

## SUMMARY OF FINANCIAL RESULTS (REIT) For the 12th Fiscal Period Ended Nov. 30, 2018

Jan. 18, 2019

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

Name of Asset Manager: Prologis REIT Management K.K.  
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Scheduled Date for Commencement of Distributions Payments: Feb. 15, 2019  
Supplementary Materials for Financial Results:  Yes • No  
Investors & Analysts Meeting:  Yes • No

### 1. Financial Results for the Fiscal Period ended Nov. 30, 2018 (12th Fiscal Period) (June 1, 2018 to Nov. 30, 2018)

(Values are rounded down to the nearest million yen)

#### (1) Operating Results

(Percentages indicates percentage change from the previous period)

Period ended	Operating revenues		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nov. 30, 2018	19,726	7.0	9,379	6.5	8,710	7.8	8,709	7.9
May 31, 2018	18,435	(4.4)	8,803	(14.8)	8,076	(15.9)	8,075	(15.9)

Period ended	Profit per unit	Return on unit holders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
	Yen	%	%	%
Nov. 30, 2018	3,984	2.6	1.5	44.2
May 31, 2018	3,821	2.5	1.5	43.8

#### (2) Distributions

Period ended	Distributions per unit (including SCD)	Distributions per unit (excluding SCD)	SCD per unit	Total of distributions (including SCD)	Total of distributions (excluding SCD)	Total of SCD	Payout ratio	Ratio of distributions to net assets
	Yen	Yen	Yen	Millions of yen	Millions of yen	Millions of yen		
Nov. 30, 2018	4,429	3,984	445	9,681	8,708	972	100.0	2.6
May 31, 2018	4,373	3,694	679	9,559	8,074	1,484	100.0	2.4

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

- (Note 1) Total of SCD is the return of invested capital, which falls under the distributions through the reduction in unit holders' capital for tax purposes
- (Note 2) The ratios of net asset value attributable to a reduction in unit holders' paid-in capital for the fiscal periods ended Nov. 30, 2018 and May 31, 2018, are 0.003 and 0.005, respectively. The payment of SCD is deemed a return of capital. This calculation methodology is pursuant to Article 23, Paragraph 1, Item 3 of the Act on Special Measures Concerning Taxation.
- (Note 3) As there was issuance of new investment units during 11th fiscal period and accordingly there was changes of outstanding investment units, the following formula was used for the calculation of payout ratio:  
Payout ratio = Total distributions (excluding SCD) / Net income \* 100

(3) Financial Position

	Total assets	Net assets	Ratio of unit holders' equity to total assets	Net asset per unit
Period ended	Millions of yen	Millions of yen	%	Yen
Nov. 30, 2018	572,680	339,228	59.2	155,185
May 31, 2018	567,153	340,077	60.0	155,574

(4) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the fiscal period
Period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Nov. 30, 2018	15,689	(5,728)	(4,896)	29,116
May 31, 2018	12,436	(43,820)	30,225	24,051

2. Earnings Forecasts for the Fiscal Period ending May 31, 2019 (13th Fiscal Period) (from Dec. 1, 2018, to May 31, 2019) and Nov. 30, 2019 (14th Fiscal Period) (from June 1, 2019, to Nov. 30, 2019)

(Percentages indicate change from the previous period)

Period ending	Operating revenues		Operating income		Ordinary income		Profit		Distributions per unit (including SCD)	Distributions per unit (excluding SCD)	SCD
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen	Yen
May 31, 2019	20,245	2.6	9,093	(3.1)	8,404	(3.5)	8,403	(3.5)	4,431	3,845	586
Nov 30, 2019	19,708	(2.7)	9,043	(0.6)	8,340	(0.8)	8,339	(0.8)	4,403	3,815	588

(Reference) Forecasted Profit per unit for the fiscal period ending May 31, 2019: 3,844 yen  
Forecasted Profit per unit for the fiscal period ending Nov. 30, 2019: 3,814 yen

3. Other

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

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

(2) Number of Investment Units Issued and Outstanding

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

As of Nov. 30, 2018 2,185,950 units  
As of May 31, 2018 2,185,950 units

Number of treasury units at end of period:

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

\* The Implementation Status of Statutory Audit

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

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

The forward-looking statements in this material are based on information currently available to us and on certain assumptions that we believe are reasonable. Actual operating performance may differ substantially due to various factors. Furthermore, those statements shall not be deemed a guarantee or any commitment of the amount of future distributions and surplus cash distributions. Please refer to "Assumptions for the forecasts for fiscal periods ending May 31, 2019 (13th Fiscal Period) and Nov. 30, 2019 (14th Fiscal Period)" on page 8 for assumptions regarding forward-looking statements.

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## 1. Organizational Structure of Investment Corporation

No significant changes have occurred to the organizational structure of the investment corporation since the most recent securities report (filed Aug. 30, 2018); therefore, their descriptions are not stated here.

## 2. Management Policies and Results of Operations

### (1) Management Policies

No significant changes have occurred to investment policies, investment targets and distribution policies since the most recent securities report (filed Aug. 30, 2018) and extraordinary report (filed Nov. 22, 2018); therefore, their descriptions are not stated here.

### (2) Results of Operations

#### (I) Overview of the Twelfth Fiscal Period ended Nov. 30, 2018

##### (i) Major Operational Results of NPR

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

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

NPR acquired 12 properties (aggregate acquisition price: 173,020 million yen) on Feb. 15, 2013, following its listing, and acquired an additional 30 properties in total (aggregate acquisition price: 404,180 million yen) and disposed 2 properties (aggregate acquisition price: 16,870 million yen) by the fiscal period ended May 31, 2018 (eleventh fiscal period). NPR acquired an additional property (acquisition price: 5,440 million yen) during the reporting fiscal period. As a result, NPR owned 41 properties (aggregate acquisition price: 565,770 million yen), all of which are Class-A facilities developed by the Prologis Group, as of the end of the reporting fiscal period<sup>(\*2)</sup>.

In addition, NPR has acquired Prologis park Tsukuba 1-A (acquisition price: 12,900 million yen) on Dec. 3, 2018, and therefore, its settlement was yet to be completed as of the end of reporting fiscal period, based on the purchase and sale agreement executed on Feb. 26, 2018<sup>(\*3)</sup>.

(\*1) The Prologis Group is a group of Prologis, Inc. and its affiliates, which include Prologis K.K., a Japanese subsidiary, and various special purpose vehicles or joint ventures where the ownership of the Prologis Group may be less than a majority. The global parent company, Prologis, Inc., is a real estate investment trust headquartered in the United States and listed on the New York Stock Exchange (NYSE: PLD).

(\*2) Considering Prologis Park Funabashi 5 and the Annex to Prologis Park Funabashi 5 as a single property; the Annex to Prologis Park Funabashi 5 was not developed by the Prologis Group and considered by itself does not qualify as a Class-A logistics facility.

(\*3) Please refer to Page 6 “Significant Subsequent Events” for further details.

##### (ii) Operational Results of the Twelfth Fiscal Period ended Nov. 30, 2018

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

We recently observed new entrants into the modern logistics real estate market, and developments and completions of large-scale multi-tenant logistics facilities are on the rise. Such new supply was temporarily increasing the overall vacancy rates of large-scale multi-tenant logistics facilities, especially in certain submarkets. However, the logistics facilities, which have once been stabilized such as NPR’s portfolio, continue to maintain high occupancy rates. Overall, we think the supply/demand balance of the modern logistic

facilities is going to be stabilized because newly supplied logistics space are being steadily absorbed in certain submarkets, where the supply/demand balance had temporarily become loose due to the concentric over-supply of the modern logistic facilities, and vacancy rate in such areas started to decrease.

Under these circumstances, the occupancy rate of NPR's portfolio remained high, at 98.9 percent as of the end of the reporting fiscal period, backed by the competitive advantages of our portfolio and the strong leasing support from the sponsor, the Prologis Group.

(iii) Overview of Financing

(a) Borrowings

NPR refinanced a 6,300 million yen short-term loan on Aug. 8, 2018. This short-term loan was subsequently prepaid with the net proceeds from NPR's first Green Bonds (the investment corporation bonds) of 6,000 million yen issued on Aug. 17, 2018 and cash on hands. In addition, NPR borrowed a 5,000 million yen of long-term loan on Oct. 1, 2018 for the acquisition of a new property and payment of ancillary costs and expenses. As a result, the ending balance of NPR's interest-bearing debt was 211,000 million yen, out of which investment corporation bonds accounted for 18,000 million yen as of the end of the reporting fiscal period. NPR's loan-to-value ratio (the ratio of aggregate balance of interest-bearing debt, including bank loans and the outstanding balance of long-term and short-term investment corporation bonds to NPR's total assets, hereinafter "LTV") was 36.8 percent as of the end of the reporting fiscal period.

(b) Credit Rating

NPR's credit ratings as of the end of the reporting fiscal period (Nov. 30, 2018) were as follows:

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

(iv) Overview of Financial Results and Distributions

As a result of these investment activities and financings, NPR generated operating revenues of 19,726 million yen, operating income of 9,379 million yen, ordinary income of 8,710 million yen and profit of 8,709 million yen for the reporting fiscal period. NPR's distributions for the reporting period are 3,984 yen per unit, which include NPR's profit distributions in deductible expenses in accordance with the Section 1 of Article 67-15 of the Act on Special Taxation Measures Law (a customary practice of J-REITs). The distribution amount was determined to distribute all unappropriated retained earnings for the reporting period, excluding fractions less than one yen.

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

For the reporting fiscal period, the amount of NPR's Regular Surplus Cash Distributions was 972 million yen, equivalent to 28.5 percent of NPR's depreciation expense of 4,293 million yen for the reporting fiscal period, net of 249 million yen as a portion of one-time revenue caused as a result of one tenant's penalty payment for a lease cancellation at Prologis Park Joso, exceeding the amount of originally anticipated rental revenue from the subject lease for the reporting period. Consequently, the total amount of SCD per unit for the reporting fiscal period was determined at 445 yen (\*3).

(\*1) Going forward, NPR intends to distribute regular surplus cash distributions on a regular basis in an amount no higher than 60 percent of its depreciation expense for an applicable fiscal period, while pursuing other uses of capital such as maintenance expenses, capital expenditures, repayment of borrowings and funding of new acquisitions. In the meantime, NPR intends to regularly distribute approximately 30 percent of depreciation expense for an applicable fiscal period. However, NPR may adjust, reduce, or suspend the amount of SCD for a particular fiscal period, as a whole or

partially, with considerations toward a level of NPR's profitability for a particular fiscal period which reflects the NPR's net income and one-time profits arising as capital gains from asset disposition and/or penalties received from lease contract cancellations, etc., the total amount of distributions which include SCD, NPR's LTV ratio, credit rating, and financial conditions, as well as, macroeconomic, real estate market conditions.

- (\*2) NPR intends to maintain the maximum amount of total SCD, which is the sum of the Regular Surplus Cash Distributions and the One-time Surplus Cash Distributions, in an amount no higher than 40 percent of its depreciation expense for an applicable fiscal period.
- (\*3) NPR estimates that the amount of anticipated semi-annual average of emergency or short-term repair and maintenance expenses and medium- to long-term repair and maintenance expenses is 417 million yen. This assessment was conducted in the engineering report for each property prepared by Earth-Appraisal Co., Ltd and Tokio Marine & Nichido Risk Consulting Co., Ltd. NPR determines the amount of SCD, and distributes SCD, while focusing on maintaining its financial stability in addition to factors such as the current economic and real estate market environment, NPR's LTV and potential impacts on NPR's credit rating. Please note that the amount of SCD will be deducted from the balance of NPR's unit holders' equity upon payment.

## (II) Outlook for Next Fiscal Period

### (i) Future Management Policies and Issues

#### (a) Basic Policies

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

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

#### (b) External Growth Strategies

Pursuant to the sponsor support agreement, as of Dec. 31, 2018, NPR held exclusive negotiation rights granted from the Prologis Group for 8 properties. The Prologis Group will continue to develop new assets of approximately 40 to 60 billion yen every year in Japan, and development plans for 7 development properties have been announced. NPR is entitled to receive exclusive negotiation rights for logistics facilities that will be developed, owned or operated by the Prologis Group once these facilities achieve stabilization to the extent that those facilities qualify for NPR's investment criteria. All acquisitions are subject to the related party transaction guidelines of the Asset Manager to ensure appropriate terms and conditions.

### Properties with Exclusive Negotiation Rights

Property name	Location	Exclusive Negotiation Rights Granted Date	GFA
Prologis Park Chiba New Town	Inzai, Chiba	Dec. 14, 2015	109,981 m <sup>2</sup>
Prologis Park Higashimatsuyama	Higashimatsuyama, Saitama	Dec. 5, 2016	61,885 m <sup>2</sup>
Prologis Park Sendai Izumi 2	Sendai, Miyagi	Dec. 15, 2017	36,589 m <sup>2</sup>
Prologis Park Kyotanabe	Kyotanabe, Kyoto	Dec. 15, 2017	139,503 m <sup>2</sup>
Prologis Park MFLP Kawagoe (50% co-ownership)	Kawagoe, Saitama	Dec. 15, 2017	117,337 m <sup>2</sup> (Note)

Property name	Location	Exclusive Negotiation Rights Granted Date	GFA
Prologis Park Kobe 4	Kobe, Hyogo	Dec. 14, 2018	24,767 m <sup>2</sup>
Prologis Park Tsukuba 1-B	Tsukuba, Ibaraki	Dec. 14, 2018	71,595 m <sup>2</sup>
Prologis Park Chiba 1	Chiba, Chiba	Dec. 14, 2018	147,005 m <sup>2</sup>

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

#### Properties under planning by Prologis Group

Property name	Location	GFA
Prologis Park Kobe 3	Kobe, Hyogo	38,700 m <sup>2</sup>
Prologis Park Ebina 2	Ebina, Kanagawa	39,000 m <sup>2</sup>
Prologis Park Kobe 5	Kobe, Hyogo	46,000 m <sup>2</sup>
Prologis Park Chiba 2	Chiba, Chiba	66,000 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 Inagawa Project	Inagawa, Hyogo	258,000 m <sup>2</sup>

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

#### (c) Internal Growth Strategies

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

With the staggered lease maturities and a diversified tenant base, NPR is able to gradually increase profitability as leases are renewed and re-tenanted in an improving market environment while we mitigate tenant credit concentration risks and lease-up risks at lease maturities. Fundamentally, total current stock of Class-A logistics facilities in Japan remains significantly small in light of anticipated tenant demand and, as a result, we have observed gradual rent growth in the past couple of years. Recently, as new entrants to Japanese logistics real estate development business continued, the number and volume of new developments and completions is increasing. However, we believe we would be able to minimize potential impact from this supply on our existing portfolio by closely monitoring the status of the supply/demand balance and leveraging the collaboration between the Asset Manager and the Prologis Group to conduct organized proactive leasing activities.

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

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

#### (d) Financing Strategies

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

NPR intends to issue new investment units to grow its portfolio in the long term, with thorough consideration of timing, fully considering and analyzing the status of capital markets/economic environment, acquisition timing of new properties and NPR's capital structure and potential impacts on existing unit holders. With regard to debt financing such as bank loans, NPR seeks financing with long-term stability by fixing most interest rates for the long term. NPR will manage its balance sheet as a stabilized LTV of approximately 50 percent (with an upper limit of 60 percent) to maintain its sound financial status. NPR intends to borrow

from financial institutions that hold the potential for sustainable long-term relationships. In addition, NPR will continue to consider issuance of investment corporation bonds to diversify sources of debt financings.

(ii) Significant Subsequent Events

(a) Borrowings

On Dec. 3, 2018, NPR borrowed bank loans (the "Borrowings"), which were based on a resolution made by the board of directors on Nov. 22, 2018, for the purpose of funding the acquisition costs of a new property and related expenses described in the following "(b) Acquisition of Asset."

Category	Lender	Borrowing Amount	Interest Rate	Borrowing Date	Repayment Date	Repayment Method	Collateral
Short - term	Sumitomo Mitsui Banking Corporation	4,550 million yen	Base interest rate (JBA 1-month Japanese yen TIBOR) +0.17%	Dec. 3, 2018	Nov. 29, 2019	Paid in full upon maturity	Unsecured and non-guaranteed
	MUFG Bank, Ltd.	1,950 million yen					

(b) Acquisition of Asset

As resolved by the board of directors on Feb. 26, 2018 and Nov. 22, 2018, in line with basic investment guidelines defined in its Articles of Incorporation, NPR acquired a property described below on Dec. 3, 2018 with proceeds from the Borrowings described in "(a) Borrowings" above and cash on hand.

Property name		Prologis Park Tsukuba 1-A
Location		5-6-2, Tokodai, Tsukuba, Ibaraki 5-6-2, Tokodai, Tsukuba, Ibaraki
Class of assets		Real estate trust beneficiary interests
Acquisition date		Dec. 3, 2018
Acquisition price		12,900 million yen (Note 1)
Appraisal Value		12,900 million yen (Note 2)
Land	Ownership form	Proprietary
	Land area	32,807.23 m <sup>2</sup>
Building	Ownership form	Proprietary
	Gross floor area	65,301.41 m <sup>2</sup>
	Date of construction	Sep. 4, 2018 (Note 3)
	Use	Warehouse, Office
Structure/No. of stories		S, 4-story building

Note 1: "Acquisition price" is represented by an amount of the purchase price stated in the Purchase and Sale Agreement of Trust Beneficiary Interest, which does not include the consumption taxes and local consumption taxes. The Acquisition Price does not reflect expenses associated with the acquisition.

Note 2: Appraisal Value is based on an appraisal report dated Sep. 30, 2018 provided by Jones Lang LaSalle K.K.,

Note 3: This property is constructed so as to constitute (under the Building Standards Act) a single building together with Prologis Park Tsukuba 1-B, which is currently under construction on an adjacent land site. These properties are scheduled to be developed and utilized as one complex. The date of completion above represents the scheduled date of constructions work of the property which does not include Prologis Park Tsukuba 1-B, and differs from the date of construction of the entire complex.

(iii) Earnings Forecast

	Operating revenues (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Profit (Millions of yen)	Distributions per unit (including surplus cash distributions) (yen)	Distributions per unit (excluding surplus cash distributions) (yen)	Surplus cash distributions per unit (yen)
Period ending May 31, 2019 (13th period)	20,245	9,093	8,404	8,403	4,431	3,845	586
Period ending Nov. 30, 2019 (14th period)	19,708	9,043	8,340	8,339	4,403	3,815	588

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

Assumptions for the forecasts for the fiscal periods ending May 31, 2019 (13th Fiscal Period) and Nov. 30, 2019 (14th Fiscal Period)

Item	Assumption
Accounting period	<ul style="list-style-type: none"> <li>● Fiscal period ending May 31, 2019 (13th fiscal period) (from Dec. 1, 2018 to May 31, 2019) (182 days)</li> <li>● Fiscal period ending Nov. 30, 2019 (14th fiscal period) (from June 1, 2019 to Nov. 30, 2019) (183 days)</li> </ul>
Portfolio of Investment Assets Held	<ul style="list-style-type: none"> <li>● In addition to its 41 properties held as of the end of the reporting fiscal period, NPR acquired Prologis Park Tsukuba 1-A on Dec. 3, 2018. It is assumed there will be no change (including acquisition of new properties and dispositions of existing properties) in the operational status of the properties, other than the acquisition of Prologis Park Tsukuba-1-A, until Nov. 30, 2019.</li> <li>● The actual results may vary due to unscheduled acquisitions of new properties or dispositions of existing properties, etc.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>● Operating rental revenues are estimated, by taking into account factors such as market trends and competitiveness of NPR's properties, to be 20,245 million yen and 19,708 million yen for the periods ending May 31, 2019 and Nov. 30, 2019, respectively. The expected average occupancy rates are estimated to be 98.2 percent and 97.9 percent for the periods ending May 31, 2019 and Nov. 30, 2019, respectively.</li> <li>● For operating rental revenues, it is assumed that tenants will pay rents without delinquency or withholding.</li> <li>● It is assumed that an insurance payment will be received and accounted as an operating revenue, which is equivalent to the amount of building repair expenses of 613 million yen caused by the damage from two typhoons that hit Japan in Sep. 2018, during the period ending May 31, 2019.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>● Expenses except depreciation are calculated by taking into account variable factors such as seasonal factors and are assumed to be 4,836 million yen and 4,338 million yen for the periods ending May 31, 2019 and Nov. 30, 2019, respectively.</li> <li>● Depreciation expenses, including ancillary costs associated with property acquisitions, are calculated using the straight-line method and are assumed to be 4,499 million yen and 4,514 million yen for the periods ending May 31, 2019 and Nov. 30, 2019, respectively.</li> <li>● Property taxes and city planning taxes are generally included in the purchase price of properties on a pro-rated basis for a calendar year of acquisition and start to be expensed from the next calendar year. Accordingly, property taxes and city planning taxes for Prologis Park Ichikawa 3, Prologis Park Narita 1-D, Prologis Park Yoshimi (the "Acquisitions in the 11th Fiscal Period"), Prologis Park Koga 3, and Prologis Park Tsukuba 1-A will start to be expensed from the fiscal period ending May 31, 2019. The total amount of property taxes and city planning taxes included in the purchase price is assumed to be 26 million yen for the period ending May 31, 2019 (equivalent to expenses for 31 days for the Acquisitions in the 11th Fiscal Period and Prologis Park Koga 3, and 29 days for Prologis Park Tsukuba 1-A).</li> <li>● With respect to building repair expenses, the amount assumed to be necessary for each property is calculated based on the repair and maintenance plans of the Asset Manager. However, actual repair expenses may be substantially different from the expected amount due to certain unanticipated factors. It is assumed that an insurance payment will be received and accounted as an operating revenue, which is equivalent to the amount of building repair expenses of 613 million yen caused by the damages from two typhoons that hit Japan in Sep. 2018, during the period ending May 31, 2019.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>● As for interest expenses and other debt-related costs, 680 million yen and 683 million yen are expected for each of the periods ending May 31, 2019 and Nov. 30, 2019, respectively. The debt-related amortization, which is included in debt-related expenses, is expected to be 177 million yen and 177 million yen for each of the periods ending May 31, 2019 and Nov. 30, 2019.</li> </ul>
Borrowings and bonds	<ul style="list-style-type: none"> <li>● The balance of NPR's interest-bearing debt outstanding as of the date hereof is 217,500 million yen, including the balance of investment corporation bonds.</li> <li>● A 6,500 million yen loan was borrowed on Dec. 3, 2018 in connection with the acquisition of Prologis Park Tsukuba 1-A.</li> <li>● A 6,400 million yen loan was borrowed on Dec. 3, 2018 in connection with the repayment of long-term loan.</li> <li>● It is assumed that we will fully refinance a 1,000 million yen long-term loan that is due on Nov. 27,</li> </ul>

	<p>2019, 2,000 million investment corporation bonds that are due on Nov. 27, 2019 and 6500 million yen short-term loan that is due on Nov. 29, 2019, respectively.</p>
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. Currently, there are 2,185,950 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 SCD) are calculated based on the premises of the distribution policy in the articles of incorporation of NPR that all profit shall be distributed.</li> <li>Distributions per unit (excluding SCD) may change considerably due to various factors including changes in operational environment arising from any additional acquisitions or dispositions of properties, changes in rent revenues attributable to tenant moves, occurrence of unexpected repairs, changes in interest rates and issues of new investment units in the future.</li> </ul>
Surplus cash distributions (SCD) per unit	<ul style="list-style-type: none"> <li>SCD per unit is calculated based on the premises of the fund distribution policy contained in the articles of incorporation of NPR.</li> <li>It is assumed that SCD in the fiscal period ending May 31, 2019 and the fiscal period ending Nov. 30, 2019 will be 1,280 million yen and 1,285 million yen, respectively, which are equivalent to 28.5 percent of the amount of depreciation expenses assumed for the applicable fiscal periods.</li> <li>The amount of depreciation expenses may vary as a result of changes in the amount of total assets under management, ancillary costs, capital expenditures, the allocation of purchase price to each asset item, estimated depreciable life, etc. SCD, which will be based on the amount of depreciation expenses, may vary accordingly.</li> <li>NPR intends to pay SCD only to the extent that it can maintain appropriate levels of financial soundness and stability after considering alternatives of cash uses such as repairs and capital expenditures, repayment of borrowings and property acquisition opportunities. The maximum payable SCD amount is 60 percent of depreciation expenses during the applicable fiscal period.</li> <li>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.</li> <li>Furthermore, to maintain the stability of NPR's distributions per unit ("DPU") in the event that DPU are expected to decline to a certain degree as a result of financing activities, such as the issuance of new investment units, etc., which may cause NPR to incur short-term dilution of investment units and/or substantial increases in financing-related costs, as well as, certain inevitable and one-time events such as repair expenses and capital losses due to damages caused by natural disasters (e.g., earthquakes), accidents/incidents (e.g., fire) and/or other one-time expenses such as litigation settlements and capital losses from property dispositions, etc., NPR may make distributions as one-time surplus cash distributions ("One-time Surplus Cash Distributions," collectively with the Regular Surplus Cash Distributions, "SCD" or "SCDs") NPR intends to limit the maximum total amount of SCD at 40% of the depreciation expense for the relevant fiscal period.</li> <li>To determine the amount of SCD, NPR also considers the payout ratio of total distribution amount relative to adjusted funds from operations ("AFFO"). NPR defines AFFO as funds from operations ("FFO") minus capital expenditures plus amortization of capitalized finance costs. FFO is defined as the sum of profit and non-cash expenses. For calculations, please refer to the following formulas:  <math display="block">\text{FFO} = \text{profit} + \text{depreciation} + \text{property-related amortization} + \text{loss on sale of real estate} - \text{gain on sale of real estate}</math> <math display="block">\text{AFFO} = \text{FFO} - \text{capital expenditure} + \text{amortization of capitalized finance costs}</math> </li> <li>Capital expenditures are assumed to be 762 million yen and 730 million yen in the periods ending May 31, 2019 and Nov. 30, 2019, respectively.</li> <li>NPR does not plan to pay SCD in case such payment would cause the Distribution LTV, as defined below, to exceed 60 percent.  <math display="block">\text{Distribution LTV}(\%) = A / B \times 100</math> <p>A = interest-bearing debt (including borrowings held in trust and investment corporation bonds) at the end of the fiscal period + balance of tenant leasehold deposits released at the end of the fiscal period  B = total appraisal real estate value at the end of the fiscal period + the amount of cash deposits at</p> </li> </ul>

	the end of the fiscal period – the total amount distributions (including SCD)
Others	<ul style="list-style-type: none"><li>• It is assumed that any revision that will have an impact on the forecast information above will be made with regard to the laws and regulations, tax system, accounting standards, listing rules of the Tokyo Stock Exchange and rules of the Investment Trusts Association, Japan, etc.</li><li>• It is assumed that no unexpected material change will arise in general economic trends and real estate market conditions.</li></ul>

### 3. Financial Statements

#### (1) Balance Sheet

(Unit: Thousands of yen)

	As of May 31, 2018	As of Nov. 30, 2018
<b>ASSETS</b>		
Current assets:		
Cash and deposits	19,994,172	24,546,935
Cash and deposits in trust	4,057,793	4,569,560
Operating accounts receivable	1,537,088	1,520,049
Prepaid expenses	378,745	348,676
Consumption taxes receivables	1,319,143	-
Other current assets	4,025	18,254
Total current assets	27,290,969	31,003,476
Fixed assets:		
Property and equipment		
Buildings	7,555,149	7,555,149
Less: accumulated depreciation	(961,767)	(1,052,573)
Buildings, net	6,593,381	6,502,576
Structures	249,739	249,739
Less: accumulated depreciation	(99,042)	(108,327)
Structures, net	150,696	141,411
Tools, furniture and fixtures	5,434	5,434
Less: accumulated depreciation	(2,691)	(2,943)
Tools, furniture and fixtures, net	2,742	2,490
Land	3,834,204	3,834,204
Buildings in trust	332,280,817	336,721,526
Less: accumulated depreciation	(28,186,185)	(32,125,295)
Buildings in trust, net	304,094,631	304,596,230
Structures in trust	7,299,125	7,637,949
Less: accumulated depreciation	(1,339,303)	(1,618,762)
Structures in trust, net	5,959,822	6,019,187
Machinery and equipment in trust	11,267	13,117
Less: accumulated depreciation	(2,250)	(2,590)
Machinery and equipment in trust, net	9,016	10,526
Tools, furniture and fixtures in trust	735,174	748,846
Less: accumulated depreciation	(234,147)	(267,772)
Tools, furniture and fixtures in trust, net	501,026	481,073
Other tangible assets in trust	35	35
Less: accumulated depreciation	(35)	(35)
Other tangible assets in trust, net	0	0
Land in trust	217,022,982	218,446,593
Construction in progress in trust	16,974	3,779
Total property and equipment	538,125,481	540,038,074
Intangible assets		
Other intangible assets in trust	11,820	11,087
Total intangible assets	11,820	11,087
Investments and other assets		
Long-term prepaid expenses	1,662,057	1,535,142
Deferred tax assets	27	14
Security deposit	10,000	10,000
Other	400	400
Total investments and other assets	1,672,485	1,545,557
Total fixed assets	539,809,786	541,594,719

	(Unit: Thousands of yen)	
	As of May 31, 2018	As of Nov. 30, 2018
Deferred assets:		
Investment corporation bond issuance costs	52,333	82,479
Total deferred assets	52,333	82,479
Total assets	567,153,089	572,680,675
LIABILITIES		
Current liabilities:		
Operating accounts payable	1,088,428	1,609,655
Short-term loans payable	6,300,000	-
Current portion of investment corporation bonds payable	-	2,000,000
Current portion of long-term loans payable	6,400,000	7,400,000
Accounts payable	197,281	589,610
Accrued expenses	1,796,019	1,925,584
Accrued consumption taxes	-	804,872
Income taxes payable	1,166	890
Advances received	3,610,862	3,336,839
Other current liabilities	66,493	81,218
Total current liabilities	19,460,250	17,748,670
Non-current liabilities:		
Investment corporation bonds payable	12,000,000	16,000,000
Long-term loans payable	181,600,000	185,600,000
Tenant leasehold and security deposits	247,773	247,773
Tenant leasehold and security deposits in trust	13,766,843	13,855,824
Other non-current liabilities	328	194
Total non-current liabilities	207,614,944	215,703,791
Total liabilities	227,075,195	233,452,462
NET ASSETS		
Unit holders' equity		
Unit holders' capital		
Unit holders' capital, gross	338,516,767	338,516,767
Deduction of unit holders' capital	(6,515,132)	(7,999,392)
Unit holders' capital	332,001,635	330,517,375
Surplus		
Unappropriated retained earnings (undisposed loss)	8,076,258	8,710,838
Total surplus	8,076,258	8,710,838
Total unit holders' equity	340,077,894	339,228,213
Total net assets (*2)	*2 340,077,894	*2 339,228,213
Total liabilities and net assets	567,153,089	572,680,675

(2) Statement of Income

	(Unit: Thousands of yen)	
	For the period from Dec. 1, 2017 to May 31, 2018	For the period from June 1, 2018 to Nov. 30, 2018
Operating revenues:		
Operating rental revenues	* <sup>1</sup> 17,173,631	* <sup>1</sup> 17,855,150
Other rental revenues	* <sup>1</sup> 1,261,650	* <sup>1</sup> 1,870,554
Gain on sales of real estate properties	-	* <sup>2</sup> 572
Total operating revenues	<u>18,435,281</u>	<u>19,726,277</u>
Operating expenses:		
Expenses related to property rental business (* <sup>1</sup> )	* <sup>1</sup> 7,910,462	* <sup>1</sup> 8,503,051
Asset management fee	1,611,517	1,719,714
Asset custody fee	41,954	44,328
Directors' compensation	4,800	5,600
Audit fee	15,000	15,000
Other operating expenses	47,639	58,994
Total operating expenses	<u>9,631,374</u>	<u>10,346,689</u>
Operating income	<u>8,803,907</u>	<u>9,379,588</u>
Non-operating income:		
Interest income	110	104
Reversal of distributions payable	895	555
Gain on real estate tax settlement	279	-
Interest on refund of consumption taxes	607	751
Total non-operating income	<u>1,892</u>	<u>1,411</u>
Non-operating expenses:		
Interest expenses	411,521	431,729
Interest expenses on investment corporation bonds	31,795	43,155
Amortization of investment corporation bond issuance costs	4,939	6,015
Borrowing related expenses	183,848	189,515
Investment unit issuance expenses	24,691	-
Offering costs associated with the issuance of investments unit	72,342	-
Others	22	184
Total non-operating expenses	<u>729,161</u>	<u>670,600</u>
Ordinary income	<u>8,076,639</u>	<u>8,710,398</u>
Income before income taxes	<u>8,076,639</u>	<u>8,710,398</u>
Incomes taxes – current	1,183	906
Incomes taxes – deferred	(26)	13
Total income taxes	<u>1,156</u>	<u>920</u>
Profit	<u>8,075,482</u>	<u>8,709,478</u>
Retained earnings brought forward	776	1,359
Unappropriated retained earnings (undisposed loss)	8,076,258	8,710,838

(3) Statement of Unit Holders' Equity

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

(Units: Thousands of yen)

	Unit holders' equity						Total net assets
	Unit holders' capital			Surplus		Total unit holders' equity	
	Unit holders' capital, gross	Deduction of unit holders' capital	Unit holders' capital	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at the beginning of the period	310,465,975	(6,515,132)	303,950,843	9,602,618	9,602,618	313,553,462	313,553,462
Change during the period							
Issuance of new investments	28,050,792		28,050,792			28,050,792	28,050,792
Dividends from surplus				(9,601,842)	(9,601,842)	(9,601,842)	(9,601,842)
Profit				8,075,482	8,075,482	8,075,482	8,075,482
Total change during the period	28,050,792	-	28,050,792	(1,526,360)	(1,526,360)	26,524,431	26,524,431
Balance at the end of the period	*1 338,516,717	(6,515,132)	332,001,635	8,076,258	8,076,258	340,077,894	340,077,894

The Reporting Period (from June 1, 2018 to Nov. 30, 2018)

(Units: Thousands of yen)

	Unit holders' equity						Total net assets
	Unit holders' capital			Surplus		Total unit holders' equity	
	Unit holders' capital, gross	Deduction of unit holders' capital	Unit holders' capital	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at the beginning of the period	*1 338,516,717	(6,515,132)	332,001,635	8,076,258	8,076,258	340,077,894	340,077,894
Change during the period							
Surplus cash distributions		(1,484,260)	(1,484,260)			(1,484,260)	(1,484,260)
Dividends from surplus				(8,074,899)	(8,074,899)	(8,074,899)	(8,074,899)
Profit				8,709,478	8,709,478	8,709,478	8,709,478
Total change during the period	-	(1,484,260)	(1,484,260)	634,579	634,579	(849,680)	(849,680)
Balance at the end of the period	*1 338,516,717	(7,999,392)	330,517,375	8,710,838	8,710,838	339,228,213	339,228,213

(4) Statement of Cash Distribution

(Unit: Yen)

	For the period from Dec. 1, 2017 to May 31, 2018	For the period from June 1, 2017 to Nov. 30, 2018
I Unappropriated retained earnings (undisposed loss)	8,076,258,887	8,710,838,184
II Distributions in excess of retained earnings		
Deduction from unit holders' capital	1,484,260,050	972,747,750
III Distributions	9,559,159,350	9,681,572,550
(Distributions per unit)	(4,373)	(4,492)
Of which, distributions of retained earnings	8,074,899,300	8,708,824,800
(Of which, distributions of retained earnings per unit)	(3,694)	(3,984)
Of which, distributions in excess of retained earnings	1,484,260,050	972,747,750
(Of which, distributions in excess of retained earnings per unit)	(679)	(445)
IV Retained earnings carried forward	1,359,587	2,013,384
Calculation method of distribution amount	<p>Pursuant to the "Policy on the Distribution of Funds" as defined in Article 39, Paragraph 1 of Article 2 of incorporation of NPR, the amount of distributions shall be the amount that does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act.</p> <p>Based on the policy, NPR declared the distribution amount of 8,074,899,300 yen which was the amount equivalent to the maximum integral multiples of number of investment units issued and outstanding (2,185,950 investment units) as of the reporting fiscal period. 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 temporarily dilute by a certain degree as a result of financing actions.</p> <p>Accordingly, NPR declared SCD of 1,165,111,350 yen, as a return of unit holders' capital, which was the amount equivalent to approximately 28.5% of depreciation expense of 4,088,323,800 yen for the period. In addition, NPR</p>	<p>Pursuant to the "Policy on the Distribution of Funds" as defined in Article 39, Paragraph 1 of Article 2 of incorporation of NPR, the amount of distributions shall be the amount that does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act.</p> <p>Based on the policy, NPR declared the distribution amount of 8,708,824,800 yen which was the amount equivalent to the maximum integral multiples of number of investment units issued and outstanding (2,185,950 investment units) as of the reporting fiscal period. 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 temporarily dilute by a certain degree as a result of financing actions, as well as, certain inevitable and one-time events such as repair expenses and capital losses due to damages caused by natural disasters (e.g., earthquakes), accidents/incidents (e.g., fire), and/or other one-time</p>

	<p>made One-time Surplus Cash Distributions of 319,148,700 yen based on an assessment of temporary earnings dilution of 146 yen per unit as a result of financing actions.</p>	<p>expenses such as litigation settlements and capital losses from property dispositions, etc.,. Considering the amount of temporarily revenue earned during the period, NPR declared SCD of 1,221,946,050 yen, which was the amount, excluding 249,198,300 yen as one-time revenue, from 4,293,609,622 yen that amount is approximately 28.5% of depreciation expense for the period.</p>
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(Note) NPR is permitted to distribute cash in excess of the amount of retained earnings if the amount of the accounting profit is smaller than 90% of its distributable retained earnings on a tax basis to the extent that such distribution amount does not exceed the amount of NPR's depreciation for the same fiscal period, and if NPR determines that such excess distribution amount is appropriate. Also, NPR is permitted to distribute cash in any amount to the extent that such amount is determined by NPR's board of directors and if the amount of distributions does not satisfy certain conditions of special tax treatment which NPR shall be eligible to otherwise. Please note that the amount of SCD shall be subtracted from the balance of unit holders' paid-in capital upon payment.

(5) Statement of Cash Flows

	(Units: Thousands of yen)	
	For the period from Dec. 1, 2017 to May 31, 2018	For the period from June 1, 2018 to Nov. 30, 2018
Cash flows from operating activities:		
Income before income taxes	8,076,639	8,710,398
Depreciation	4,088,323	4,293,609
Amortization of investment corporation bond issuance costs	4,939	6,015
Investment unit issuance expenses	24,691	-
Interest income	(110)	(104)
Interest expense	443,317	474,885
Decrease (Increase) in operating accounts receivable	(358,293)	17,038
Decrease (Increase) in consumption taxes refund receivables	220,925	1,319,143
Decrease (Increase) in prepaid expenses	(45,479)	30,069
Decrease (Increase) in long-term prepaid expenses	20,643	126,914
Increase (Decrease) in operating accounts payable	(345,995)	516,833
Increase (Decrease) in accounts payable-other	(4,641)	27,181
Increase (Decrease) in accrued expenses	117,905	118,166
Increase (decrease) in accrued consumption taxes	-	804,872
Increase (Decrease) in advances received	649,295	(274,023)
Changes due to sales of property and equipment in trust	-	3,614
Others, net	(11,826)	(20,923)
Subtotal	<u>12,880,334</u>	<u>16,153,693</u>
Interest received	110	104
Interest paid	(443,099)	(463,487)
Income taxes paid	(633)	(1,182)
Net cash used in operating activities	<u>12,436,711</u>	<u>15,689,128</u>
Cash flows from investing activities:		
Purchases of property and equipment	(5,111)	(88)
Purchases of property and equipment in trust	(44,698,754)	(5,837,351)
Purchases of intangible assets in trust	(25)	-
Proceeds from tenant leasehold and security deposits in trust	1,220,649	320,379
Repayments from tenant leasehold and security deposits in trust	(337,203)	(211,445)
Net cash used in investing activities	<u>(43,820,446)</u>	<u>(5,728,505)</u>
Cash flows from financing activities:		
Proceeds from short-term loans payable	-	6,300,000
Repayments of short-term loans payable	-	(12,600,000)
Proceeds from long-term loans payable	44,000,000	5,000,000
Repayments of long-term loans payable	(32,200,000)	-
Proceeds from issuance of investment corporation bonds	-	5,963,838
Proceeds from issuance of new investment units	28,026,100	-
Payment of distributions of retained earnings	(9,600,941)	(8,075,853)
Payment of distributions in excess of retained earnings	(67)	(1,484,077)
Net cash provided by financing activities	<u>30,225,091</u>	<u>(4,896,092)</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,158,642)</u>	<u>5,064,529</u>
Cash and cash equivalents at the beginning of period	<u>25,210,609</u>	<u>24,051,966</u>
Cash and cash equivalents at the end of period	<u>*1 24,051,966</u>	<u>*1 29,116,495</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="width: 100%;"> <tr> <td style="padding-left: 20px;">Buildings</td> <td style="text-align: right;">3-67 years</td> </tr> <tr> <td style="padding-left: 20px;">Structures</td> <td style="text-align: right;">2-60 years</td> </tr> <tr> <td style="padding-left: 20px;">Machinery and equipment</td> <td style="text-align: right;">17 years</td> </tr> <tr> <td style="padding-left: 20px;">Tools, furniture and fixtures</td> <td style="text-align: right;">2-18 years</td> </tr> </table> <p>(2) Intangible assets (including trust assets) The straight-line method is used.</p>	Buildings	3-67 years	Structures	2-60 years	Machinery and equipment	17 years	Tools, furniture and fixtures	2-18 years
Buildings	3-67 years								
Structures	2-60 years								
Machinery and equipment	17 years								
Tools, furniture and fixtures	2-18 years								
<p>2. Accounting method of deferred charges</p>	<p>(1) Investment unit issuance expenses The full amount of investment unit issuance expenses is recorded as expense at the time of expenditure.</p> <p>(2) 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 120,698 thousand yen and 1,131 thousand yen, respectively, for the fiscal period ended May 31, 2018 and Nov. 30, 2018.</p>								
<p>4. Hedge accounting</p>	<p>(1) Hedge accounting method For interest rate swaps, special accounting treatment is adopted.</p> <p>(2) Hedge instruments and hedged items Hedge instruments – interest rate swaps Hedged items – interests on loans payable</p> <p>(3) Hedging policy NPR uses interest rate swaps for the purpose of hedging risks defined in the articles of incorporation based on its risk management policies.</p> <p>(4) Hedge effectiveness test Assessment of the hedge effectiveness has been omitted since all interest rate swaps meet the specific matching criteria under the special accounting treatment.</p>								
<p>5. Cash and cash equivalents as stated in the Statement of Cash Flows</p>	<p>Cash and cash equivalents consist of cash on hand and cash in trust, floating deposits, deposits in trust and short-term investments that are very liquid and realizable with a maturity of three months or less when purchased and that are subject to insignificant risks of changes in value.</p>								
<p>6. Other significant matters which constitute the basis for preparation of financial statements</p>	<p>(1) Accounting treatment of trust beneficiary interests of real estate As to trust beneficiary interests of real estate, all accounts of assets and liabilities within assets in trust, as well as all income generated and expenses incurred from assets in trust, are recorded in the relevant balance sheets and income statement accounts. Of which, the following significant trust assets are shown separately on the balance sheet.</p> <ul style="list-style-type: none"> <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>								

(8) Notes on Changes in Presentation or Classification

As the Investment Corporation started application of “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) from the fiscal period under review, changes are made to indicate deferred tax assets under investments and other assets and deferred tax liabilities under noncurrent liabilities. As a result, 27 thousand yen of deferred tax assets which was included in “other” under “current assets” in the balance sheets of the previous fiscal period is included in “other” under “investments and other assets.”

(9) Notes to Financial Statements

(Notes to Balance Sheet)

\*1. Commitment line agreement

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

	As of May 31, 2018	As of Nov. 30, 2018
Total amount of committed line of credit	20,000,000 thousand yen	20,000,000 thousand yen
Borrowings drawn down	-thousand yen	-thousand yen
Balance of unused committed line of credit	20,000,000 thousand yen	20,000,000 thousand yen

As of May 31, 2018

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

As of Nov. 30, 2018

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

(Notes to Statement of Income)

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

	(Units: Thousands of yen)	
	For the period from Dec. 1, 2017 to May 31, 2018	For the period from June 1, 2018 to Nov. 30, 2018
(1) Property-related revenues		
Rental revenues		
Rental revenues	15,996,435	16,618,645
Common area charges	1,177,196	1,236,504
Total	17,173,631	17,855,150
Other rental revenues		
Received utilities cost	1,008,089	1,248,854
Others	253,561	621,700
Total	1,261,650	1,870,554
Total property-related revenues	18,435,281	19,725,705
(2) Property-related expenses		
Rental expenses		
Subcontract expenses	998,077	1,078,665
Utilities cost	977,897	1,237,740
Taxes and dues	1,563,454	1,588,795
Non-life insurance premium	27,296	28,837
Repair and maintenance	235,160	253,909
Depreciation	4,088,323	4,293,609
Custodian fee	17,680	18,560
Other expenses	2,572	2,933
Total rental expenses	7,910,462	8,503,051
(3) Operating income from property leasing ( (1)-(2) )	10,524,819	11,222,653

\*2. Gain on sales of real estate properties:

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

None

For the period from June 1, 2018, to Nov. 30, 2018

<Prologis Park Zama 1>

	(Units: Thousands of yen)
Sales proceed	4,659
Book value of properties sold	3,614
Other sales expenses	472
Gain on sales of real estate properties	572

Note : NPR sold a part of the Land of Prologis Park Zama1 to Zama City to accommodate the city's plan to widen the public road adjacent to the property .

(Notes to Statement of Unit Holders' Equity)

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

	For the period from Dec. 1, 2017 to May 31, 2018	For the period from June 1, 2018 to Nov. 30, 2018
Number of investment units authorized	10,000,000 units	10,000,000 units
Number of investment units issued and outstanding	2,185,950 units	2,185,950 units

(Notes to Statement of Cash Flow)

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

	For the period from Dec. 1, 2017 to May 31, 2018	For the period from June 1, 2018 to Nov. 30, 2018
Cash and deposits	19,994,172 thousand yen	24,546,935 thousand yen
Cash and deposits in trust	4,057,793 thousand yen	4,569,560 thousand yen
Cash and cash equivalents	24,051,966 thousand yen	29,116,495 thousand yen

(Notes Related to Lease Contracts)

Operating lease transactions (as lessor)

Unearned rental revenue

	As of May 31, 2018	As of Nov. 30, 2018
Due within one year	33,177,955 thousand yen	33,289,427 thousand yen
Due after one year	104,000,734 thousand yen	94,552,795 thousand yen
Total	137,178,689 thousand yen	127,842,222 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 are floating rate and exposed to the risk of rising interest rates. NPR attempts to mitigate such risks by maintaining a conservative loan to value ratio and increasing the ratio of long-term fixed- interest rate loans.

(3) Supplemental Explanation Regarding Fair Values of Financial Instruments

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

2. Estimated Fair Value of Financial Instruments

As of May 31, 2018

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

(Unit: Thousands of yen)

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

As of Nov. 30, 2018

The book value, the fair value and the difference between the values as of Nov. 30, 2018, 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	24,546,935	24,546,935	-
(2) Cash and deposits in trust	4,569,560	4,569,560	-
Total assets	29,116,495	29,116,495	-
(4) Current portion of investment corporation bonds	2,000,000	2,004,000	4,000
(5) Current portion of long-term loans payable	7,400,000	7,400,357	357
(6) Investment corporation bonds payable	16,000,000	16,097,650	97,650
(7) Long-term loans payable	185,600,000	186,867,631	1,267,631
Total liabilities	211,000,000	212,369,639	1,369,639
(8) Derivative transactions	-	(14,396)	(14,396)

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

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

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

(3) Short-term loans payable

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

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

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

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

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

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

(8) Derivative transactions

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

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

(Units: Thousands of yen)

	As of May 31, 2018	As of Nov 30, 2018
Tenant leasehold and security deposits	247,773	247,773
Tenant leasehold and security deposits in trust	13,766,843	13,855,824

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

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

As of May 31, 2018

(Units: Thousands of yen)

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

As of Nov 30 2018

(Units: Thousands of yen)

	Due within one year
Cash and deposits	24,546,935
Cash and deposits in trust	4,569,560

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

As of May 31, 2018

(Unit: Thousands of yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds payable	-	2,000,000	-	2,000,000	-	8,000,000
Long-term loans payable	6,400,000	1,000,000	21,300,000	30,000,000	27,600,000	101,700,000
Total	6,400,000	3,000,000	21,300,000	32,000,000	27,600,000	109,700,000

As of Nov 30, 2018

(Unit: Thousands of yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds payable	2,000,000	-	2,000,000	-	1,500,000	12,500,000
Long-term loans payable	7,400,000	-	21,300,000	30,000,000	27,600,000	106,700,000
Total	9,400,000	-	23,300,000	30,000,000	29,100,000	119,200,000

(Notes Related to Investment Securities)

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

None

(Notes Related to Derivative Transactions)

1. Derivative transactions for which hedge accounting is not applied

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

None

2. Derivative transactions for which hedge accounting is applied

The contract and notional amount as of May 31, 2018, sorted by hedge accounting method is as follows:

(Units: Thousands of yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
			Total	Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term loans payable	187,000,000	180,600,000	(Note)	-

(Note) Interest rate swaps under special accounting treatment are accounted for as the integral part of long-term loans payable designated as hedged items. Therefore, their fair value is included in long-term loans payable disclosed in the aforementioned "Notes Related to Financial Instruments, 2. Estimated Fair Values of Financial Instruments, (5) Current portion of long-term and (7) Long-term loans payable".

The contract and notional amount as of Nov. 30, 2018, sorted by hedge accounting method is as follows:

(Units: Thousands of yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
			Total	(Note 1) Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term loans payable	198,400,000	192,000,000	(14,396)	-

(Note 1) "Contract amount and other" includes a notional amount of 6,400 million yen of interest rate swap entered on Nov. 29, 2018. The effective date of the loan subject to the swap is Dec. 3, 2018.

(Note 2) As at Nov. 30, 2018, the interest rate swap entered on Nov. 29, 2018 is not deemed as an integral component of long-term loan payable under the special accounting treatment since the corresponding loan designated as a hedged item has not yet started. Thus, the amount presents the fair value of the aforementioned interest rate swap as of Nov. 30, 2018. Interest rate swaps under special accounting treatment are accounted for as the integral part of long-term loans payable designated as hedged items, 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, (5) Current portion of long-term and (7) Long-term loans payable", except for the specific interest rate swap noted above.

(Notes Related to Related Party Transactions)

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

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

None

2. Transactions and Account Balances with Affiliates

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

None

### 3. Transactions and Account Balances with Companies under Common Control

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

Relationship	Name of the company	Address	Stated capital (Thousands of yen)	Type of business	% of voting rights owned	Relation		Type of transaction	Transaction amount (Thousands of yen)	Account	Balance (Thousands of yen)
						Common board member	Business relationship				
Subsidiary of an affiliate	Prologis REIT Master Lease GK (Note 3)	Chiyoda-ku, Tokyo	2,100	Real estate business	-	-	Lessee	Lease of properties in trust	17,168,998	Operating accounts receivable	892,006
										Advances received	3,379,140
								Proceeds of tenant leasehold and security deposits in trust	1,220,649	Tenant leasehold and security deposits in trust	12,935,998
								Repayments of tenant leasehold and security deposits in trust			
Subsidiary of an affiliate	Ichikawa three Special Purpose Company	Chiyoda-ku, Tokyo	10,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	17,000,000	-	-
Subsidiary of an affiliate	Prologis Narita One Y.K	Chiyoda-ku, Tokyo	99,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	5,260,000	-	-
Subsidiary of an affiliate	Hotaka Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	21,300,000	-	-
Subsidiary of an affiliate	Prologis REIT Management K.K.	Chiyoda-ku, Tokyo	100,000	Investment management business	-	Executive Director of NPR and President & CEO of the Asset Manager	Asset Manager	Payment of asset management fee (Note 4)	1,829,317	Accrued expenses	1,740,438

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

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

(Note 3) With respect to 34 of the 40 properties held by NPR, NPR leases space to Prologis REIT Master Lease GK based on a pass-through type master lease agreement, and Prologis REIT Master Lease GK subleases the space to tenants.

(Note 4) The Asset management fee above includes management fees for property acquisition of 217,800 thousand yen.

For the periods from June 1, 2018, to Nov. 30, 2018

Relationship	Name of the company	Address	Stated capital (Thousands of yen)	Type of business	% of voting rights owned	Relation		Type of transaction	Transaction amount (Thousands of yen)	Account	Balance (Thousands of yen)
						Common board member	Business relationship				
Subsidiary of an affiliate	Prologis REIT Master Lease GK (Note 3)	Chiyoda-ku, Tokyo	2,100	Real estate business	-	-	Lessee	Lease of properties in trust	18,452,517	Operating accounts receivable	909,257
										Advances received	3,106,874
								Proceeds of tenant leasehold and security deposits in trust	320,379	Tenant leasehold and security deposits in trust	13,044,933
Repayments of tenant leasehold and security deposits in trust	211,445										
Subsidiary of an affiliate	Gassan Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	5,440,000	-	-
Subsidiary of an affiliate	Prologis REIT Management K.K.	Chiyoda-ku, Tokyo	100,000	Investment management business	-	Executive Director of NPR and President & CEO of the Asset Manager	Asset Manager	Payment of asset management fee (Note 4)	1,746,944	Accrued expenses	1,857,291

(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 35 of the 41 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 27,206 thousand yen and for property disposal of 23 thousand yen, respectively.

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

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

None

(Notes Related to Retirement Payment)

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

None

(Notes Related to Deferred Tax Accounting)

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

(Deferred tax assets)	(Unit: Thousands of yen)	
	As of May 31, 2018	As of Nov. 30, 2018
Enterprise tax payable	27	14
Total deferred tax assets	27	14
Net deferred tax assets	27	14

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

	(Unit: %)	
	As of May 31, 2018	As of Nov. 30, 2018
Statutory tax rate	31.74	31.51
(Adjustments)		
Deductible distributions of retained earnings	(31.73)	(31.50)
Others	0.00	0.00
Effective tax rate	0.01	0.01

(Notes Related to Asset Retirement Obligations)

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

None

(Notes Related to Rental Properties)

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

(Unit: Thousands of yen)

		For the period from Dec. 1, 2017 to May 31, 2018	For the period from June 1, 2018 to Nov. 30, 2018
Book value	Balance at the beginning of the period	497,610,965	538,137,301
	Change during the period	40,526,335	1,911,860
	Balance at the end of the period	538,137,301	540,049,161
Fair value at the end of the period		659,260,000	671,280,000

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

(Note 2) The increase for the fiscal period ended May 31, 2018 was primarily a result of acquiring three properties, Prologis Park Ichikawa 3, Prologis Park Narita1-D and Prologis Park Yoshimi, during the period for a total of 43,962,900 thousand yen. The decrease for the fiscal period ended May 31, 2018 was primarily a result of recognition of depreciation, which amounted to 4,088,323 thousand yen.

The increase for the fiscal period ended Nov. 30, 2018 was primarily a result of acquiring a property, Prologis Park Koga 3, during the period for a total of 5,483,172 thousand yen. The decrease for the fiscal period ended Nov. 30, 2018 was primarily a result of recognition of depreciation, which amounted to 4,293,609 thousand yen.

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

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

(Notes Related to Segment and Related Information)

(Segment Information)

1. Overview of operating and reportable segments

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

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

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

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

In addition, NPR is able to invest in areas besides the global and regional markets to the extent that such areas are

adjacent to consumer areas or manufacturing areas, or if such areas are suitable and appropriate for logistics centers.

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

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

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

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

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

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

As of May 31, 2018

(Unit: Thousands of yen)

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

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

(Note 2) Reconciling adjustments to segment income of (624,474) thousand yen include general corporate expenses of 624,474 thousand yen that are not allocated to each reportable segment. General corporate expenses consist mainly of asset management fees, asset custody fees, administrative service fees and directors' compensation and other. Reconciling adjustments to segment assets of 23,305,05 thousand yen primarily include current assets of 21,580,783 thousand yen, investments and other assets of 1,671,935 thousand yen and deferred assets of 52,333 thousand yen.

As of Nov. 30, 2018

(Unit: Thousands of yen)

	Global markets	Regional markets	Reconciling adjustments	Amount on financial statements
Operating revenues <sup>(1)</sup>	18,205,477	1,520,799	-	19,726,277
Segment income <sup>(2)</sup>	9,386,090	672,948	(679,451)	9,379,588
Segment assets <sup>(2)</sup>	512,397,440	33,824,178	26,459,056	572,680,675
Other items				
Depreciation	3,914,570	379,038	-	4,293,609
Increase in property and equipment	6,102,133	106,951	-	6,209,084

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

(Note 2) Reconciling adjustments to segment income of (679,451) thousand yen include general corporate expenses of 679,451 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 26,459,056 thousand yen primarily include current assets of 24,831,577 thousand yen, investments and other assets of 1,544,999 thousand yen and deferred assets of 82,479 thousand yen.

(Related Information)

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

1. Information by products and services

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

2. Information by geographic region

(1) Operating revenues

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

(2) Property and equipment

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

3. Information by major customers

(Unit: Thousands of yen)

Counterparty	Operating revenues	Related segment
Prologis REIT Master Lease GK	17,168,998	Global market, Regional market

(Note 1) With respect to 34 of the 40 properties held by NPR, NPR leases space to Prologis REIT Master Lease GK based on a pass-through type master lease agreement, and Prologis REIT Master Lease GK subleases the space to actual tenants.

For the period from June 1, 2018, to Nov. 30, 2018

1. Information by products and services

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

2. Information by geographic region

(1) Operating revenues

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

(2) Property and equipment

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

3. Information by major customers

(Unit: Thousands of yen)

Counterparty	Operating revenues	Related segment
Prologis REIT Master Lease GK	18,452,517	Global market, Regional market

(Note 1) With respect to 35 of the 41 properties held by NPR, NPR leases space to Prologis REIT Master Lease GK based on a pass-through type master lease agreement, and Prologis REIT Master Lease GK subleases the space to actual tenants.

(Notes Related to Per Unit Information)

	For the period from Dec. 1, 2017 to May 31, 2018	For the period from June 1, 2018 to Nov. 30, 2018
Net assets per unit	155,574 yen	155,185 yen
Profit per unit	3,821 yen	3,984 yen

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

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

	For the period from Dec. 1, 2017 to May 31, 2018	For the period from June 1, 2018 to Nov. 30, 2018
Profit (Thousands of yen)	8,075,482	8,709,478
Amount not attributable to common unit holders (Thousands of yen)	-	-
Profit attributable to common unit holders (Thousands of yen)	8,075,482	8,709,478
Average number of investment units during the period (unit)	2,113,350	2,185,950

(Notes Related to Material Subsequent Events)

(a) Borrowings

On Dec. 3, 2018, NPR borrowed bank loans (the “Borrowings”), which were based on a resolution made by the board of directors on Nov. 22, 2018, for the purpose of funding the acquisition costs of a new property and related expenses described in the following “(b) Acquisition of Asset.”

Category	Lender	Borrowing Amount	Interest Rate	Borrowing Date	Repayment Date	Repayment Method	Collateral
Short - term	Sumitomo Mitsui Banking Corporation	4,550 million yen	Base interest rate (JBA 1-month Japanese yen TIBOR) +0.17%	Dec. 3, 2018	Nov. 29, 2019	Paid in full upon maturity	Unsecured and non-guaranteed
	MUFG Bank, Ltd.	1,950 million yen					

(b) Acquisition of Asset

As resolved by the board of directors on Feb. 26, 2018 and Nov. 22, 2018, in line with basic investment guidelines defined in its Articles of Incorporation, NPR acquired a property described below on Dec. 3, 2018 with proceeds from the Borrowings described in “(a) Borrowings” above and cash on hand.

Property name		Prologis Park Tsukuba 1-A
Location		5-6-2, Tokodai, Tsukuba, Ibaraki 5-6-2, Tokodai, Tsukuba, Ibaraki
Class of assets		Real estate trust beneficiary interests
Acquisition date		Dec. 3, 2018
Acquisition price		12,900 million yen (Note 1)
Appraisal Value		12,900 million yen (Note 2)
Land	Ownership form	Proprietary
	Land area	32,807.23 m <sup>2</sup>
Building	Ownership form	Proprietary
	Gross floor area	65,301.41 m <sup>2</sup>
	Date of construction	Sep. 4, 2018 (Note 3)
	Use	Warehouse, Office
	Structure/No. of stories	S, 4-story building

Note 1: “Acquisition price” is represented by an amount of the purchase price stated in the Purchase and Sale Agreement of Trust Beneficiary Interest, which does not include the consumption taxes and local consumption taxes. The Acquisition Price does not reflect expenses associated with the acquisition.

Note 2: Appraisal Value is based on an appraisal report dated Sep. 30, 2018 provided by Jones Lang LaSalle K.K.,

Note 3: This property is constructed so as to constitute (under the Building Standards Act) a single building together with Prologis Park Tsukuba 1-B, which is currently under construction on an adjacent land site. These properties are scheduled to be developed and utilized as one complex. The date of completion above represents the scheduled date of constructions work of the property which does not include Prologis Park Tsukuba 1-B, and differs from the date of construction of the entire complex.

(10) 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	
Dec. 2, 2013	Public offering	32,190	311,140	28,511,648	196,452,934	(Note 2)
Dec. 25, 2013	Secondary distribution	1,610	312,750	1,426,025	197,878,959	(Note 3)
Feb. 14, 2014	Surplus cash distribution (Return on capital)	-	312,750	(604,763)	197,274,196	(Note 4)
Mar. 1, 2014	Investment unit split	1,251,000	1,563,750	-	197,274,196	(Note 5)
Aug. 15, 2014	Surplus cash distribution (Return on capital)	-	1,563,750	(745,908)	196,528,287	(Note 6)
Sept. 16, 2014	Public offering	159,050	1,722,800	38,466,719	234,995,007	(Note 7)
Oct. 16, 2014	Secondary distribution	7,950	1,730,750	1,922,731	236,917,738	(Note 8)
Feb. 13, 2015	Surplus cash distribution (Return on capital)	-	1,730,750	(1,002,104)	235,915,634	(Note 9)
Aug. 14, 2015	Surplus cash distribution (Return on capital)	-	1,730,750	(996,912)	234,918,722	(Note 10)
Feb. 15, 2016	Surplus cash distribution (Return on capital)	-	1,730,750	(835,952)	234,082,769	(Note 11)
Mar. 14, 2016	Public offering	105,900	1,836,650	23,710,374	257,793,144	(Note 12)
Apr. 13, 2016	Secondary distribution	5,300	1,841,950	1,186,638	258,979,782	(Note 13)
Aug. 15, 2016	Surplus cash distribution (Return on capital)	-	1,841,950	(1,123,589)	257,856,193	(Note 14)
Dec. 19, 2016	Public offering	61,330	1,903,280	13,190,979	271,047,172	(Note 15)
Jan. 16, 2017	Secondary distribution	3,070	1,906,350	660,301	271,707,473	(Note 16)
Feb. 15, 2017	Surplus cash distribution (Return on capital)	-	1,906,350	(946,762)	270,760,711	(Note 17)
Aug. 7, 2017	Public offering	143,430	2,049,780	31,609,963	302,370,675	(Note 18)
Sept. 6, 2017	Secondary distribution	7,170	2,056,950	1,580,167	303,950,843	(Note 19)

Mar. 12, 2018	Public offering	122,860	2,179,810	26,715,661	330,666,504	(Note 20)
Apr. 11, 2018	Secondary distribution	6,140	2,185,950	1,335,130	332,001,635	(Note 21)
Aug. 15, 2018	Surplus cash distribution (Return on capital)	-	2,185,950	(1,484,260)	330,517,375	(Note 22)

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

(Note 2) New investment units were issued at a price of 916,112 yen per unit (885,730 yen after deduction of gross spread to underwriters) to raise funds for the acquisition of new properties.

(Note 3) New investment units were issued at a price of 885,730 yen per unit through third-party allotment to raise funds for the payment of expenses associated with the issuance of new investment units and ancillary costs.

(Note 4) Cash distributions for the fiscal period ended Nov. 2013 in the amount of 2,168 yen per unit as return of capital. It was decided on Jan. 17, 2014, and payment began on Feb. 14, 2014.

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

(Note 6) Cash distributions for the fiscal period ended May 2014 in the amount of 477 yen per unit as return of capital. It was decided on July 14, 2014, and payment began on Aug. 15, 2014.

(Note 7) New investment units were issued at a price of 250,096 yen per unit (241,853 yen after deduction of gross spread to underwriters) to raise funds for the repayment of borrowings for the acquisition of new properties.

(Note 8) New investment units were issued at a price of 241,853 yen per unit through third-party allotment to raise funds for the future acquisition of properties or the repayment of borrowings.

(Note 9) Cash distributions for the fiscal period ended Nov. 2014 in the amount of 579 yen per unit as return of capital. It was decided on Jan. 19, 2015, and payment began on Feb. 13, 2015.

(Note 10) 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 11) 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 12) 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 13) 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 14) 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 15) 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 16) 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 17) 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 18) 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 19) 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 20) 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 21) 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 22) 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.

#### 4. Change of Directors

(1) Change in directors of NPR during the reporting fiscal period.

Mami Tazaki took office as a supervisory director, effective Oct. 1, 2018.

(2) Changes in directors of PLDRM during the reporting fiscal period.

Hitoshi Tanaka resigned a part-time director and Saiko Ishii took office as a director, effective July 2, 2018 and July 17, 2018, respectively.

## 5. Reference Information

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

Type of asset	Region	Ninth fiscal period (As of May 31, 2018)		Tenth fiscal period (As of Nov. 30, 2018)	
		Retained amount (Millions of yen) (Note 3)	Ratio of total asset (%)	Retained amount (Millions of yen) (Note 3)	Ratio of total asset (%)
Real estate	Global markets (Note 1)				
	Kanto area	-	-	-	-
	Kansai area	4,193	0.7	4,161	0.7
	Regional markets (Note 2)				
	Chubu area	-	-	-	-
	Tohoku area	-	-	-	-
	Kyushu area	6,387	1.1	6,319	1.1
	Total	10,581	1.9	10,480	1.8
Beneficiary right in trust	Global markets (Note 1)				
	Kanto area	312,840	55.2	316,270	55.2
	Kansai area	187,411	33.0	186,199	32.5
	Regional markets (Note 2)				
	Chubu area	17,522	3.1	17,383	3.0
	Tohoku area	9,764	1.7	9,711	1.7
	Kyushu area	-	-	-	-
	Total	527,539	93.0	529,564	92.5
Total of real estate and others		538,120	94.9	540,045	94.3
Deposit and other assets		29,032	5.1	32,635	5.7
Total assets (Note 4)		567,153 (538,120)	100.0 (94.9)	572,680 (540,045)	100.0 (94.3)

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

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

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

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

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

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

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

(2) Overview of the Portfolio

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

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

Property number	Property name	Form of ownership	Acquisition price (Millions of yen) <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	32,130	43,800	44,600	4.0	43,800	3.8	4.2	6.0
M-02	Prologis Park Zama 1	Beneficiary right in trust	27,900	25,951	34,000	34,200	4.2	34,000	4.0	4.4	4.9
M-03	Prologis Park Kawajima	Beneficiary right in trust	25,600	23,291	32,500	33,000	4.6	32,500	4.4	4.8	4.5
M-04	Prologis Park Osaka 2	Beneficiary right in trust	25,000	23,064	31,800	31,700	4.4	31,800	4.2	4.5	4.4
M-05	Prologis Park Maishima 3	Beneficiary right in trust	13,500	12,320	15,300	15,200	4.5	15,300	4.3	4.6	2.4
M-06	Prologis Park Kasugai	Beneficiary right in trust	12,500	11,450	17,200	17,400	4.7	17,200	4.5	4.8	2.2
M-07	Prologis Park Kitanagoya	Beneficiary right in trust	6,500	5,932	9,010	9,350	4.4	9,010	4.3	4.6	1.1
M-09	Prologis Park Tokyo-Ohta	Beneficiary right in trust	29,500	29,133	37,800	38,200	3.7	37,800	3.5	3.9	5.2
M-10	Prologis Park Zama 2	Beneficiary right in trust	21,900	20,525	28,500	28,900	4.2	28,500	4.0	4.4	3.9
M-11	Prologis Park Funabashi 5	Beneficiary right in trust	9,500	10,522	13,900	14,100	4.1	13,900	3.9	4.3	1.9
	(Annex)		1,500								
M-12	Prologis Park Narita 1-A&B	Beneficiary right in trust	8,420	7,972	10,400	10,400	4.9	10,300	4.6	5.1	1.5
M-13	Prologis Park Narita 1-C	Beneficiary right in trust	4,810	4,449	5,900	5,940	4.9	5,860	4.6	5.1	0.9
M-14	Prologis Park Amagasaki 1	Beneficiary right in trust	17,600	16,851	21,200	21,300	4.5	21,000	4.2	4.6	3.1
M-15	Prologis Park Amagasaki 2	Beneficiary right in trust	19,200	18,313	22,300	22,300	4.5	22,200	4.2	4.6	3.4
M-16	Prologis Park Tokyo-Shinkiba	Beneficiary right in trust	13,600	13,192	17,500	17,400	3.7	17,500	3.5	3.8	2.4
M-17	Prologis Park Yokohama-Tsurumi	Beneficiary right in trust	13,800	12,935	17,900	18,000	4.1	17,900	3.9	4.2	2.4
M-18	Prologis Park Osaka 4	Beneficiary right in trust	21,000	19,548	25,000	24,900	4.4	25,000	4.2	4.5	3.7
M-19	Prologis Park Iwanuma 1	Beneficiary right in trust	5,670	5,125	7,510	7,480	4.9	7,510	4.7	5.0	1.0
M-20	Prologis Park Kawajima 2	Beneficiary right in trust	8,180	7,708	9,430	9,530	4.6	9,430	4.4	4.8	1.4

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-21	Prologis Park Kitamoto	Beneficiary right in trust	12,600	12,197	13,800	13,900	4.7	13,700	4.4	4.9	2.2
M-22	Prologis Park Joso	Beneficiary right in trust	7,120	6,840	7,500	7,580	4.7	7,500	4.5	4.9	1.3
M-23	Prologis Park Osaka 5	Beneficiary right in trust	17,600	17,122	18,800	19,100	4.4	18,800	4.2	4.6	3.1
M-24	Prologis Park Narita 3	Beneficiary right in trust	9,240	9,058	10,400	10,500	4.7	10,300	4.5	4.9	1.6
M-25	Prologis Park Narashino 5	Beneficiary right in trust	13,600	13,425	14,600	14,600	4.1	14,600	3.9	4.2	2.4
M-26	Prologis Park Ibaraki	Beneficiary right in trust	38,300	37,917	40,600	39,800	4.2	40,600	4.0	4.3	6.8
M-27	Prologis Park Ichikawa 3	Beneficiary right in trust	17,000	16,952	17,800	17,900	3.9	17,800	3.7	4.1	3.0
M-28	Prologis Park Narita 1-D	Beneficiary right in trust	5,260	5,285	5,350	5,370	4.9	5,320	4.6	5.1	0.9
M-29	Prologis Park Yoshimi	Beneficiary right in trust	21,300	21,249	21,400	21,600	4.6	21,400	4.4	4.8	3.8
B-02	Prologis Park Takatsuki	Real estate	4,410	4,161	5,270	5,340	4.6	5,270	4.3	4.7	0.8
B-03	Prologis Park Tosu 2	Real estate	3,030	2,783	3,790	3,800	4.7	3,790	4.4	4.8	0.5
B-04	Prologis Park Tosu 4	Real estate	3,810	3,535	4,760	4,910	4.7	4,760	4.4	4.8	0.7
B-05	Prologis Park Narashino 4	Beneficiary right in trust	20,000	18,666	25,500	25,600	4.0	25,500	3.8	4.1	3.5
B-06	Prologis Park Ebina	Beneficiary right in trust	8,250	8,011	10,500	10,500	4.1	10,500	3.9	4.2	1.5
B-07	Prologis Park Kawanishi	Beneficiary right in trust	13,600	12,979	14,900	15,100	4.5	14,900	4.3	4.8	2.4
B-08	Prologis Park Amagasaki 3	Beneficiary right in trust	9,090	8,704	10,300	10,400	4.4	10,200	4.2	4.6	1.6
B-09	Prologis Park Kobe	Beneficiary right in trust	6,410	6,040	7,340	7,390	4.8	7,280	4.6	5.1	1.1
B-10	Prologis Park Sendai Izumi	Beneficiary right in trust	4,820	4,585	5,390	5,430	5.0	5,350	4.8	5.4	0.9
B-11	Prologis Park Koga 1	Beneficiary right in trust	7,680	7,447	8,400	8,450	4.8	8,340	4.5	5.0	1.4
B-12	Prologis Park Kobe 2	Beneficiary right in trust	13,700	13,336	14,400	14,400	4.8	14,400	4.6	5.1	2.4
B-13	Prologis Park Koga 2	Beneficiary right in trust	3,930	3,857	4,010	4,040	4.8	3,980	4.5	5.0	0.7

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-14	Prologis Park Koga 3	Beneficiary right in trust	5,440	5,463	5,520	5,560	4.8	5,480	4.5	5.0	1.0
Total		-	565,770	540,045	671,280	675,170	-	670,280	-	-	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 Jones Lang LaSalle K.K., CBRE K.K. and Japan Real Estate Institute to appraise or investigate the properties. Appraisal or Investigation value as of the end of the reporting fiscal period represents the appraisal or investigation value as set forth on the relevant study reports by real estate appraisers as of Nov. 30, 2018.

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

(II) Overview of Assets Held (property age, occupancy rate and annual rent)<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	10.1	125,026.84	125,026.84	11	100.0	2,152	934	10.6	5.9
M-02	Prologis Park Zama 1	9.6	113,471.12	113,299.81	7	99.8	1,828	588	8.2	1.6
M-03	Prologis Park Kawajima	7.5	144,897.54	144,597.08	7	99.8	1,860	597	3.8	1.5
M-04	Prologis Park Osaka 2	11.6	130,553.85	129,654.71	5	99.3	1,765	622	5.3	3.1
M-05	Prologis Park Maishima 3	10.8	74,874.39	72,996.92	5	97.5	916	307	7.2	2.2
M-06	Prologis Park Kasugai	10.9	91,455.06	89,742.80	5	98.1	1,026	396	2.4	1.2
M-07	Prologis Park Kitanagoya	9.5	42,751.60	42,751.60	3	100.0	535	172	4.5	1.3
M-09	Prologis Park Tokyo-Ohta	13.2	73,145.02	70,747.83	20	96.7	1,683	630	4.6	2.4
M-10	Prologis Park Zama 2	6.4	95,121.43	95,121.43	8	100.0	1,484	622	5.9	3.1
M-11	Prologis Park Funabashi 5 (Annex)	14.0	56,556.95	56,556.95	4	100.0	783	344	4.3	2.7
M-12	Prologis Park Narita 1-A&B	13.8	62,058.81	60,566.97	10	97.6	694	176	2.5	1.3
M-13	Prologis Park Narita 1-C	11.6	32,230.25	32,230.25	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	3.7	1.4
M-14	Prologis Park Amagasaki 1	13.3	91,446.75	91,446.75	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	7.3
M-15	Prologis Park Amagasaki 2	11.7	91,399.12	91,182.28	7	99.8	1,217	526	4.7	3.2
M-16	Prologis Park Tokyo-Shinkiba	11.5	31,022.88	30,109.09	9	97.1	842	406	5.2	2.4
M-17	Prologis Park Yokohama-Tsurumi	10.6	63,973.26	63,598.58	4	99.4	940	414	5.6	1.2
M-18	Prologis Park Osaka 4	6.6	106,135.15	106,135.15	8	100.0	1,395	456	2.3	1.3
M-19	Prologis Park Iwanuma 1	10.2	40,520.44	40,520.44	3	100.0	444	266	4.5	2.6
M-20	Prologis Park Kawajima 2	4.8	42,005.07	42,005.07	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	7.8	3.2
M-21	Prologis Park Kitamoto	4.7	69,432.01	69,432.01	4	100.0	817	247	5.4	1.9
M-22	Prologis Park Joso	4.1	37,165.49	18,422.52	1	49.6	Not disclosed (Note 11)	Not disclosed (Note 11)	4.8	1.3
M-23	Prologis Park Osaka 5	3.9	78,087.30	78,087.30	8	100.0	1,087	389	5.8	2.9

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-24	Prologis Park Narita 3	10.5	52,982.99	52,982.99	12	100.0	675	254	3.7	2.0
M-25	Prologis Park Narashino 5	2.7	58,159.44	58,159.44	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	5.6	4.0
M-26	Prologis Park Ibaraki	2.2	154,182.43	154,182.43	4	100.0	2,292	565	9.0	7.2
M-27	Prologis Park Ichikawa 3	1.0	50,714.15	50,714.15	3	100.0	902	367	6.2	5.4
M-28	Prologis Park Narita 1-D	3.9	27,960.13	27,960.13	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	4.1	2.0
M-29	Prologis Park Yoshimi	3.0	98,076.60	98,076.60	4	100.0	1,202	455	8.9	7.3
B-02	Prologis Park Takatsuki	6.9	19,898.05	19,898.05	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	8.2
B-03	Prologis Park Tosu 2	6.4	21,778.87	21,778.87	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	3.7
B-04	Prologis Park Tosu 4	6.9	28,765.31	28,765.31	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.3	8.5
B-05	Prologis Park Narashino 4	5.4	91,529.07	91,529.07	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	4.8
B-06	Prologis Park Ebina	8.7	32,500.08	32,500.08	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	5.7	1.3
B-07	Prologis Park Kawanishi	5.0	75,493.23	75,493.23	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	5.0
B-08	Prologis Park Amagasaki 3	5.2	39,527.85	39,527.85	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	4.8
B-09	Prologis Park Kobe	5.0	32,511.56	32,511.56	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.2	10.3
B-10	Prologis Park Sendai Izumi	3.2	26,353.50	26,353.50	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	20.3	17.3
B-11	Prologis Park Koga 1	2.1	34,158.16	34,158.16	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	12.9
B-12	Prologis Park Kobe 2	2.1	62,468.19	62,468.19	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	12.9
B-13	Prologis Park Koga 2	1.6	19,699.36	19,699.36	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	13.4
B-14	Prologis Park Koga 3	0.4	29,196.84	29,196.84	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	9.7
Total		7.5	2,649,286.14	2,620,188.19	174	98.9	36,518	14,117	7.3	4.2

(Note 1) "Leasable area", "Leased area" and "Occupancy rate" does not include the area of the convenience store building that is jointly owned by the owners of Prologis Park Narita 1-A&B, Prologis Park Narita 1-C and Prologis Park Narita 1-D. The same applies hereinafter.

(Note 2) "Property age" of each property is calculated based on the date in the property registration as of Nov. 30, 2018, and is rounded to the nearest first tenth. Although Prologis Park Zama 2 also has an annex, the property age is

calculated based only on the main structure of the property, as the annex is relatively small. Also, a convenience store building jointly owned by the owners of Prologis Park 1-A&B and Prologis Park 1-C is excluded.

- (Note 3) "Leasable area" equals the gross leasable space in each property or property in trust based on lease agreements and floor plans included in lease agreements, plus available space based on floor plans, rounded down to the nearest square meter.
- (Note 4) "Leased area" equals to gross floor area of leased space in each property or property in trust as of Nov. 30, 2018, based on the lease agreements and floor plans included in the lease agreements.
- (Note 5) "Gross number of tenants" is based on the lease agreements with tenants for warehouses, offices and stores for each property or property in trust as of Nov. 30, 2018. For properties with pass-through master lease agreements, this is the total number of end-tenants.
- (Note 6) "Occupancy rate" is as of Nov. 30, 2018, calculated by dividing total leased area for each property by the total leasable area. The total occupancy rate is calculated by dividing the aggregate total leased area for the relevant properties by the aggregate total leasable area for the relevant properties. Figures are rounded to the nearest tenth.
- (Note 7) "Annual rent" is based on total annual rent (including common area charges) as of Nov. 30, 2018, as indicated in the relevant lease agreements for all warehouses, offices and stores for each property or property in trust. If the relevant agreements include monthly contracted rent, anticipated annual rent is calculated in accordance with the terms provided in the agreements. Figures are rounded down to the nearest million yen.
- (Note 8) "Security deposit" is calculated as the total security deposit as indicated in the relevant lease agreements for all warehouses, offices and stores for each property or property in trust as of Nov. 30, 2018, rounded down to the nearest million yen.
- (Note 9) "Average lease contract" is calculated as the weighted average of length of lease contract indicated in the relevant lease agreements for all warehouses, offices and stores for each property or property in trust as of Nov. 30, 2018, by the rent and figures are rounded to the nearest tenth.
- (Note 10) "Average remaining lease contract" is calculated as the weighted average of length of remaining lease contract indicated in the relevant lease agreements for all warehouses, offices and stores for each property or property in trust as of Nov. 30, 2018, by the rent and figures are rounded to the nearest tenth.
- (Note 11) We have not obtained permission from the tenant of the properties to disclose the information unstated in this table.

(3) Capital Expenditures for Owned Properties

(I) Future Plans for Capital Expenditure

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

Name (Location)	Purpose	Planned period	Estimate construction cost (Millions of yen) <sup>(1)</sup>		
			Total amount	Paid during the reporting period	Total amount already paid
Prologis Park Amagasaki 2, other (Amagasaki, Hyogo, other)	Repair work of exterior walls	From June 2018 to May 2019	541	206	211
Prologis Park Iwanuma 1, other (Iwanuma, Miyagi, other)	Repair work of exterior walls	From Dec. 2018 to Sep. 2019	204	-	-
Prologis Park Narita1-C other (Narita, Chiba, other)	Installment of LED lighting	From Dec. 2018 to Nov. 2019	92	-	-

(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 991 million yen in the reporting fiscal period which is a sum of capital expenditures of 737 million yen and repair and maintenance expenses of 253 million yen.

Name (Location)	Purpose	Expenditure Period	Amount spent (Millions of yen) <sup>(1)</sup>
Prologis Park Amagasaki 2 (Amagasaki, Hyogo)	Repair work of exterior walls	From Oct. 2017 to Nov. 2018	203
Prologis Park Iwanuma 1, other (Iwanuma, Miyagi, other)	Countermeasure work of BCP	From June 2018 to Nov. 2018	151
Prologis Park Funabashi 5, other (Funabashi, Chiba, other)	Installment of LED lighting	From June 2018 to Nov. 2018	88
Others	-	-	293
Total			737

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

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

None

(4) Information Concerning Major Tenants

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

None

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

None

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

Twelfth Fiscal Period from June 1, 2018, to Nov. 30, 2018

(Units: Thousands of yen)

Property number	M-01	M-02	M-03	M-04	M-05
Property name	Prologis Park Ichikawa 1	Prologis Park Zama 1	Prologis Park Kawajima	Prologis Park Osaka 2	Prologis Park Maishima 3
Operating days	183	183	183	183	183
(1) Property related revenues	1,225,930	987,278	1,001,677	958,694	468,306
Property revenues	1,068,659	906,468	910,716	856,653	435,208
Other property related revenues	157,271	80,809	90,960	102,040	33,097
(2) Total of property related expenses	513,523	403,425	447,642	437,142	253,946
Property taxes	84,630	72,287	69,564	83,840	51,807
Subcontract expenses	88,842	58,120	60,776	49,233	35,208
Utilities cost	121,392	57,151	74,895	81,540	25,395
Non-life insurance premium	1,453	1,260	1,479	1,536	853
Repair and maintenance	6,754	12,178	12,089	7,701	13,704
Depreciation	209,971	199,807	228,338	212,790	126,497
Custodian fee	480	500	500	500	480
Other expenses	-	2,119	-	-	-
(3) Operating income from property leasing ( = (1)-(2) )	712,406	583,852	554,034	521,551	214,359
NOI ( (3) + Depreciation)	922,377	783,660	782,373	734,342	340,857

(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	540,501	286,561	898,895	818,531	404,504
Property revenues	508,422	267,250	806,496	716,519	388,476
Other property related revenues	32,078	19,311	92,399	102,011	16,027
(2) Total of property related expenses	263,568	138,657	339,792	354,341	156,903
Property taxes	57,468	30,507	60,080	62,554	33,534
Subcontract expenses	33,894	21,503	56,560	42,839	28,867
Utilities cost	31,000	13,968	72,349	80,770	13,134
Non-life insurance premium	947	407	921	1,026	605
Repair and maintenance	11,839	10,987	4,534	13,268	1,944
Depreciation	127,918	60,782	144,846	153,381	77,856
Custodian fee	500	500	500	500	960
Other expenses	-	-	-	-	-
(3) Operating income from property leasing ( = (1)-(2) )	276,932	147,903	559,103	464,190	247,601
NOI ( (3) + Depreciation)	404,851	208,686	703,949	617,571	325,457

(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	372,362	Not disclosed (Note 1)	Not disclosed (Note 1)	693,411	457,028
Property revenues	334,269			608,128	414,781
Other property related revenues	38,092			85,282	42,246
(2) Total of property related expenses	177,861			320,562	159,585
Property taxes	23,261			57,591	36,994
Subcontract expenses	40,182			36,154	20,362
Utilities cost	25,948			71,774	34,142
Non-life insurance premium	607			914	376
Repair and maintenance	8,759			11,864	6,542
Depreciation	78,531			141,783	60,667
Custodian fee	500	480	500		
Other expenses	70	-	-		
(3) Operating income from property leasing ( = (1)-(2) )	194,500	124,748	337,729	372,848	297,442
NOI ( (3) + Depreciation)	273,032	167,385	451,831	514,632	358,109

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

(Units: Thousands of yen)

Property number	M-17	M-18	M-19	M-20	M-21
Property name	Prologis Park Yokohama- Tsurumi	Prologis Park Osaka 4	Prologis Park Iwanuma 1	Prologis Park Kawajima 2	Prologis Park Kitamoto
Operating days	183	183	183	183	183
(1) Property related revenues	519,981	745,837	295,382	Not disclosed (Note 1)	427,808
Property revenues	469,938	687,652	215,829		406,438
Other property related revenues	50,043	58,184	79,552		21,369
(2) Total of property related expenses	268,354	373,631	180,522		185,248
Property taxes	51,951	76,735	20,735		31,865
Subcontract expenses	54,868	57,635	15,852		31,771
Utilities cost	49,818	42,428	69,096		17,913
Non-life insurance premium	666	1,124	379		682
Repair and maintenance	2,901	25,006	6,582		1,814
Depreciation	107,348	170,221	67,375		100,721
Custodian fee	500	480	500	480	
Other expenses	300	-	-	-	
(3) Operating income from property leasing ( = (1)-(2) )	251,626	372,205	114,860	171,559	242,560
NOI ( (3) + Depreciation)	358,975	542,426	182,235	239,197	343,282

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

(Units: Thousands of yen)

Property number	M-22	M-23	M-24	M-25	M-26
Property name	Prologis Park Joso	Prologis Park Osaka 5	Prologis Park Narita 3	Prologis Park Narashino 5	Prologis Park Ibaraki
Operating days	183	183	183	183	183
(1) Property related revenues	Not disclosed (Note 1)	571,385	377,393	Not disclosed (Note 1)	1,180,028
Property revenues		541,162	334,341		1,112,002
Other property related revenues		30,222	43,052		68,026
(2) Total of property related expenses		268,983	180,806		550,051
Property taxes		61,965	29,946		125,332
Subcontract expenses		29,103	34,796		75,971
Utilities cost		26,688	36,452		51,709
Non-life insurance premium		950	724		1,978
Repair and maintenance		8,968	1,732		12,283
Depreciation		140,828	76,675		282,003
Custodian fee	480	480	480		
Other expenses	-	-	294		
(3) Operating income from property leasing ( = (1)-(2) )	377,840	302,401	196,586	209,863	629,976
NOI ( (3) + Depreciation)	442,279	443,230	273,262	321,775	911,980

(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	B-02	B-03
Property name	Prologis Park Ichikawa 3	Prologis Park Narita 1-D	Prologis Park Yoshimi	Prologis Park Takatsuki	Prologis Park Tosu 2
Operating days	183	183	183	183	183
(1) Property related revenues	452,658	Not disclosed (Note 1)	627,133	Not disclosed (Note 1)	Not disclosed (Note 1)
Property revenues	434,735		596,620		
Other property related revenues	17,923		30,513		
(2) Total of property related expenses	167,711		238,903		
Property taxes	-		-		
Subcontract expenses	29,412		31,075		
Utilities cost	16,638		24,390		
Non-life insurance premium	793		1,161		
Repair and maintenance	550		875		
Depreciation	119,836		180,920		
Custodian fee	480	480			
Other expenses	-	-			
(3) Operating income from property leasing ( = (1)-(2) )	284,947	113,507	388,230	91,982	57,341
NOI ( (3) + Depreciation)	404,784	154,687	569,151	124,000	89,322

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

(Units: Thousands of yen)

Property number	B-04	B-05	B-06	B-07	B-08
Property name	Prologis Park Tosu 4	Prologis Park Narashino 4	Prologis Park Ebina	Prologis Park Kawanishi	Prologis Park Amagasaki 3
Operating days	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))	73,359	383,380	171,592	320,180	170,405
NOI ( (3) + Depreciation)	109,703	527,633	209,841	407,958	230,643

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

(Units: Thousands of yen)

Property number	B-09	B-10	B-11	B-12	B-13
Property name	Prologis Park Kobe	Prologis Park Sendai Izumi	Prologis Park Koga 1	Prologis Park Kobe 2	Prologis Park Koga 2
Operating days	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) )	133,557	87,903	132,766	242,941	60,101
NOI ( (3) + Depreciation)	185,826	142,541	204,124	357,612	99,358

(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-14
Property name	Prologis Park Koga 3
Operating days	61
(1) Property related revenues	Not disclosed (Note 1)
Property revenues	
Other property related revenues	
(2) Total of property related expenses	
Property taxes	
Subcontract expenses	
Utilities cost	
Non-life insurance premium	
Repair and maintenance	
Depreciation	
Custodian fee	
Other expenses	
(3) Operating income from property leasing ( = (1)-(2) )	31,765
NOI ( (3) + Depreciation)	51,308

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