,689 million yen, calculated by summing the amount of the Regular Surplus Cash Distributions and the One-time Surplus Cash Distributions. The Regular Surplus Cash Distributions will be equivalent to 28.5% of depreciation expenses for the fiscal period. The One-time Surplus Cash Distributions will be the amount equivalent to the Extraordinary Losses in the 17th FP.</li> <li>● As a result, it is estimated that the SCD per unit in the fiscal period ending Nov. 30, 2020 will be 934 yen; 634 yen from Regular Surplus Cash Distributions and 300 yen from One-time Surplus Cash Distributions, and the SCD per unit in the fiscal period ending May 31, 2021 will be 685 yen; 633 yen from Regular Surplus Cash distributions and 52 yen from One-time Surplus Cash Distributions.</li> <li>● NPR intends to continually pay SCD. The maximum payable SCD amount is 60% of depreciation expenses during the applicable fiscal period.</li> <li>● NPR intends to distribute approximately 30% of depreciation expense for an applicable accounting period as Regular Surplus Cash Distributions generally. The amount will be determined based on a holistic consideration of various factors such as NPR's financial condition, etc. However, NPR may adjust, reduce, or suspend the amount of SCD for a particular fiscal period, as a whole or partially, with considerations toward a level of NPR's financial conditions, etc.</li> <li>● To maintain the stability of NPR's distributions per unit ("DPU") in the event that DPU is expected to decline to a certain degree as a result of certain inevitable and one-time events, NPR may make distributions as One-Time Surplus Cash Distributions. NPR intends to limit the maximum total amount of SCDs at 40% of the depreciation expense for the relevant fiscal period generally.</li> <li>● In addition, NPR may conduct surplus cash distributions of ATA according to laws and regulations (including rules stipulated by The Investment Trusts Association, Japan), in addition to distributions of Regular Surplus Cash Distributions and One-Time Surplus Cash Distributions.</li> </ul>
Others	<ul style="list-style-type: none"> <li>● It is assumed that no revision that will have an impact on the forecast information above will be made in</li> </ul>

	<p>accordance with the laws and regulations, tax system, accounting standards, listing rules of the Tokyo Stock Exchange and rules of the Investment Trusts Association, Japan, etc.</p> <ul style="list-style-type: none"><li>● It is assumed that no unexpected material change will arise in overall economic trends and real estate market conditions.</li><li>● It is assumed that the spread of COVID-19 will neither continue for a significantly long period of time nor further significantly expand.</li></ul>
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## 2. Financial Statements

### (1) Balance Sheet

(Unit: Thousands of yen)

	As of Nov. 30, 2019	As of May 31, 2020
<b>ASSETS</b>		
Current assets:		
Cash and deposits	19,409,839	20,770,795
Cash and deposits in trust	5,101,730	5,352,128
Operating accounts receivable	1,417,858	1,395,218
Prepaid expenses	411,354	525,030
Consumption taxes receivables	2,219,569	2,224,753
Other current assets	32	147
Total current assets	28,560,383	30,268,073
Fixed assets:		
Property and equipment		
Buildings	7,565,831	7,571,863
Less: accumulated depreciation	(1,234,464)	(1,325,750)
Buildings, net	6,331,366	6,246,113
Structures	249,739	249,739
Less: accumulated depreciation	(126,897)	(136,183)
Structures, net	122,841	113,556
Tools, furniture and fixtures	5,434	5,434
Less: accumulated depreciation	(3,353)	(3,548)
Tools, furniture and fixtures, net	2,080	1,885
Land	3,834,204	3,834,204
Buildings in trust	389,170,066	423,218,611
Less: accumulated depreciation	(40,823,321)	(44,915,743)
Buildings in trust, net	348,346,744	378,302,868
Structures in trust	9,835,108	10,766,172
Less: accumulated depreciation	(2,134,354)	(2,392,678)
Structures in trust, net	7,700,754	8,373,493
Machinery and equipment in trust	21,594	21,594
Less: accumulated depreciation	(3,892)	(4,807)
Machinery and equipment in trust, net	17,702	16,786
Tools, furniture and fixtures in trust	913,989	1,026,105
Less: accumulated depreciation	(343,829)	(385,795)
Tools, furniture and fixtures in trust, net	570,159	640,309
Other tangible assets in trust	35	35
Less: accumulated depreciation	(35)	(35)
Other tangible assets in trust, net	0	0
Land in trust	241,111,797	262,116,051
Construction in progress in trust	644	-
Total property and equipment	608,038,294	659,645,268
Intangible assets		
Other intangible assets in trust	178,474	198,161
Total intangible assets	178,474	198,161
Investments and other assets		
Long-term prepaid expenses	1,605,259	1,495,382
Deferred tax assets	7	45
Security deposit	10,000	10,000
Other	400	400
Total investments and other assets	1,615,666	1,505,828
Total fixed assets	609,832,436	661,349,257

(Unit: Thousands of yen)

	As of Nov. 30, 2019	As of May 31, 2020
Deferred assets:		
Investment corporation bond issuance costs	68,979	134,580
Total deferred assets	68,979	134,580
Total assets	638,461,800	691,751,911
LIABILITIES		
Current liabilities:		
Operating accounts payable	1,779,273	1,579,367
Short-term loans payable	-	3,800,000
Current portion of long-term loans payable	-	21,300,000
Accounts payable	232,102	376,605
Accrued expenses	2,145,288	2,269,076
Income taxes payable	739	1,461
Advances received	3,773,909	4,034,927
Other current liabilities	83,554	512,158
Total current liabilities	8,014,867	33,873,597
Non-current liabilities:		
Investment corporation bonds payable	16,000,000	26,000,000
Long-term loans payable	225,100,000	212,900,000
Tenant leasehold and security deposits	247,773	247,773
Tenant leasehold and security deposits in trust	15,553,784	16,861,869
Other non-current liabilities	5,487	7,349
Total non-current liabilities	256,907,044	256,016,991
Total liabilities	264,921,911	289,890,589
NET ASSETS		
Unit holders' equity		
Unit holders' capital		
Unit holders' capital, gross	374,425,663	407,485,839
Deduction of unit holders' capital	(10,211,573)	(11,635,158)
Unit holders' capital	364,214,089	395,850,681
Surplus		
Unappropriated retained earnings (undisposed loss)	9,325,798	6,010,640
Total surplus	9,325,798	6,010,640
Total unit holders' equity	373,539,888	401,861,322
Total net assets	*2 373,539,888	*2 401,861,322
Total liabilities and net assets	638,461,800	691,751,911

(2) Statement of Income

	(Unit: Thousands of yen)	
	For the period from June 1, 2019 to Nov. 30, 2019	For the period from Dec. 1, 2019 to May 31, 2020
Operating revenues:		
Operating rental revenues	* <sup>1</sup> 20,139,002	* <sup>1</sup> 21,249,172
Other rental revenues	* <sup>1</sup> 1,541,237	* <sup>1</sup> 1,406,223
Total operating revenues	<u>21,680,240</u>	<u>22,655,396</u>
Operating expenses:		
Expenses related to property rental business	* <sup>1</sup> 9,512,082	* <sup>1</sup> 9,930,938
Asset management fee	1,882,842	1,979,659
Asset custody fee	45,304	47,686
Directors' compensation	7,200	7,200
Audit fee	15,000	15,000
Other operating expenses	70,537	57,644
Total operating expenses	<u>11,532,966</u>	<u>12,038,128</u>
Operating income	<u>10,147,273</u>	<u>10,617,267</u>
Non-operating income:		
Interest income	97	107
Reversal of distributions payable	531	555
Interest on refund of consumption taxes	1,551	1,204
Refund of real estate taxes and other	25,799	-
Gain on donation of fixed assets	-	18,380
Total non-operating income	<u>27,981</u>	<u>20,247</u>
Non-operating expenses:		
Interest expenses	475,350	507,822
Interest expenses on investment corporation bonds	51,725	59,813
Amortization of investment corporation bond issuance costs	6,759	6,082
Borrowing related expenses	210,530	218,867
Investment unit issuance expenses	28,143	31,393
Offering costs associated with the issuance of investment units	78,412	78,507
Others	40	32
Total non-operating expenses	<u>850,962</u>	<u>902,519</u>
Ordinary income:	<u>9,324,291</u>	<u>9,734,996</u>
Extraordinary income:		
Insurance income	-	* <sup>2</sup> 269,914
Total extraordinary income	<u>-</u>	<u>269,914</u>
Extraordinary losses:		
Loss on Typhoon	-	* <sup>2</sup> 242,458
Loss on Fire	-	* <sup>2</sup> 3,752,395
Total extraordinary losses	<u>-</u>	<u>3,994,853</u>
Income before income taxes	<u>9,324,291</u>	<u>6,010,057</u>
Incomes taxes – current	754	1,477
Incomes taxes – deferred	12	(38)
Total income taxes	<u>767</u>	<u>1,439</u>
Net Income	<u>9,323,524</u>	<u>6,008,618</u>
Retained earnings brought forward	<u>2,274</u>	<u>2,022</u>
Unappropriated retained earnings (undisposed loss)	<u>9,325,798</u>	<u>6,010,640</u>

(3) Statement of Unit Holders' Equity

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

(Units: Thousands of yen)

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

For the periods from Dec. 1, 2019, to May 31, 2020

(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	374,425,663	(10,211,573)	364,214,089	9,325,798	9,325,798	373,539,888	373,539,888
Change during the period							
Issuance of new investments	33,060,176		33,060,176			33,060,176	33,060,176
Distributions in excess of retained earnings		(1,423,584)	(1,423,584)			(1,423,584)	(1,423,584)
Dividends from surplus				(9,323,776)	(9,323,776)	(9,323,776)	(9,323,776)
Net income				6,008,618	6,008,618	6,008,618	6,008,618
Total change during the period	33,060,176	(1,423,584)	31,636,591	(3,315,158)	(3,315,158)	28,321,433	28,321,433
Balance at the end of the period	*1 407,485,839	(11,635,158)	395,850,681	6,010,640	6,010,640	401,861,322	401,861,322

(4) Statement of Cash Distribution

(Unit: Yen)

	For the period from June 1, 2019 to Nov. 30, 2019	For the period from Dec. 1, 2019 to May 31, 2020
I Unappropriated retained earnings (undisposed loss)	9,325,798,918	6,010,640,885
II Distributions in excess of retained earnings	1,423,584,900	5,444,596,800
Of which, allowance for temporary difference adjustment	-	3,750,557,850
Of which, other distributions in excess of earnings	1,423,584,900	1,694,038,950
III Distributions	10,747,361,250	11,453,873,250
(Distributions per unit)	(4,575)	(4,645)
Of which, distributions of retained earnings	9,323,776,350	6,009,276,450
(Of which, distributions of retained earnings per unit)	(3,969)	(2,437)
Of which, allowance for temporary difference adjustments	-	3,750,557,850
(Of which, distributions in excess of retained earnings per unit (attributable to allowance for temporary difference adjustments))	-	(1,521)
Of which, other distributions in excess of earnings	1,423,584,900	1,694,038,950
(Of which, other distributions in excess of earnings per unit (attributable to other dividends in excess of earnings))	(606)	(687)
IV Retained earnings carried forward	2,022,568	1,364,435
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 net income but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act.</p> <p>Based on the policy, NPR declared the distribution amount of 9,323,776,350 yen which was the amount equivalent to the maximum integral multiples of number of investment units issued and outstanding (2,349,150 investment units) as of the reporting fiscal period. In addition, based on the distribution policy as defined in Article 39, Paragraph 2 of incorporation, NPR shall make Surplus Cash Distributions (SCD) as a general principle, defined as distributions in excess of retained earnings, as a return of unit holders' capital, each fiscal period on a continuous basis. Furthermore, NPR is 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</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 net income 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 6,009,276,450 yen which was the amount equivalent to the maximum integral multiples of number of investment units issued and outstanding (2,465,850 investment units) as of the reporting fiscal period. In addition, based on the distribution policy as defined in Article 39, Paragraph 2 of incorporation, NPR shall make Surplus Cash Distributions (SCD) as a general principle, defined as distributions in excess of retained earnings, as a return of unit holders' capital, each fiscal period on a continuous basis. Furthermore, NPR is 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</p>



	<p>temporarily dilute by a certain degree. Accordingly, NPR declared SCD of 1,423,584,900 yen, which was the amount equivalent to approximately 28.5% of depreciation expense of 5,000,818,006 yen for the period.</p>	<p>temporarily dilute by a certain degree. NPR is also permitted to provide Surplus Cash Distributions from allowance for temporary difference adjustments in compliance with related regulations (including the rules of The Investment Trusts Association, Japan, etc) to minimize unitholders' burdens of income taxes. Accordingly, NPR declared SCD of 1,526,361,150 yen, which was the amount equivalent to approximately 28.5% of depreciation expense of 5,362,502,964 yen for the period. In addition, NPR made Surplus Cash Distributions of 167,677,800 yen, equivalent to the amount including 194,802,150 yen based on an assessment of temporary diluted distributions due to the issuance of new investment units in Jan. and Feb. 2020, and excluding 27,124,350 yen, the difference between the extraordinary income and extraordinary losses related to the typhoon that hit Japan in 2019. Accordingly, the total amount of other distributions in excess of earnings, which is not reduction in unit holders' capital, amount to 1,694,038,950 yen. Further, NPR provided Surplus Cash Distributions of 3,750,557,850 yen, from allowance for temporary difference adjustments, which falls under the distributions through the reduction in unit holders' capital.</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, 2019 to Nov. 30, 2019	For the period from Dec. 1, 2019 to May 31, 2020
Cash flows from operating activities:		
Income before income taxes	9,324,291	6,010,057
Depreciation	5,000,818	5,362,502
Amortization of investment corporation bond issuance costs	6,759	6,082
Investment unit issuance expenses	28,143	31,393
Interest income	(97)	(107)
Interest expense	527,076	567,635
Gain on donation of fixed assets	-	(18,380)
Insurance income	-	(269,914)
Loss on typhoon	-	242,458
Loss on fire	-	3,752,395
Decrease (Increase) in operating accounts receivable	(44,148)	41,019
Decrease (Increase) in consumption taxes refund receivables	(1,881,151)	(5,184)
Decrease (Increase) in prepaid expenses	(6,194)	(113,676)
Decrease (Increase) in long-term prepaid expenses	(183,028)	109,877
Increase (Decrease) in operating accounts payable	592,930	(382,710)
Increase (Decrease) in accounts payable-other	(24,423)	20,751
Increase (Decrease) in accrued expenses	219,061	109,219
Increase (Decrease) in advances received	392,791	261,017
Others, net	10,564	52,385
Subtotal	<u>13,963,392</u>	<u>15,776,825</u>
Interest received	97	107
Interest paid	(523,920)	(553,067)
Insurance income	-	269,914
Loss on disaster	(141,840)	(63,107)
Income taxes paid	(1,005)	(756)
Net cash used in operating activities	<u>13,296,724</u>	<u>15,429,916</u>
Cash flows from investing activities:		
Purchases of property and equipment	(8,252)	(6,028)
Purchases of property and equipment in trust	(64,054,009)	(60,582,279)
Purchases of intangible assets in trust	(175,066)	(27,146)
Proceeds from tenant leasehold and security deposits in trust	1,334,215	1,928,944
Repayments from tenant leasehold and security deposits in trust	(238,938)	(243,449)
Net cash used in investing activities	<u>(63,142,051)</u>	<u>(58,929,959)</u>
Cash flows from financing activities:		
Proceeds from short-term loans payable	54,400,000	13,800,000
Repayments of short-term loans payable	(60,900,000)	(10,000,000)
Proceeds from long-term loans payable	33,100,000	9,100,000
Repayments of long-term loans payable	(1,000,000)	-
Issuance of investment corporation bonds	-	9,928,316
Redemption of investment corporation bonds	(2,000,000)	-
Proceeds from issuance of new investment units	35,880,752	33,028,783
Payment of distributions of retained earnings	(8,601,199)	(9,322,414)
Payment of distributions in excess of retained earnings	(1,239,295)	(1,423,289)
Net cash provided by financing activities	<u>49,640,257</u>	<u>45,111,395</u>
Net increase (decrease) in cash and cash equivalents	<u>(205,070)</u>	<u>1,611,353</u>
Cash and cash equivalents at the beginning of period	<u>24,716,639</u>	<u>24,511,569</u>
Cash and cash equivalents at the end of period	<u>*1 24,511,569</u>	<u>*1 26,122,923</u>

(6) Notes Concerning Going Concerns Assumption

None

(7) Notes Concerning Significant Accounting Policies

<p>1. Method of depreciation of non-current assets</p>	<p>(1) Property and equipment (including trust assets) The straight-line method is used. The useful lives of major property and equipment are as follows.</p> <table border="0" style="margin-left: 20px;"> <tr> <td>Buildings</td> <td style="text-align: right;">3-67 years</td> </tr> <tr> <td>Structures</td> <td style="text-align: right;">2-60 years</td> </tr> <tr> <td>Machinery and equipment</td> <td style="text-align: right;">8-17 years</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td style="text-align: right;">2-18 years</td> </tr> </table> <p>(2) Intangible assets (including trust assets) The straight-line method is used.</p>	Buildings	3-67 years	Structures	2-60 years	Machinery and equipment	8-17 years	Tools, furniture and fixtures	2-18 years
Buildings	3-67 years								
Structures	2-60 years								
Machinery and equipment	8-17 years								
Tools, furniture and fixtures	2-18 years								
<p>2. Accounting method of deferred charges</p>	<p>(1) Investment unit issuance expenses The full amount of investment unit issuance expenses is recorded as expense at the time of expenditure.</p> <p>(2) Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized over the remaining life of the bonds using straight-line method.</p>								
<p>3. Revenue and expense recognition</p>	<p>Accounting treatment of property taxes and other taxes With respect to property taxes, city planning taxes and depreciable asset taxes, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as rental expenses. Of the amounts paid for the acquisitions of real estate properties or beneficiary right in trust of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the relevant property instead of being charged as an expense. Capitalized property taxes amounted to 209,571 thousand yen and 342,438 thousand yen for the fiscal period ended Nov. 30, 2019 and May 31, 2020, respectively.</p>								
<p>4. Hedge accounting</p>	<p>(1) Hedge accounting method For interest rate swaps, special accounting treatment is adopted.</p> <p>(2) Hedge instruments and hedged items Hedge instruments – interest rate swaps Hedged items – interests on loans payable</p> <p>(3) Hedging policy NPR uses interest rate swaps for the purpose of hedging risks defined in the articles of incorporation based on its risk management policies.</p> <p>(4) Hedge effectiveness test Assessment of the hedge effectiveness has been omitted since all interest rate swaps meet the specific matching criteria under the special accounting treatment.</p>								
<p>5. Cash and cash equivalents as stated in the Statement of Cash Flows</p>	<p>Cash and cash equivalents consist of cash on hand and cash in trust, floating deposits, deposits in trust and short-term investments that are very liquid and realizable with a maturity of three months or less when purchased and that are subject to insignificant risks of changes in value.</p>								
<p>6. Other significant matters which constitute the basis for preparation of financial statements</p>	<p>(1) Accounting treatment of trust beneficiary interests of real estate As to trust beneficiary interests of real estate, all accounts of assets and liabilities within assets in trust, as well as all income generated and expenses incurred from assets in trust, are recorded in the relevant balance sheets and income statement accounts. Of which, the following significant trust assets are shown separately on the balance sheet.</p> <ul style="list-style-type: none"> <li>(a) Cash and deposits in trust</li> <li>(b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust</li> <li>(c) Construction in progress in trust</li> <li>(d) Tenant leasehold and security deposits in trust</li> </ul> <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>								

(Additional Information)

(Notes Concerning Increases in and the Reversal of Allowance for Temporary Difference Adjustments)

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

None

For the periods from Dec. 1, 2019, to May 31, 2020

1. Reasons, related assets and amounts of allowance

Related assets, etc.	Reason	Allowance for temporary difference adjustment (Note)
Buildings in trust and other properties (related to Prologis Park Iwanuma1)	Loss on Fire	3,750,557 thousand yen

(Note) As to Prologis Park Iwanuma 1 which was caught in a fire during the reporting period, NPR recorded loss on fire, the loss amount equivalent to the book value of those properties, and recognized temporary difference between book-tax income as a result. Due to minimize unitholders' burdens of income taxes caused by the book-tax difference, NPR plan to distribute 3,750,557 thousand yen as Surplus Cash Distributions.

2. Specific method of reversal

Related assets, etc.	Method of reversal
Buildings in trust and other properties (related to Prologis Park Iwanuma 1)	The allowance will be reversed as soon as insurance payment, corresponds to loss on fire, confirmed.

(8) Notes to Financial Statements

(Notes to Balance Sheet)

\*1. Commitment line agreement

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

	As of Nov. 30, 2019	As of May 31, 2020
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, 2019

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

As of May 31, 2020

\*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, 2019 to Nov. 30, 2019	For the period from Dec. 1, 2019 to May 31, 2020
(1) Property-related revenues		
Rental revenues		
Rental revenues	18,789,171	19,837,334
Common area charges	1,349,831	1,411,837
Total	20,139,002	21,249,172
Other rental revenues		
Received utilities cost	1,280,842	1,148,730
Others	260,394	257,492
Total	1,541,237	1,406,223
Total property-related revenues	21,680,240	22,655,396
(2) Property-related expenses		
Rental expenses		
Subcontract expenses	1,278,313	1,336,728
Utilities cost	1,211,771	1,053,300
Taxes and dues	1,749,087	1,911,748
Non-life insurance premium	43,636	70,067
Repair and maintenance	202,927	169,900
Depreciation	5,000,818	5,362,502
Custodian fee	20,920	22,045
Other expenses	4,607	4,643
Total rental expenses	9,512,082	9,930,938
(3) Operating income from property leasing ( (1)-(2) )	12,168,157	12,724,457

\*2. Extraordinary income and Extraordinary loss:

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

None

For the period from June 1, 2019, to May 31, 2020

Due to the two typhoons hit Japan during 2019, NPR recorded extraordinary losses of 242,458 thousand yen as repair expenses, and extraordinary income of 269,914 thousand yen as the insurance payment.

As to Prologis Park Iwanuma 1 which was caught in a fire during the reporting period, NPR recorded loss on fire by 3,752,395 thousand yen as extraordinary loss.

(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, 2019 to Nov. 30, 2019	For the period from Dec. 1, 2019 to May 31, 2020
Number of investment units authorized	10,000,000 units	10,000,000 units
Number of investment units issued and outstanding	2,349,150 units	2,465,850 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, 2019 to Nov. 30, 2019	For the period from Dec. 1, 2019 to May 31, 2020
Cash and deposits	19,409,839 thousand yen	20,770,795 thousand yen
Cash and deposits in trust	5,101,730 thousand yen	5,352,128 thousand yen
Cash and cash equivalents	24,511,569 thousand yen	26,122,923 thousand yen

(Notes Related to Lease Contracts)

Operating lease transactions (as lessor)

Unearned rental revenue

	As of Nov. 30, 2019	As of May 31, 2020
Due within one year	34,612,603 thousand yen	40,636,341 thousand yen
Due after one year	115,651,053 thousand yen	139,293,516 thousand yen
Total	150,263,657 thousand yen	179,929,857 thousand yen

(Notes Related to Financial Instruments)

1. Status of financial instruments

(1) Policy for Financial Instruments

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

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

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

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

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

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

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

interest rate loans.

### (3) Supplemental Explanation Regarding Fair Values of Financial Instruments

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

## 2. Estimated Fair Value of Financial Instruments

As of Nov. 30, 2019

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

(Unit: Thousands of yen)

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

As of May 31, 2020

The book value, the fair value and the difference between the values as of May 31, 2020, are as follows. Financial instruments for which fair value is extremely difficult to estimate are excluded from the following table. <sup>(Note 2)</sup>

(Unit: Thousands of yen)

	Book value	Fair value	Difference
(1) Cash and deposits	20,770,795	20,770,795	-
(2) Cash and deposits in trust	5,352,128	5,352,128	-
Total assets	26,122,923	26,122,923	-
(3) Short-term loans payable	3,800,000	3,800,000	-
(4) Current portion of long-term loans payable	21,300,000	21,291,506	(8,493)
(5) Investment corporation bonds payable	26,000,000	25,560,900	(439,100)
(6) Long-term loans payable	212,900,000	214,261,426	1,361,426
Total liabilities	264,000,000	264,913,833	913,833
(7) Derivative transactions	-	-	-

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

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

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

(3) Short-term loans payable

Due to the short maturities, the book value of short-term loans payable is deemed a reasonable approximation of the fair value and, therefore, book value is used as the fair value.



(4) Current portion of 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

(Units: Thousands of yen)

	As of Nov. 30, 2019	As of May 31, 2020
Tenant leasehold and security deposits	247,773	247,773
Tenant leasehold and security deposits in trust	15,553,784	16,861,869

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

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

As of Nov. 30, 2019

(Units: Thousands of yen)

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

As of May 31, 2020

(Units: Thousands of yen)

	Due within one year
Cash and deposits	20,770,795
Cash and deposits in trust	5,352,128

(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, 2019

(Unit: Thousands of yen)

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

As of May 31, 2020

(Unit: Thousands of yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds payable	-	2,000,000	-	1,500,000	3,000,000	19,500,000
Long-term loans payable	21,300,000	30,000,000	27,600,000	16,000,000	32,300,000	107,000,000
Total	21,300,000	32,000,000	27,600,000	17,500,000	35,300,000	126,500,000

(Notes Related to Investment Securities)

For the periods ended Nov. 30, 2019, and May 31, 2020

None

(Notes Related to Derivative Transactions)

1. Derivative transactions for which hedge accounting is not applied

For the periods ended Nov. 30, 2019, and May 31, 2020

None

2. Derivative transactions for which hedge accounting is applied

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

(Units: Thousands of yen)

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

(Note) Interest rate swaps under special accounting treatment are accounted for as the integral part of long-term loans payable designated as hedged items. Therefore, their fair value is included in long-term loans payable disclosed in the aforementioned "Notes Related to Financial Instruments, 2. Estimated Fair Values of Financial Instruments, (6) Long-term loans payable".

The contract and notional amount as of May 31, 2020, 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	234,200,000	212,900,000	(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 loans payable 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, 2019, to Nov. 30, 2019, and Dec. 1, 2019, to May 31, 2020

None

2. Transactions and Account Balances with Affiliates

For the periods from June 1, 2019, to Nov. 30, 2019, and Dec. 1, 2019, to May 31, 2020

None

3. Transactions and Account Balances with Companies under Common Control

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

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

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

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

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

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

For the periods from Dec. 1, 2019, to May 31, 2020

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	21,392,431	Operating accounts receivable	867,075
										Advances received	3,796,374
								Proceeds of tenant leasehold and security deposits in trust	1,928,944	Tenant leasehold and security deposits in trust	16,401,798
Repayments of tenant leasehold and security deposits in trust	243,449										
Subsidiary of an affiliate	Hakuba Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	31,000,000	-	-
Subsidiary of an affiliate	Norikura Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	14,800,000	-	-
Subsidiary of an affiliate	Tsukuba Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	13,500,000	-	-
Subsidiary of an affiliate	Prologis REIT Management K.K.	Chiyoda-ku, Tokyo	100,000	Investment management business	-	Executive Director of NPR and President & CEO of the Asset Manager	Asset Manager	Payment of asset management fee (Note 4)	2,276,159	Accrued expenses	2,177,625

(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 42 of the 49 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 296,500 thousand yen.

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

For the periods from June 1, 2019, to Nov. 30, 2019, and Dec. 1, 2019, to May 31, 2020

None

#### (Notes Related to Retirement Payment)

For the periods from June 1, 2019, to Nov. 30, 2019, and Dec. 1, 2019, to May 31, 2020

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, 2019	As of May 31, 2020
Loss on Fire	-	1,180,512
Enterprise tax payable	7	45
<b>Total deferred tax assets</b>	<b>7</b>	<b>1,180,558</b>
Valuation allowance	-	(1,180,512)
<b>Net deferred tax assets</b>	<b>7</b>	<b>45</b>

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, 2019	As of May 31, 2020
Statutory tax rate	31.51	31.83
(Adjustments)		
Deductible distributions of retained earnings	(31.51)	(51.69)
Valuation allowance	-	19.87
Others	0.01	0.01
<b>Effective tax rate</b>	<b>0.01</b>	<b>0.02</b>

(Notes Related to Asset Retirement Obligations)

For the periods from June 1, 2019, to Nov. 30, 2019, and Dec. 1, 2019, to May 31, 2020

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, 2019 to Nov. 30, 2019	For the period from Dec. 1, 2019 to May 31, 2020
Book value	Balance at the beginning of the period	549,304,566	608,216,769
	Change during the period	58,912,203	51,626,659
	Balance at the end of the period	608,216,769	659,843,429
Fair value at the end of the period		766,040,000	823,790,000

(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, 2019 was primarily a result of acquiring properties, Prologis Park Higashimatsuyama, Prologis Park Kyotanabe, Prologis Park Sendai Izumi 2 and Prologis Park Kobe 4 during the period for a total of 63,279,719 thousand yen. The decrease for the fiscal period ended Nov. 30, 2019 was primarily a result of recognition of depreciation, which amounted to 5,000,818 thousand yen.

The increase for the fiscal period ended May 31, 2020 was primarily a result of acquiring properties, Prologis Park Chiba 1, Prologis Park MFLP Kawagoe (50% co-ownership) and Prologis Park Tsukuba 1-B during the period for a total of 60,015,000 thousand yen. The decrease for the fiscal period ended May 31, 2020 were primarily a result of loss on fire for Prologis Park Iwanuma 1 of 3,752,395 thousand yen and recognition of depreciation, which amounted to 5,362,502 thousand yen.

(Note 3) The fair value as of the end of the reporting period is determined based on appraisal value or investigation price provided by third party real estate appraisers. Note that, as to Prologis Park Iwanuma 1 which was destroyed by fire, "Fair value at the end of the period" includes only the land valuation.

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

NPR's reportable segments are the business units for which the Company is able to obtain respective financial information separately in order for the management to conduct periodic investigation to distribute management resources and evaluate the business results. NPR divided reportable segments into "global markets" and the "regional markets" based on the standard of investing locations by the period ended Nov. 30, 2019. However, NPR considered our business segment as a single segment of the real estate leasing business from the period ended May, 31 2020.

This is based on changing in distribution of management resources and evaluate the business results in NPR's board meeting and the result of reclassification of our segments, and also based on NPR's conclusion that our business segment consists of single segment of the real estate leasing business.

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

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

(Unit: Thousands of yen)

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

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

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

For the periods from Dec. 1, 2019, to May 31, 2020

Description is omitted as NPR engages in a single segment

(Related Information)

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

1. Information by products and services

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

2. Information by geographic region

(1) Operating revenues

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

(2) Property and equipment

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

3. Information by major customers

(Unit: Thousands of yen)

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

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

For the period from Dec. 1, 2019, to May 31, 2020

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	21,392,431	The real estate leasing business.

(Note 1) With respect to 42 of the 49 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, 2019 to Nov. 30, 2019	For the period from Dec. 1, 2019 to May 31, 2020
Net assets per unit	159,010 yen	162,970 yen
Net income per unit	3,996 yen	2,476 yen

(Note 1) Net income or loss per unit is calculated by dividing income 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 income per unit is not stated as there is no dilutive equity issued and outstanding.

(Note 2) The basis for calculation of net income per unit is as follows:

	For the period from June 1, 2019 to Nov. 30, 2019	For the period from Dec. 1, 2019 to May 31, 2020
Net income (Thousands of yen)	9,323,524	6,008,618
Amount not attributable to common unit holders (Thousands of yen)	-	-
Net income attributable to common unit holders (Thousands of yen)	9,323,524	6,008,618
Average number of investment units during the period (unit)	2,332,758	2,426,160

(Notes Related to Material Subsequent Events)

None



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

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

Date	Type of issue	Number of investment units issued and outstanding (Units)		Unit holders' equity (Note 1) (Thousands of yen)		Note
		Increase	Total	Increase	Total	
Aug. 14, 2015	Surplus cash distribution (Return on capital)	-	1,730,750	(996,912)	234,918,722	(Note 2)
Feb. 15, 2016	Surplus cash distribution (Return on capital)	-	1,730,750	(835,952)	234,082,769	(Note 3)
Mar. 14, 2016	Public offering	105,900	1,836,650	23,710,374	257,793,144	(Note 4)
Apr. 13, 2016	Secondary distribution	5,300	1,841,950	1,186,638	258,979,782	(Note 5)
Aug. 15, 2016	Surplus cash distribution (Return on capital)	-	1,841,950	(1,123,589)	257,856,193	(Note 6)
Dec. 19, 2016	Public offering	61,330	1,903,280	13,190,979	271,047,172	(Note 7)
Jan. 16, 2017	Secondary distribution	3,070	1,906,350	660,301	271,707,473	(Note 8)
Feb. 15, 2017	Surplus cash distribution (Return on capital)	-	1,906,350	(946,762)	270,760,711	(Note 9)
Aug. 7, 2017	Public offering	143,430	2,049,780	31,609,963	302,370,675	(Note 10)
Sept. 6, 2017	Secondary distribution	7,170	2,056,950	1,580,167	303,950,843	(Note 11)
Mar. 12, 2018	Public offering	122,860	2,179,810	26,715,661	330,666,504	(Note 12)
Apr. 11, 2018	Secondary distribution	6,140	2,185,950	1,335,130	332,001,635	(Note 13)
Aug. 15, 2018	Surplus cash distribution (Return on capital)	-	2,185,950	(1,484,260)	330,517,375	(Note 14)
Feb. 15, 2019	Surplus cash distribution (Return on capital)	-	2,185,950	(972,747)	329,544,627	(Note 15)
June 18, 2019	Public offering	155,430	2,341,380	34,199,262	363,743,890	(Note 16)
July 17, 2019	Secondary distribution	7,770	2,349,150	1,709,633	365,453,523	(Note 17)

Aug. 15, 2019	Surplus cash distribution (Return on capital)	-	2,349,150	(1,239,433)	364,214,089	(Note 18)
Jan. 31, 2020	Public offering	111,140	2,460,290	31,485,072	395,699,162	(Note 19)
Feb. 14, 2020	Surplus cash distribution (Return on capital)	-	2,460,290	(1,423,584)	394,275,577	(Note 20)
Feb. 26, 2020	Secondary distribution	5,560	2,465,850	1,575,103	395,850,681	(Note 21)

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

(Note 2) 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 3) 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 4) 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 5) 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 6) 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 7) 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 8) 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 9) 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 10) 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 11) 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 12) 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 13) New investment units were issued at a price of 217,448 yen per unit through third-party allotment to raise funds for the future acquisition of properties or the repayment of borrowings.

(Note 14) Cash distributions for the fiscal period ended May 2018 in the amount of 679 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on July 17, 2018, and payment began on Aug. 15, 2018.

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

(Note 16) New investment units were issued at a price of 227,458 yen per unit (220,030 yen after deduction of gross spread to underwriters) to raise funds for the repayment of borrowings for the acquisition of new properties.

(Note 17) New investment units were issued at a price of 220,030 yen per unit through third-party allotment to raise funds for the future acquisition of properties or the repayment of borrowings.

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

(Note 19) New investment units were issued at a price of 292,824 yen per unit (283,292 yen after deduction of gross spread to underwriters) to raise funds for the acquisition of new properties.

(Note 20) Cash distributions for the fiscal period ended Nov. 2019 in the amount of 606 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on Jan. 17, 2020, and payment began on Feb. 14, 2020.

(Note 21) New investment units were issued at a price of 283,292 yen per unit through third-party allotment to raise funds for the future acquisition of properties or the repayment of borrowings.

### 3. Reference Information

#### (1) Composition of NPR's Assets

Type of asset	Region	Fourteenth fiscal period (As of Nov. 30, 2019)		Fifteenth fiscal period (As of May 31, 2020)	
		Retained amount (Millions of yen) (Note 3)	Ratio of total asset (%)	Retained amount (Millions of yen) (Note 3 and 6)	Ratio of total asset (%)
Real estate	Global markets (Note 1)				
	Kanto area	-	-	-	-
	Kansai area	4,103	0.6	4,074	0.6
	Regional markets (Note 2)				
	Chubu area	-	-	-	-
	Tohoku area	-	-	-	-
	Kyushu area	6,187	1.0	6,121	0.9
	Total	10,290	1.6	10,195	1.5
Beneficiary right in trust	Global markets (Note 1)				
	Kanto area	337,518	52.9	395,087	57.1
	Kansai area	224,619	35.2	222,891	32.2
	Regional markets (Note 2)				
	Chubu area	17,041	2.7	16,883	2.4
	Tohoku area	18,746	2.9	14,784	2.1
	Kyushu area	-	-	-	-
	Total	597,925	93.7	649,647	93.9
Total of real estate and others	608,216	95.3	659,843	95.4	
Deposit and other assets	30,245	4.7	31,908	4.6	
Total assets (Note 4)	638,461 (608,216)	100.0 (95.3)	691,751 (659,843)	100.0 (95.4)	

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

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

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

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

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

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

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

(Note 6) As to Prologis park Iwanuma 1, which was caught in a fire during the reporting period, "Book value" only includes that of land in trust.

(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) <sup>(1)</sup>	Book value (Millions of yen) <sup>(2)</sup>	Appraisal value as of the end of the reporting fiscal period (Millions of yen) <sup>(3)</sup>	Return price					Investment rate (%) <sup>(4)</sup>
						Direct capitalization method		DCF method			
						Priced based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Priced based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
M-01	Prologis Park Ichikawa 1	Beneficiary right in trust	33,900	31,605	45,100	45,800	3.9	45,100	3.7	4.1	4.9
M-02	Prologis Park Zama 1	Beneficiary right in trust	27,900	25,395	34,400	34,800	4.2	34,400	4.0	4.4	4.0
M-03	Prologis Park Kawajima	Beneficiary right in trust	25,600	22,653	33,400	33,800	4.5	33,400	4.3	4.7	3.7
M-04	Prologis Park Osaka 2	Beneficiary right in trust	25,000	22,480	33,800	33,700	4.3	33,800	4.1	4.4	3.6
M-05	Prologis Park Maishima 3	Beneficiary right in trust	13,500	11,995	16,200	16,400	4.4	16,200	4.2	4.5	1.9
M-06	Prologis Park Kasugai	Beneficiary right in trust	12,500	11,095	18,900	19,100	4.5	18,900	4.3	4.6	1.8
M-07	Prologis Park Kitagoya	Beneficiary right in trust	6,500	5,787	9,420	9,550	4.3	9,420	4.1	4.4	0.9
M-09	Prologis Park Tokyo-Ohta	Beneficiary right in trust	29,500	28,725	40,300	40,800	3.6	40,300	3.4	3.8	4.2
M-10	Prologis Park Zama 2	Beneficiary right in trust	21,900	20,090	29,400	29,800	4.1	29,400	3.9	4.3	3.1
M-11	Prologis Park Funabashi 5 (Annex)	Beneficiary right in trust	9,500	10,512	14,500	14,600	4.0	14,500	3.8	4.2	1.6
			1,500								
M-12	Prologis Park Narita 1-A&B	Beneficiary right in trust	8,420	7,813	10,500	10,500	4.9	10,400	4.6	5.1	1.2
M-13	Prologis Park Narita 1-C	Beneficiary right in trust	4,810	4,508	6,000	6,010	4.9	5,980	4.6	5.1	0.7
M-14	Prologis Park Amagasaki 1	Beneficiary right in trust	17,600	16,512	21,200	21,200	4.5	21,100	4.2	4.6	2.5
M-15	Prologis Park Amagasaki 2	Beneficiary right in trust	19,200	18,080	22,300	22,300	4.5	22,200	4.2	4.6	2.8
M-16	Prologis Park Tokyo-Shinkiba	Beneficiary right in trust	13,600	13,269	18,900	18,700	3.6	18,900	3.4	3.7	2.0
M-17	Prologis Park Yokohama-Tsurumi	Beneficiary right in trust	13,800	12,631	18,500	18,600	4.0	18,500	3.8	4.1	2.0
M-18	Prologis Park Osaka 4	Beneficiary right in trust	21,000	19,135	26,600	26,600	4.3	26,600	4.1	4.4	3.0
M-20	Prologis Park Kawajima 2	Beneficiary right in trust	8,180	7,510	9,520	9,630	4.5	9,520	4.3	4.7	1.2
M-21	Prologis Park Kitamoto	Beneficiary right in trust	12,600	11,967	14,200	14,200	4.7	14,100	4.4	4.9	1.8

Property number	Property name	Form of ownership	Acquisition price (Millions of yen) <sup>(1)</sup>	Book value (Millions of yen) <sup>(2)</sup>	Appraisal value as of the end of the reporting fiscal period (Millions of yen) <sup>(3)</sup>	Return price					Investment rate (%) <sup>(4)</sup>
						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-22	Prologis Park Joso	Beneficiary right in trust	7,120	6,668	7,630	7,670	4.6	7,630	4.4	4.8	1.0
M-23	Prologis Park Osaka 5	Beneficiary right in trust	17,600	16,705	19,300	19,600	4.3	19,300	4.1	4.5	2.5
M-24	Prologis Park Narita 3	Beneficiary right in trust	9,240	8,874	10,700	10,800	4.7	10,500	4.5	4.9	1.3
M-25	Prologis Park Narashino 5	Beneficiary right in trust	13,600	13,090	15,100	15,200	4.0	15,100	3.8	4.1	2.0
M-26	Prologis Park Ibaraki	Beneficiary right in trust	38,300	37,219	42,400	42,200	4.1	42,400	3.9	4.2	5.5
M-27	Prologis Park Ichikawa 3	Beneficiary right in trust	17,000	16,648	18,000	18,300	3.8	18,000	3.6	4.0	2.4
M-28	Prologis Park Narita 1-D	Beneficiary right in trust	5,260	5,160	5,350	5,370	4.9	5,320	4.6	5.1	0.8
M-29	Prologis Park Yoshimi	Beneficiary right in trust	21,300	20,706	22,000	22,200	4.5	22,000	4.3	4.7	3.1
M-30	Prologis Park Higashimatsuyama	Beneficiary right in trust	12,600	12,476	12,900	13,100	4.5	12,900	4.3	4.7	1.8
M-31	Prologis Park Kyotanabe	Beneficiary right in trust	35,800	35,625	36,800	37,000	4.3	36,600	4.1	4.5	5.1
M-32	Prologis park Chiba 1	Beneficiary right in trust	31,000	31,229	31,400	31,600	4.3	31,100	4.1	4.5	4.5
M-33	Prologis park MFLP Kawagoe <sup>(5)</sup>	Beneficiary right in trust	14,800	14,902	14,850	14,900	4.3	14,750	4.1	4.5	2.1
B-02	Prologis Park Takatsuki	Real estate	4,410	4,074	5,350	5,280	4.5	5,350	4.2	4.6	0.6
B-03	Prologis Park Tosu 2	Real estate	3,030	2,687	3,920	3,960	4.6	3,920	4.3	4.7	0.4
B-04	Prologis Park Tosu 4	Real estate	3,810	3,433	4,930	5,120	4.6	4,930	4.3	4.7	0.5
B-05	Prologis Park Narashino 4	Beneficiary right in trust	20,000	18,251	26,500	26,800	3.9	26,500	3.7	4.0	2.9
B-06	Prologis Park Ebina	Beneficiary right in trust	8,250	8,033	11,000	10,900	4.0	11,000	3.8	4.1	1.2
B-07	Prologis Park Kawanishi	Beneficiary right in trust	13,600	12,724	14,900	15,200	4.4	14,900	4.2	4.7	2.0
B-08	Prologis Park Amagasaki 3	Beneficiary right in trust	9,090	8,530	10,600	10,700	4.3	10,400	4.1	4.5	1.3
B-09	Prologis Park Kobe	Beneficiary right in trust	6,410	5,884	7,180	7,230	4.8	7,130	4.6	5.1	0.9

Property number	Property name	Form of ownership	Acquisition price (Millions of yen) <sup>(1)</sup>	Book value (Millions of yen) <sup>(2)</sup>	Appraisal value as of the end of the reporting fiscal period (Millions of yen) <sup>(3)</sup>	Return price					Investment rate (%) <sup>(4)</sup>
						Direct capitalization method		DCF method			
						Priced based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Priced based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
B-10	Prologis Park Sendai Izumi	Beneficiary right in trust	4,820	4,421	5,370	5,400	5.0	5,340	4.8	5.4	0.7
B-11	Prologis Park Koga 1	Beneficiary right in trust	7,680	7,235	8,290	8,350	4.8	8,230	4.5	5.0	1.1
B-12	Prologis Park Kobe 2	Beneficiary right in trust	13,700	12,992	14,400	14,400	4.8	14,400	4.6	5.1	2.0
B-13	Prologis Park Koga 2	Beneficiary right in trust	3,930	3,740	4,020	4,040	4.8	3,990	4.5	5.0	0.6
B-14	Prologis Park Koga 3	Beneficiary right in trust	5,440	5,287	5,540	5,600	4.8	5,480	4.5	5.0	0.8
B-15	Prologis Park Tsukuba 1-A	Beneficiary right in trust	12,900	12,533	13,200	13,300	4.6	13,200	4.4	4.8	1.9
B-16	Prologis Park Sendai Izumi 2	Beneficiary right in trust	9,250	9,176	9,230	9,310	5.0	9,140	4.4	5.5	1.3
B-17	Prologis Park Kobe 4	Beneficiary right in trust	5,020	5,005	5,050	5,100	4.8	5,000	4.6	5.0	0.7
B-18	Prologis Park Tsukuba 1-B	Beneficiary right in trust	13,500	13,562	13,500	13,500	4.6	13,500	4.4	4.8	1.9
Sub Total		-	694,970	658,656	822,550	828,220	-	820,730	-	-	99.8
M-19	Prologis Park Iwanuma 1 <sup>(6)</sup>	Beneficiary right in trust	1,179	1,186	1,240	-	-	-	-	-	0.2
Total		-	696,149	659,843	823,790	828,220	-	820,730	-	-	100.0

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

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

(Note 3) NPR has retained JLL Morii Valuation & Advisory K.K., CBRE K.K. and Japan Real Estate Institute to appraise or investigate the properties. Appraisal or Investigation value as of the end of the reporting fiscal period represents the appraisal or investigation value as set forth on the relevant study reports by real estate appraisers as of May 31, 2020.

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

(Note 5) The amounts shown for Prologis Park MFLP Kawagoe represent 50% of the relevant trust beneficiary interest to be acquired and co-owned by NPR.

(Note 6) As to Prologis Park Iwanuma 1, which was caught in a fire during the fiscal period ended May 31, 2020, each amount is summarized individually. And only the land in trust of the asset is expressed for each amount.

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

Property number	Property name	Property age (years) <sup>(2)</sup>	Leasable area(m <sup>2</sup> ) <sup>(3)</sup>	Leased area(m <sup>2</sup> ) <sup>(4)</sup>	Gross number of tenants <sup>(5)</sup>	Occupancy rate (%) <sup>(6)</sup>	Annual rent (Millions of yen) <sup>(7)</sup>	Security deposit (Millions of yen) <sup>(8)</sup>	Average lease contract (years) <sup>(9)</sup>	Average remaining lease contract (years) <sup>(10)</sup>
M-01	Prologis Park Ichikawa 1	11.6	125,026.84	125,026.84	10	100.0	2,158	957	10.5	4.8
M-02	Prologis Park Zama 1	11.1	113,471.12	113,299.81	7	99.8	1,830	589	6.4	1.5
M-03	Prologis Park Kawajima	9.0	144,897.54	144,797.39	8	99.9	1,873	608	4.0	2.5
M-04	Prologis Park Osaka 2	13.1	130,553.85	129,654.71	5	99.3	1,779	671	6.3	5.2
M-05	Prologis Park Maishima 3	12.3	74,874.37	73,506.40	6	98.2	942	318	6.9	1.7
M-06	Prologis Park Kasugai	12.4	91,455.06	89,742.80	5	98.1	1,035	398	2.6	1.3
M-07	Prologis Park Kitanoagoya	11.0	42,751.60	42,751.60	3	100.0	552	176	4.4	1.5
M-09	Prologis Park Tokyo-Ohta	14.7	73,023.05	72,836.12	23	99.7	1,789	733	5.3	2.8
M-10	Prologis Park Zama 2	7.9	95,121.43	95,121.43	8	100.0	1,488	629	5.5	2.7
M-11	Prologis Park Funabashi 5 (Annex)	15.5	56,556.95	56,556.95	4	100.0	790	348	4.7	2.9
M-12	Prologis Park Narita 1-A&B	15.3	62,058.81	59,546.90	10	96.0	694	194	2.5	1.6
M-13	Prologis Park Narita 1-C	13.1	32,230.25	32,230.25	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	1.6	0.7
M-14	Prologis Park Amagasaki 1	14.8	91,446.75	91,446.75	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	5.8
M-15	Prologis Park Amagasaki 2	13.2	91,399.12	91,308.07	7	99.9	1,222	528	4.8	2.0
M-16	Prologis Park Tokyo-Shinkiba	13.0	31,022.88	30,109.09	9	97.1	850	411	5.1	2.4
M-17	Prologis Park Yokohama-Tsurumi	12.1	63,973.24	63,820.80	4	99.8	970	425	4.7	3.3
M-18	Prologis Park Osaka 4	8.1	106,135.15	106,135.15	7	100.0	1,418	402	2.5	1.3
M-20	Prologis Park Kawajima 2	6.3	42,005.07	42,005.07	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	7.8	1.7
M-21	Prologis Park Kitamoto	6.2	69,432.01	69,432.01	4	100.0	833	251	5.5	2.6
M-22	Prologis Park Joso	5.6	37,165.49	37,165.49	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	5.0	2.4
M-23	Prologis Park Osaka 5	5.4	78,087.30	72,473.51	7	92.8	1,013	384	5.6	3.4
M-24	Prologis Park Narita 3	12.0	52,982.99	50,398.96	10	95.1	651	237	3.7	1.8



Property number	Property name	Property age (years) <sup>(2)</sup>	Leasable area(m <sup>2</sup> ) <sup>(3)</sup>	Leased area(m <sup>2</sup> ) <sup>(4)</sup>	Gross number of tenants <sup>(5)</sup>	Occupancy rate (%) <sup>(6)</sup>	Annual rent (Millions of yen) <sup>(7)</sup>	Security deposit (Millions of yen) <sup>(8)</sup>	Average lease contract (years) <sup>(9)</sup>	Average remaining lease contract (years) <sup>(10)</sup>
M-25	Prologis Park Narashino 5	4.2	58,159.44	58,159.44	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	5.3	3.0
M-26	Prologis Park Ibaraki	3.7	154,182.43	154,182.43	3	100.0	2,294	566	9.1	5.9
M-27	Prologis Park Ichikawa 3	2.5	50,714.15	50,714.15	3	100.0	902	367	6.2	3.9
M-28	Prologis Park Narita 1-D	5.4	27,960.13	27,960.13	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	3.7	0.9
M-29	Prologis Park Yoshimi	4.5	98,076.60	98,076.60	4	100.0	1,202	455	8.9	5.8
M-30	Prologis Park Higashimatsuyama	2.4	60,540.99	60,540.99	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.5	9.6
M-31	Prologis Park Kyotanabe	1.6	135,024.76	135,024.76	4	100.0	2,020	556	8.7	7.3
M-32	Prologis Park Chiba 1	0.7	127,045.45	119,073.12	8	93.7	1,654	653	6.6	6.2
M-33	Prologis Park MFLP Kawagoe	1.6	56,723.77	56,723.77	10	100.0	858	364	5.9	4.9
B-02	Prologis Park Takatsuki	8.4	19,898.05	19,898.05	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	6.7
B-03	Prologis Park Tosu 2	7.9	21,778.87	21,778.87	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	2.2
B-04	Prologis Park Tosu 4	8.4	28,765.31	28,765.31	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.3	7.0
B-05	Prologis Park Narashino 4	6.9	91,529.07	91,529.07	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	3.3
B-06	Prologis Park Ebina	10.2	32,500.08	32,500.08	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	8.0	7.8
B-07	Prologis Park Kawanishi	6.6	75,493.23	75,493.23	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	3.5
B-08	Prologis Park Amagasaki 3	6.7	39,527.85	39,527.85	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	3.3
B-09	Prologis Park Kobe	6.5	32,511.56	32,511.56	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.2	8.8
B-10	Prologis Park Sendai Izumi	4.7	26,353.50	26,353.50	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	20.3	15.8
B-11	Prologis Park Koga 1	3.6	34,158.16	34,158.16	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	11.4
B-12	Prologis Park Kobe 2	3.6	62,468.19	62,468.19	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	11.4
B-13	Prologis Park Koga 2	3.1	19,699.36	19,699.36	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	11.9
B-14	Prologis Park Koga 3	1.9	29,196.84	29,196.84	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	8.2

Property number	Property name	Property age (years) <sup>(2)</sup>	Leasable area(m <sup>2</sup> ) <sup>(3)</sup>	Leased area(m <sup>2</sup> ) <sup>(4)</sup>	Gross number of tenants <sup>(5)</sup>	Occupancy rate (%) <sup>(6)</sup>	Annual rent (Millions of yen) <sup>(7)</sup>	Security deposit (Millions of yen) <sup>(8)</sup>	Average lease contract (years) <sup>(9)</sup>	Average remaining lease contract (years) <sup>(10)</sup>
B-15	Prologis Park Tsukuba 1-A	1.7	65,168.90	65,168.90	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	11.0	9.3
B-16	Prologis Park Sendai Izumi 2	1.7	36,542.37	36,542.37	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	20.0	18.3
B-17	Prologis Park Kobe 4	1.0	24,154.17	24,154.17	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	9.1
B-18	Prologis Park Tsukuba 1-B	0.8	65,570.07	65,570.07	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	9.3
Total		7.5	3,179,414.17	3,155,137.07	198	99.2	44,200	17,142	7.6	4.6

(Note 1) The figures excluding property age in this table are based on the May 31, 2020 Lease Agreements. References to “May 31, 2020 Lease Agreements” are to lease agreements for all warehouses, offices and stores, at our current properties, that have commenced as of May 31, 2020, excluding a lease agreement for the jointly owned convenience store building at Prologis Park Narita 1-A&B, Prologis Park Narita 1-C and Prologis Park Narita 1-D. The figures including property age do not account for a jointly owned convenience store building at Prologis Park Narita 1-A&B, Prologis Park Narita 1-C and Prologis Park Narita 1-D. The same applies hereinafter. The figures of Prologis Park Iwanuma 1, which was caught in a fire during the period ended May 2020, are not included in this table. As to Prologis Park MFLP Kawagoe, the figures of Leasable area, Leased area, Annual rent and Security deposit are shown based on our 50% co-ownership.

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

(Note 3) Equal to the gross leasable space based on the May 31, 2020 Lease Agreements and floor plans included in such lease agreements plus available space based on such floor plans.

(Note 4) Equal to gross floor area of leased space in property based on the May 31, 2020 Lease Agreements and floor plans included in such lease agreements..

(Note 5) For properties with pass-through master lease agreements, this is the total number of end-tenants based on the May 31, 2020 Lease Agreements.

(Note 6) Occupancy rate is calculated by dividing leased area by leasable area. Figures are rounded to the nearest tenth.

(Note 7) Annual rent is based on total annual rent (including common area charges) as indicated in the May 31, 2020 Lease Agreements. If the relevant agreements include monthly contracted rent, annual rent is calculated in accordance with the terms stipulated in the agreements. Figures are rounded down to millions of yen.

(Note 8) Calculated as the total security deposit as indicated in the May 31, 2020 Lease Agreement. If the security deposit is amortized, we state the security deposit amount after subtracting the relevant amortization amount. Figures are rounded down to millions of yen.

(Note 9) Average lease contract is calculated as the weighted average of length of lease contract indicated in the May 31, 2020 Lease Agreements 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 May 31, 2020 Lease Agreements 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) <sup>(1)</sup>		
			Total amount	Paid during the reporting period	Total amount already paid
Prologis Park Yokohama Tsurumi other (Yokohama, Kanagawa, other)	Installment of LED lighting	From June 2020 to May 2021	363	-	-
Prologis Park Ichikawa 1 other (Ichikawa, Chiba, other)	Interior repair work	From June 2020 to May 2021	120	-	-
Prologis Park Tokyo Shinkiba (Koto, Tokyo)	Renewal work of Air conditioner	From June 2020 to May 2021	81	-	-

(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 897 million yen in the reporting fiscal period which is a sum of capital expenditures of 727 million yen and repair and maintenance expenses of 169 million yen.

Name (Location)	Purpose	Expenditure Period	Amount spent (Millions of yen) <sup>(1)</sup>
Prologis Park Funabashi 5 (Funabashi, Chiba)	Repair work of exterior walls	From Aug. 2019 to May 2020	191
Prologis Park Ebina other (Ebina, Kanagawa, other)	Installment of LED lighting	From Jan. 2020 to May 2020	186
Prologis Park Ebina (Ebina, Kanagawa)	Extension of eaves	From Sep. 2019 to May 2020	102
Others	-	-	246
Total			727

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

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

None

(4) Information Concerning Major Tenants

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

None

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

None

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

Fourteenth Fiscal Period from Dec. 1, 2019, to May 31, 2020

(Units: Thousands of yen)

Property number	M-01	M-02	M-03	M-04	M-05
Property name	Prologis Park Ichikawa 1	Prologis Park Zama 1	Prologis Park Kawajima	Prologis Park Osaka 2	Prologis Park Maishima 3
Operating days	183	183	183	183	183
(1) Property related revenues	1,202,011	975,649	997,968	945,207	487,001
Property revenues	1,073,306	905,745	928,374	885,865	461,644
Other property related revenues	128,704	69,904	69,593	59,341	25,356
(2) Total of property related expenses	502,291	399,588	406,899	399,135	240,913
Property taxes	88,768	71,930	69,012	83,728	51,573
Subcontract expenses	113,032	73,831	51,291	43,106	38,809
Utilities cost	79,318	41,356	50,290	44,225	15,292
Non-life insurance premium	2,970	2,605	3,140	3,286	1,841
Repair and maintenance	4,261	5,798	3,737	9,302	5,514
Depreciation	213,459	201,446	228,927	214,987	127,402
Custodian fee	480	500	500	500	480
Other expenses	-	2,119	-	-	-
(3) Operating income from property leasing ( = (1)-(2) )	699,720	576,060	591,069	546,071	246,088
NOI ( (3) + Depreciation)	913,179	777,507	819,996	761,059	373,490

(Units: Thousands of yen)

Property number	M-06	M-07	M-09	M-10	M-11
Property name	Prologis Park Kasugai	Prologis Park Kitanagoya	Prologis Park Tokyo-Ohta	Prologis Park Zama 2	Prologis Park Funabashi 5 (include Annex)
Operating days	183	183	183	183	183
(1) Property related revenues	542,499	283,054	927,966	817,159	406,263
Property revenues	514,281	272,145	856,789	727,196	391,960
Other property related revenues	28,217	10,909	71,176	89,963	14,303
(2) Total of property related expenses	273,256	138,025	302,466	345,610	162,402
Property taxes	57,333	30,358	59,814	62,074	34,796
Subcontract expenses	50,676	26,668	45,597	62,091	31,500
Utilities cost	23,143	9,445	46,651	58,984	8,830
Non-life insurance premium	1,980	823	2,061	2,112	1,121
Repair and maintenance	10,441	8,934	2,505	5,973	4,983
Depreciation	129,182	61,295	145,336	153,874	80,209
Custodian fee	500	500	500	500	960
Other expenses	-	-	-	-	-
(3) Operating income from property leasing ( = (1)-(2) )	269,242	145,029	625,499	471,548	243,861
NOI ( (3) + Depreciation)	398,425	206,324	770,836	625,423	324,070

(Units: Thousands of yen)

Property number	M-12	M-13	M-14	M-15	M-16
Property name	Prologis Park Narita 1-A&B	Prologis Park Narita 1-C	Prologis Park Amagasaki 1	Prologis Park Amagasaki 2	Prologis Park Tokyo-Shinkiba
Operating days	183	183	183	183	183
(1) Property related revenues	378,326	Not disclosed (Note 1)	Not disclosed (Note 1)	666,689	463,741
Property revenues	345,354			610,604	424,566
Other property related revenues	32,971			56,085	39,174
(2) Total of property related expenses	171,913			297,536	165,540
Property taxes	23,455			57,482	37,145
Subcontract expenses	35,948			39,650	29,940
Utilities cost	18,071			45,113	25,683
Non-life insurance premium	1,237			1,825	706
Repair and maintenance	11,297			5,766	6,541
Depreciation	81,404			147,218	65,023
Custodian fee	500	480	500		
Other expenses	-	-	-		
(3) Operating income from property leasing ( = (1)-(2) )	206,412	121,709	335,002	369,153	298,200
NOI ( (3) + Depreciation)	287,816	169,070	449,230	516,371	363,224

(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 (Note 2)	Prologis Park Kawajima 2	Prologis Park Kitamoto
Operating days	183	183	183	183	183
(1) Property related revenues	514,378	741,934	241,285	Not disclosed (Note 1)	425,851
Property revenues	479,777	687,754	178,927		409,673
Other property related revenues	34,600	54,179	62,357		16,178
(2) Total of property related expenses	233,468	345,658	148,729		189,817
Property taxes	51,777	76,105	21,063		31,618
Subcontract expenses	37,531	53,960	12,933		40,823
Utilities cost	32,485	30,767	44,578		11,624
Non-life insurance premium	1,224	2,059	748		1,242
Repair and maintenance	1,513	10,630	683		778
Depreciation	108,137	171,654	68,223		103,249
Custodian fee	500	480	500	480	
Other expenses	300	-	-	-	
(3) Operating income from property leasing ( = (1)-(2) )	280,909	396,276	92,555	171,644	236,034
NOI ( (3) + Depreciation)	389,046	567,931	160,778	239,368	339,283

(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.

(Note 2) Property related revenues for Prologis Park Iwanuma 1, which was destroyed by a fire during the reporting period, is described based on 153 days actually operated.

(Units: Thousands of yen)

Property number	M-22	M-23	M-24	M-25	M-26
Property name	Prologis Park Joso	Prologis Park Osaka 5	Prologis Park Narita 3	Prologis Park Narashino 5	Prologis Park Ibaraki
Operating days	183	183	183	183	183
(1) Property related revenues	Not disclosed (Note 1)	556,676	346,743	Not disclosed (Note 1)	1,155,798
Property revenues		535,812	310,551		1,114,805
Other property related revenues		20,863	36,191		40,993
(2) Total of property related expenses		277,928	183,506		522,371
Property taxes		61,492	30,513		118,589
Subcontract expenses		51,442	42,915		76,535
Utilities cost		17,371	26,974		38,214
Non-life insurance premium		1,786	1,383		3,762
Repair and maintenance		4,356	2,265		685
Depreciation		140,998	78,971		283,807
Custodian fee	480	480	480		
Other expenses	-	2	298		
(3) Operating income from property leasing ( = (1)-(2) )	90,717	278,748	163,236	214,762	633,427
NOI ( (3) + Depreciation)	155,826	419,746	242,208	326,680	917,234

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



(Units: Thousands of yen)

Property number	M-27	M-28	M-29	M-30	M-31
Property name	Prologis Park Ichikawa 3	Prologis Park Narita 1-D	Prologis Park Yoshimi	Prologis Park Higashimatsuyama	Prologis Park Kyotanabe
Operating days	183	183	183	183	183
(1) Property related revenues	463,729	Not disclosed (Note 1)	627,245	Not disclosed (Note 1)	1,113,863
Property revenues	444,942		596,620		998,502
Other property related revenues	18,787		30,625		115,360
(2) Total of property related expenses	215,219		282,854		494,618
Property taxes	47,004		48,828		85,014
Subcontract expenses	32,325		31,044		38,525
Utilities cost	13,229		18,256		104,485
Non-life insurance premium	1,518		2,219		3,481
Repair and maintenance	238		1,038		138
Depreciation	120,423		180,987		260,718
Custodian fee	480		480		480
Other expenses	-		-		1,773
(3) Operating income from property leasing ( = (1)-(2) )	248,510		100,449		344,390
NOI ( (3) + Depreciation)	368,933	142,245	525,378	297,134	879,963

(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-32	M-33
Property name	Prologis Park Chiba 1	Prologis Park MFLP Kawagoe (Note 1)
Operating days	117	117
(1) Property related revenues	379,462	281,340
Property revenues	366,223	275,282
Other property related revenues	13,238	6,057
(2) Total of property related expenses	208,621	85,522
Property taxes	-	-
Subcontract expenses	31,032	14,185
Utilities cost	13,711	8,155
Non-life insurance premium	2,350	1,027
Repair and maintenance	336	351
Depreciation	160,883	61,650
Custodian fee	307	152
Other expenses	-	0
(3) Operating income from property leasing ( = (1)-(2) )	170,840	195,817
NOI ( (3) + Depreciation)	331,724	257,468

(Note 1) Each amount of Prologis Park MFLP Kawagoe shown in the table is based on our 50% co-ownership.

(Units: Thousands of yen)

Property number	B-02	B-03	B-04	B-05	B-06
Property name	Prologis Park Takatsuki	Prologis Park Tosu 2	Prologis Park Tosu 4	Prologis Park Narashino 4	Prologis Park Ebina
Operating days	183	183	183	183	183
(1) Property related revenues	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)
Property revenues					
Other property related revenues					
(2) Total of property related expenses					
Property taxes					
Subcontract expenses					
Utilities cost					
Non-life insurance premium					
Repair and maintenance					
Depreciation					
Custodian fee					
Other expenses					
(3) Operating income from property leasing (= (1)-(2) )	100,443	58,454	70,605	382,749	182,506
NOI ( (3) + Depreciation)	132,752	90,415	107,101	527,218	221,654

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

(Units: Thousands of yen)

Property number	B-07	B-08	B-09	B-10	B-11
Property name	Prologis Park Kawanishi	Prologis Park Amagasaki 3	Prologis Park Kobe	Prologis Park Sendai Izumi	Prologis Park Koga 1
Operating days	183	183	183	183	183
(1) Property related revenues	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)
Property revenues					
Other property related revenues					
(2) Total of property related expenses					
Property taxes					
Subcontract expenses					
Utilities cost					
Non-life insurance premium					
Repair and maintenance					
Depreciation					
Custodian fee					
Other expenses					
(3) Operating income from property leasing ( = (1)-(2) )	315,619	173,512	132,000	87,921	132,809
NOI ( (3) + Depreciation)	403,864	233,787	184,281	142,548	204,189

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

(Units: Thousands of yen)

Property number	B-12	B-13	B-14	B-15	B-16
Property name	Prologis Park Kobe 2	Prologis Park Koga 2	Prologis Park Koga 3	Prologis Park Tsukuba 1-A	Prologis Park Sendai Izumi 2
Operating days	183	183	183	183	178
(1) Property related revenues	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)
Property revenues					
Other property related revenues					
(2) Total of property related expenses					
Property taxes					
Subcontract expenses					
Utilities cost					
Non-life insurance premium					
Repair and maintenance					
Depreciation					
Custodian fee					
Other expenses					
(3) Operating income from property leasing ( = (1)-(2) )	242,905	59,781	74,779	167,410	150,888
NOI ( (3) + Depreciation)	357,576	99,040	133,408	319,253	242,555

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

Property number	B-17	B-18
Property name	Prologis Park Kobe 4	Prologis Park Tsukuba 1-B
Operating days	183	117
(1) Property related revenues	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) )	86,982	144,853
NOI ( (3) + Depreciation)	127,181	243,151

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