

SUMMARY OF FINANCIAL RESULTS (REIT) For the 13th Fiscal Period Ended May 31, 2019

July 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.
Representative: Masahiro Sakashita, President and CEO
Inquiries: Atsushi Toda, Director and Chief Financial Officer
TEL: +81-3-6867-8585

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Scheduled Date for Commencement of Distributions Payments: Aug. 15, 2019
Supplementary Materials for Financial Results: Yes • No
Investors & Analysts Meeting: Yes • No

1. Financial Results for the Fiscal Period ended May 31, 2019 (13th Fiscal Period) (Dec. 1, 2018 to May 31, 2019)

(Values are rounded down to the nearest million yen)

(1) Operating Results

(Percentages indicates percentage change from the previous period)

Period ended	Operating revenues		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2019	19,771	0.2	9,240	(1.5)	8,559	(1.7)	8,601	(1.2)
Nov. 30, 2018	19,726	7.0	9,379	6.5	8,710	7.8	8,709	7.9

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	%	%	%
May 31, 2019	3,935	2.5	1.5	43.3
Nov. 30, 2018	3,984	2.6	1.5	44.2

(2) Distributions

Period ended	Distributions per unit (including SCD)	Distributions per unit (excluding SCD)	SCD per unit	Total of distributions (including SCD)	Total of distributions (excluding SCD)	Total of SCD	Payout ratio	Ratio of distributions to net assets
	Yen	Yen	Yen	Millions of yen	Millions of yen	Millions of yen		
May 31, 2019	4,502	3,935	567	9,841	8,601	1,239	100.0	2.5
Nov. 30, 2018	4,429	3,984	445	9,681	8,708	972	100.0	2.6

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

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

(Note 2) The ratios of net asset value attributable to a reduction in unit holders' paid-in capital for the fiscal periods ended May 31, 2019 and Nov. 30, 2018, are 0.004 and 0.003, respectively. The payment of SCD is deemed a return of capital. This calculation methodology is pursuant to Article 23, Paragraph 1, Item 4 of the Act on Special Measures Concerning Taxation.

(3) Financial Position

	Total assets	Net assets	Ratio of unit holders' equity to total assets	Net asset per unit
Period ended	Millions of yen	Millions of yen	%	Yen
May 31, 2019	577,647	338,148	58.5	154,691
Nov. 30, 2018	572,680	339,228	59.2	155,185

(4) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the fiscal period
Period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
May 31, 2019	11,971	(13,189)	(3,181)	24,716
Nov. 30, 2018	15,689	(5,728)	(4,896)	29,116

2. Earnings Forecasts for the Fiscal Period ending Nov. 30, 2019 (14th Fiscal Period) (from June 1, 2019, to Nov. 30, 2019) and May 31, 2020 (15th Fiscal Period) (from Dec. 1, 2019, to May 31, 2020)

(Percentages indicate change from the previous period)

Period ending	Operating revenues		Operating income		Ordinary income		Profit		Distributions per unit (including SCD)	Distributions per unit (excluding SCD)	SCD
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen	Yen
Nov. 30, 2019	21,611	9.3	10,030	8.5	9,157	7.0	9,156	6.4	4,503	3,898	605
May 31, 2020	21,400	(1.0)	9,812	(2.2)	9,029	(1.4)	9,028	(1.4)	4,454	3,844	610

(Reference) Forecasted Profit per unit for the fiscal period ending Nov. 30, 2019: 3,925 yen
Forecasted Profit per unit for the fiscal period ending May 31, 2020: 3,843 yen

3. Other

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

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

(2) Number of Investment Units Issued and Outstanding

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

As of May 31, 2019 2,185,950 units
As of Nov. 30, 2018 2,185,950 units

Number of treasury units at end of period:

As of May 31, 2019 0 units
As of Nov. 30, 2018 0 units

*** The Implementation Status of Statutory Audit**

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

*** Special Note**

The forward-looking statements in this material are based on information currently available to us and on certain assumptions that we believe are reasonable. Actual operating performance may differ substantially due to various factors. Furthermore, those statements shall not be deemed a guarantee or any commitment of the amount of future distributions and surplus cash distributions. Please refer to "Assumptions for the forecasts for fiscal periods ending Nov. 30, 2019 (14th Fiscal Period) and May 31, 2020 (15th Fiscal Period)" on page 11 for assumptions regarding forward-looking statements.

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1. Results of Operations

(1) Results of Operations

(I) Overview of the 13th Fiscal Period ended May 31, 2019

(i) Major Operational Results of NPR

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

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

NPR acquired 44 properties in total (aggregate acquisition price: 595,540 million yen) and disposed 2 properties (aggregate acquisition price: 16,870 million yen) by the end of the reporting fiscal period. As a result, NPR owned 42 properties (aggregate acquisition price: 568,670 million yen), all of which are Class-A facilities developed by the Prologis Group, as of the end of the reporting fiscal period^(*2).

(*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.

(ii) Operational Results of the 13th Fiscal Period ended May 31, 2019

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

We recently observed new entrants into the modern logistics real estate market, and 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 becoming more in balance 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, and vacancy rate in such areas is continuously declining.

Under these circumstances, the occupancy rate of NPR’s portfolio remained high, at 99.7 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 borrowed a 6,500 million yen short term loan on Dec. 3, 2018 for the acquisition of a new property and payment of ancillary costs and expenses. In addition, NPR refinanced a 6,400 million yen long-term loan on Dec. 3, 2018. As a result, the ending balance of NPR’s interest-bearing debt was 217,500 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 37.7 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 (May 31, 2019) were as follows:

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

(iv) Overview of Financial Results and Distributions

As a result of these investment activities and financings, NPR generated operating revenues of 19,771 million yen, operating income of 9,240 million yen, and ordinary income of 8,559 million yen. In addition, due to the Northern Osaka Earthquake which occurred in June 2018 and two typhoons that hit Japan in Sep. 2018, NPR recorded extraordinary losses of 716 million yen as repair expenses, etc. and extraordinary income of 759 million yen due to the insurance payment for such damages. Consequently, NPR generated profit of 8,601 million yen for the reporting fiscal period. The amount of NPR's distributions for the reporting period was 3,935 yen per unit, which was approximately equivalent to NPR's distributable income as deductible expenses in accordance with the Section 1 of Article 67-15 of the Act on Special Taxation Measures Law (a customary practice of J-REITs). The distribution amount was determined not to exceed unappropriated retained earnings for the reporting fiscal period, and also to minimize unitholders' burdens of income taxes.

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

For the reporting fiscal period, the total amount of NPR's Regular Surplus Cash Distributions was 1,239 million yen, equivalent to 28.5 percent of NPR's depreciation expense of 4,498 million yen for the reporting fiscal period, net of 41 million yen which is approximately equivalent to the difference between the extraordinary profit and extraordinary losses for the reporting period. NPR did not distribute One-time Surplus Cash Distributions for the reporting fiscal period. Consequently, the total amount of SCD per unit for the reporting fiscal period was determined at 567 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 427 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 June 30, 2019, NPR held exclusive negotiation rights granted from the Prologis Group for 4 properties. The Prologis Group will continue to develop new assets of approximately 40 to 60 billion yen every year in Japan, and as of June 30, 2019, development plans for 7 properties and significant multi-property plans for 2 future development projects have been announced. NPR is entitled to receive exclusive negotiation rights for logistics facilities that will be developed, owned or operated by the Prologis Group once these facilities achieve stabilization to the extent that those facilities qualify for NPR's investment criteria. All acquisitions are subject to the related party transaction guidelines of the Asset Manager to ensure appropriate terms and conditions.

Properties with Exclusive Negotiation Rights

Property name	Location	Exclusive Negotiation Rights Granted Date	GFA
Prologis Park Chiba New Town	Inzai, Chiba	Dec. 14, 2015	109,981 m ²
Prologis Park MFLP Kawagoe (50% co-ownership)	Kawagoe, Saitama	Dec. 15, 2017	117,337 m ² (Note)
Prologis Park Chiba 1	Chiba, Chiba	Dec. 14, 2018	147,005 m ²
Prologis Park Tsukuba 1-B	Tsukuba, Ibaraki	Dec. 14, 2018	71,595 m ²

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

Properties under development and under planning by Prologis Group

Property name	Location	GFA
Prologis Park Tsukuba 2	Tsukuba, Ibaraki	111,826 m ²
Prologis Park Chiba 2	Chiba, Chiba	68,211 m ²
Prologis Park Kobe 3	Kobe, Hyogo	38,700 m ²
Prologis Park Ebina 2	Ebina, Kanagawa	39,000 m ²
Prologis Park Kobe 5	Kobe, Hyogo	46,000 m ²
Prologis Park Soka	Soka, Saitama	151,000 m ²
Prologis Park Ogori	Ogori, Fukuoka	29,000 m ²
Prologis Inagawa Project	Inagawa, Hyogo	TBD
Prologis Koga Project Phase 2	Koga, Ibaraki	TBD

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

(c) Internal Growth Strategies

All leases for NPR's portfolio are in the form of fixed-term lease contracts. Consistent with NPR's investment strategy, approximately 80 percent (based on acquisition price) of NPR's portfolio comprises multi-tenant logistics facilities that 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 June 6, 2019, NPR borrowed bridge loans (the “Bridge loans”), which were based on a resolution made by the board of directors on June 4, 2019, for the purpose of funding the acquisition costs of new properties and related expenses described in the following “(b) Acquisition of Asset.” These Bridge loans were subsequently prepaid with the net proceeds from long-term loans (the “Borrowings”) borrowed on June 19, 2019, which were based on a resolution made by the board of directors described above, with a portion of the net proceeds from the Public Offering described below in “(c) Issuance of New Investment Units” and cash on hand.

Summary of the Bridge Loans

Category	Lender	Borrowing Amount	Interest Rate	Borrowing Date	Repayment Date	Repayment Method	Collateral
Short-term	Sumitomo Mitsui Banking Corporation	38,080 million yen	Base interest rate (JBA 1-month Japanese yen TIBOR) +0.17%	June 6, 2019	June 5, 2020	Paid in full upon maturity	Unsecured and non-guaranteed
	MUFG Bank, Ltd.	16,320 million yen					

Summary of the Borrowings

Category	Lender	Borrowing Amount	Interest Rate	Borrowing Date	Repayment Date	Repayment Method	Collateral
Long-term (Note 3)	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation and MUFG Bank, Ltd. (Note 1)	6,600 million yen	Base interest rate (JBA 3-month Japanese yen TIBOR) +0.275%	June 19, 2019	June 19, 2028	Paid in full upon maturity	Unsecured and non-guaranteed
Long-term (Note 4)	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation and MUFG Bank, Ltd. (Note 2)	12,000 million yen	Base interest rate (JBA 3-month Japanese yen TIBOR) +0.300%		June 19, 2029		

(Note)

- The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Mizuho Bank, Ltd., Development Bank of Japan Inc., Resona Bank, Limited, The Bank of Fukuoka, Ltd., Mizuho Trust & Banking Co., Ltd., The Iyo Bank, Ltd. and The Nishi-Nippon City Bank, Ltd.
- The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Mizuho Bank, Ltd., Development Bank of Japan Inc., Resona Bank, Limited, The Bank of Fukuoka, Ltd., Mizuho Trust & Banking Co., Ltd. and The Nishi-Nippon City Bank, Ltd.
- NPR has executed the interest rate swap agreement to hedge the risks of interest rate volatility by converting the floating interest rates payable to fixed interest rates for the Borrowing.

1. Counterparty	Mizuho Securities Co., Ltd.
2. Notional Amount	6,600 million yen
3. Interest Rate	Fixed Interest Rate: 0.0902% Floating Interest Rate: JBA 3-month Japanese yen TIBOR
4. Trade Date	June 17, 2019
5. Effective Date	June 19, 2019
6. Termination Date	June 19, 2028

*The subject interest rate swap agreement has, in effect, fixed the interest rate at 0.3652%.

4. NPR has executed the interest rate swap agreement to hedge the risks of interest rate volatility by converting the floating interest rates payable to fixed interest rates for the Borrowing.

1. Counterparty	Nomura Securities Co., Ltd.
2. Notional Amount	12,000 million yen
3. Interest Rate	Fixed Interest Rate: 0.1300% Floating Interest Rate: JBA 3-month Japanese yen TIBOR
4. Trade Date	June 17, 2019
5. Effective Date	June 19, 2019
6. Termination Date	June 19, 2029

*The subject interest rate swap agreement has, in effect, fixed the interest rate at 0.4300%.

(b) Acquisition of Asset

As resolved by the board of directors on June 4, 2019, in line with basic investment guidelines defined in its Articles of Incorporation, NPR decided to acquire properties described below, and acquired Prologis Park Higashimatsuyama, Prologis Park Kyotanabe and Prologis Park Sendai Izumi 2 on June 6, 2019 with proceeds from the Bridge Loans described in “(a) Borrowings” above and cash on hand.

Property name		Prologis Park Higashimatsuyama
Location		2, Nakadacho, Higashimatsuyama, Saitama 2, Nakadacho, Higashimatsuyama, Saitama
Class of assets		Real estate trust beneficiary interests
Acquisition date		June 6, 2019
Acquisition price		12,600 million yen (Note)
Land	Ownership form	Proprietary
	Land area	31,170.84 m ²
Building	Ownership form	Proprietary
	Gross floor area	61,885.92 m ²
	Date of construction	Jan. 15, 2018
	Use	Warehouse, Office
	Structure/No. of stories	S, 4-story building

Note : “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. The same hereinafter.

Property name		Prologis Park Kyotanabe
Location		1, Matsumiyaden, Kyotanabe, Kyoto 1, Matsumiyaden, Kyotanabe, Kyoto
Class of assets		Real estate trust beneficiary interests
Acquisition date		June 6, 2019
Acquisition price		35,800 million yen
Land	Ownership form	Proprietary
	Land area	70,310.07 m ²
Building	Ownership form	Proprietary
	Gross floor area	139,520.72 m ²
	Date of construction	Oct. 17, 2018
	Use	Warehouse, Office
	Structure/No. of stories	RC, 6-story building

Property name		Prologis Park Sendai Izumi 2
Location		3-1, Akedori 3 chome, Izumi Ward, Sendai, Miyagi 3-1, Akedori 3 chome, Izumi Ward, Sendai, Miyagi
Class of assets		Real estate trust beneficiary interests
Acquisition date		June 6, 2019
Acquisition price		9,250 million yen
Land	Ownership form	Proprietary
	Land area	64,813.11 m ²
Building	Ownership form	Proprietary
	Gross floor area	36,589.70 m ²
	Date of construction	Sep. 3, 2018
	Use	Warehouse, Office
Structure/No. of stories		RC/S, 4-story building

Property name		Prologis Park Kobe 4
Location		6-1, Mitsugaoka 7-chome, Nishi Ward, Kobe, Hyogo
Class of assets		Real estate trust beneficiary interests
Anticipated acquisition date		Oct. 1, 2019 (Note 1)
Anticipated acquisition price		5,000 million yen (Note 2)
Land	Ownership form	Proprietary
	Land area	13,020.82 m ²
Building	Ownership form	Proprietary
	Gross floor area	24,137.60 m ²
	Date of construction	May 22, 2019
	Use	Warehouse, Office
Structure/No. of stories		S, 4-story building

Note 1: "Anticipated acquisition date" indicates the anticipated acquisition date in the Purchase and Sale Agreement of Trust Beneficiary Interest that was executed with the current owners of the property.

Note 2: As for Prologis Park Kobe 4, since payment for transfer of the property will take place more than a month after the execution of the purchase agreement, such purchase agreement is considered a forward commitment contract. According to the purchase agreement for this property, if either the seller or buyer breaches the purchase agreement in any material way and the purpose of the purchase agreement cannot be achieved because of such breach, the other party can terminate the contract by providing a notice to the other party, excluding the cases set forth separately in the Purchase and Sale Agreement. In such case, the breaching party shall pay the other party a penalty in an amount equivalent to 20% of the sale/purchase price after deduction of consumption tax and local consumption tax, and neither party shall seek damages for more than the amount of this penalty, even if the amount of actual damages exceeds the penalty amount, or seek to reduce the size of the penalty, even if the amount of actual damages is less than the penalty amount.

Under the purchase agreement, payment of the acquisition price is conditioned upon NPR's successful financing to fund the acquisition price, and if this condition is not met, NPR is entitled to terminate the Purchase and Sale Agreement with a notification to the seller and NPR is not obliged to pay the penalty fee to the seller.

As a result, even if NPR cannot finance the acquisition of the property, this would likely not directly or materially harm NPR's financial condition or its ability to pay dividends, since NPR is able to terminate the Purchase and Sale Agreement in such a situation without paying any penalties.

In addition, previous owner is expected to transfer these assets to trustee by the time of anticipated acquisition date and NPR is expected to acquire the trust beneficiary interest on the real estate.

Note 3: The Purchase and Sale Agreement pertaining to this property stipulates that acquisition price of this property may increase or decrease under certain circumstances, for the purpose of preserving the Asset Manager's expected yield of this property, regardless of any change in NCF of this property by the time when this property is acquired (the "Price Adjustment Clause").

Under the Price Adjustment Clause, it is stipulated that, in the event of any change in NCF of the this property by the

time this property is acquired for any prescribed reason, such as any increase or decrease in estimated rent prescribed in the lease agreement, outsourcing expenses, or repair expenses or capital expenditure (the “Price Adjustment Event”), the transfer price of this property shall be increased or decreased, by a certain amount calculated based on a prescribed formula according to such change.

Accordingly, the anticipated acquisition price of this property may vary when the Price Adjustment Event occurs.

(c) Issuance of New Investment Units

NPR issued new investment units based on a resolution made by the board of directors on June 4, 2019 and June 11, 2019. Subsequently, the payments were completed on June 18, 2019 and July 17, 2019, for the issuance of new investment units through the public offering and third-party allotment, respectively.

Issuance of New Investment Units through the Public Offering

Number of units issued and outstanding	155,430 units
Issue price	227,458 yen per unit
Total net proceeds	35,353,796,940 yen
Issue value	220,030 yen per unit
Total issue value	34,199,262,900 yen
Payment date	June 18, 2019

Issuance of New Investment Units through the Third-Party Allotment

Number of units issued	7,770 units
Issue price	220,030 yen per unit
Total net proceeds	1,709,633,100 yen
Payment date	July 17, 2019

Use of proceeds

A portion of the net proceeds from the Public Offering, the net proceeds from the Borrowings described above in “(a) Borrowings” and cash on hand were used to fund the repayment of the Bridge Loans described above in “(a) Borrowings”. Besides, a portion of the net proceeds from the Public Offering and the Third Party Allotment will be used to acquire Prologis Park Kobe 4 described above in “(b) Acquisition of Asset” and fund the related expenses.

(iii) Earnings Forecast

	Operating revenues (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Profit (Millions of yen)	Distributions per unit (including surplus cash distributions) (yen)	Distributions per unit (excluding surplus cash distributions) (yen)	Surplus cash distributions per unit (yen)
Period ending Nov. 30, 2019 (14th period)	21,611	10,030	9,157	9,156	4,503	3,898	605
Period ending May 31, 2020 (15th period)	21,400	9,812	9,029	9,028	4,454	3,844	610

(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 Nov. 30, 2019 (14th Fiscal Period) and May 31, 2020 (15th Fiscal Period)

Item	Assumption
Accounting period	<ul style="list-style-type: none"> ● Fiscal period ending Nov. 30, 2019 (14th fiscal period) (from June 1, 2019 to Nov. 30, 2019) (183 days) ● Fiscal period ending May 31, 2020 (15th fiscal period) (from Dec. 1, 2019 to May 31, 2020) (183 days)
Portfolio of Investment Assets Held	<ul style="list-style-type: none"> ● In addition to its 42 properties held as of the end of the reporting fiscal period, NPR acquired Prologis Park Higashimatsuyama, Prologis Park Kyotanabe and Prologis Park Sendai Izumi 2 on June 6, 2019 and will acquire Prologis Park Kobe 4 (collectively, the “New Properties”) on Oct. 1, 2019. 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 the New Properties, until May 31, 2020. ● The sales and purchase agreements pertaining to Prologis Park Kobe 4 stipulate that transfer price of such property may be increased or decreased, respectively for a certain amount calculated according to the prescribed formula based on any change in profitability of the property, by the time when such property is acquired, for any prescribed reason including any increase or decrease in estimated rent, outsourcing expenses, or repair expenses or capital expenditure. It is assumed that neither such change in profitability or associated increase or decrease in transfer prices of the Anticipated Acquisitions will not occur. ● The actual results may vary due to unscheduled acquisitions of new properties or dispositions of existing properties, etc.
Operating revenues	<ul style="list-style-type: none"> ● Operating revenues are estimated, by taking into account factors such as market trends and competitiveness of NPR’s properties, to be 21,611 million yen and 21,400 million yen for the periods ending Nov. 30, 2019 and May 31, 2020, respectively. The expected average occupancy rates are estimated to be 98.1 percent and 97.7 percent for the periods ending Nov. 30, 2019 and May 31, 2020, respectively. ● For operating rental revenues, it is assumed that tenants will pay rents without delinquency or withholding.
Operating expenses	<ul style="list-style-type: none"> ● Expenses except depreciation are calculated by taking into account variable factors and are assumed to be 4,594 million yen and 4,593 million yen for the periods ending Nov. 30, 2019 and May 31, 2020, respectively. ● Depreciation expenses, including ancillary costs associated with property acquisitions, are calculated using the straight-line method and are assumed to be 4,994 million yen and 5,033 million yen for the periods ending Nov. 30, 2019 and May 31, 2020, respectively. ● 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 the New Properties will start to be expensed from the fiscal period ending May 31, 2020. The total amount of property taxes and city planning taxes included in the purchase price is assumed to be 185 million yen for the period ending Nov. 30, 2019 (equivalent to expenses for 178 days for Prologis Park Higashimatsuyama, Prologis Park Kyotanabe and Prologis Park Sendai Izumi 2, and 61 days for Prologis Park Kobe 4) and 33 million yen for the period ending May 31, 2020 (equivalent to expenses for 31 days). ● 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.
Non-operating expenses	<ul style="list-style-type: none"> ● It is assumed that NPR will recognize 110 million yen as total expenses incurred in relation to the offerings of the new investment units in the fiscal period ending Nov. 30, 2019. ● As for interest expenses and other debt-related costs, 736 million yen and 746 million yen are expected for each of the periods ending Nov. 30, 2019 and May 31, 2020, respectively. The debt-related amortization, which is included in debt-related expenses, is expected to be 189 million yen and 191 million yen for each of the periods ending Nov. 30, 2019 and May 31, 2020, respectively.
Borrowings and bonds	<ul style="list-style-type: none"> ● The balance of NPR’s interest-bearing debt outstanding as of the date hereof is 236,100 million yen, including the balance of investment corporation bonds.

	<ul style="list-style-type: none"> • A 18,600 million yen long-term loan was borrowed on June 19, 2019 to fund the repayment of the Bridge loans in connection with the acquisition of the New Properties. • It is assumed that NPR will borrow a 5,000 million yen long-term loan on Oct. 1, 2019 in connection with the acquisition of Prologis Park Kobe 4. • It is assumed that NPR will fully refinance a 1,000 million yen long-term loan that is due on Nov. 27, 2019, 2,000 million investment corporation bonds that are due on Nov. 27, 2019 and a 6,500 million yen short-term loan that is due on Nov. 29, 2019, respectively.
Investment units	<ul style="list-style-type: none"> • It is assumed that the number of investment units currently issued and outstanding will not change. As of the date hereof, there are 2,349,150 units issued and outstanding.
Distributions per unit (excluding surplus cash distributions (SCD))	<ul style="list-style-type: none"> • Distributions per unit (excluding SCD) are calculated based on the premises of the distribution policy in the articles of incorporation of NPR that all profit shall be distributed. • Distributions per unit (excluding SCD) may change considerably due to various factors including changes in operational environment arising from any additional acquisitions or dispositions of properties, changes in rent revenues attributable to tenant moves, occurrence of unexpected repairs, changes in interest rates and issues of new investment units in the future.
Surplus cash distributions (SCD) per unit	<ul style="list-style-type: none"> • SCD per unit is calculated based on the premises of the fund distribution policy contained in the articles of incorporation of NPR. • It is assumed that SCD in the fiscal period ending Nov. 30, 2019 and the fiscal period ending May 31, 2020 will be 1,421 million yen and 1,432 million yen, respectively, which are equivalent to 28.5 percent of the amount of depreciation expenses assumed for the applicable fiscal periods. • The amount of depreciation expenses may vary as a result of changes in the amount of total assets under management, ancillary costs, capital expenditures, the allocation of purchase price to each asset item, estimated depreciable life, etc. SCD, which will be based on the amount of depreciation expenses, may vary accordingly. • NPR intends to pay SCD only to the extent that it can maintain appropriate levels of financial soundness and stability after considering alternatives of cash uses such as repairs and capital expenditures, repayment of borrowings and property acquisition opportunities. The maximum payable SCD amount is 60 percent of depreciation expenses during the applicable fiscal period. • However, NPR may 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. • 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. • To determine the amount of SCD, NPR also considers the payout ratio of total distribution amount relative to adjusted funds from operations ("AFFO"). NPR defines AFFO as funds from operations ("FFO") minus capital expenditures plus amortization of capitalized finance costs. FFO is defined as the sum of profit and non-cash expenses. For calculations, please refer to the following formulas: $\text{FFO} = \text{profit} + \text{depreciation} + \text{property-related amortization} + \text{loss on sale of real estate} - \text{gain on sale of real estate}$ $\text{AFFO} = \text{FFO} - \text{capital expenditure} + \text{amortization of capitalized finance costs}$ • Capital expenditures are assumed to be 724 million yen and 684 million yen in the periods ending Nov. 30, 2019 and May 31, 2020, respectively. • NPR does not plan to pay SCD in case such payment would cause the Distribution LTV, as defined below,

	<p>to exceed 60 percent.</p> <p>Distribution LTV(%) = A / B x 100</p> <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</p> <p>B = total appraisal real estate value at the end of the fiscal period + the amount of cash deposits at the end of the fiscal period – the total amount distributions (including SCD)</p>
<p>Others</p>	<ul style="list-style-type: none"> ● It is assumed that any revision that will have an impact on the forecast information above will be made with regard to the laws and regulations, tax system, accounting standards, listing rules of the Tokyo Stock Exchange and rules of the Investment Trusts Association, Japan, etc. ● It is assumed that no unexpected material change will arise in general economic trends and real estate market conditions.

2. Financial Statements

(1) Balance Sheet

(Unit: Thousands of yen)

	As of Nov. 30, 2018	As of May 31, 2019
ASSETS		
Current assets:		
Cash and deposits	24,546,935	20,380,422
Cash and deposits in trust	4,569,560	4,336,217
Operating accounts receivable	1,520,049	1,373,710
Prepaid expenses	348,676	405,159
Consumption taxes receivables	-	338,417
Other current assets	18,254	130
Total current assets	<u>31,003,476</u>	<u>26,834,057</u>
Fixed assets:		
Property and equipment		
Buildings	7,555,149	7,561,012
Less: accumulated depreciation	<u>(1,052,573)</u>	<u>(1,143,411)</u>
Buildings, net	<u>6,502,576</u>	<u>6,417,601</u>
Structures	249,739	249,739
Less: accumulated depreciation	<u>(108,327)</u>	<u>(117,612)</u>
Structures, net	<u>141,411</u>	<u>132,126</u>
Tools, furniture and fixtures	5,434	5,434
Less: accumulated depreciation	<u>(2,943)</u>	<u>(3,157)</u>
Tools, furniture and fixtures, net	<u>2,490</u>	<u>2,276</u>
Land	3,834,204	3,834,204
Buildings in trust	336,721,526	348,811,354
Less: accumulated depreciation	<u>(32,125,295)</u>	<u>(36,253,246)</u>
Buildings in trust, net	<u>304,596,230</u>	<u>312,558,107</u>
Structures in trust	7,637,949	7,903,770
Less: accumulated depreciation	<u>(1,618,762)</u>	<u>(1,854,530)</u>
Structures in trust, net	<u>6,019,187</u>	<u>6,049,239</u>
Machinery and equipment in trust	13,117	13,117
Less: accumulated depreciation	<u>(2,590)</u>	<u>(2,976)</u>
Machinery and equipment in trust, net	<u>10,526</u>	<u>10,140</u>
Tools, furniture and fixtures in trust	748,846	764,555
Less: accumulated depreciation	<u>(267,772)</u>	<u>(301,421)</u>
Tools, furniture and fixtures in trust, net	<u>481,073</u>	<u>463,133</u>
Other tangible assets in trust	35	35
Less: accumulated depreciation	<u>(35)</u>	<u>(35)</u>
Other tangible assets in trust, net	<u>0</u>	<u>0</u>
Land in trust	218,446,593	219,810,580
Construction in progress in trust	3,779	16,687
Total property and equipment	<u>540,038,074</u>	<u>549,294,096</u>
Intangible assets		
Other intangible assets in trust	11,087	10,469
Total intangible assets	<u>11,087</u>	<u>10,469</u>
Investments and other assets		
Long-term prepaid expenses	1,535,142	1,422,231
Deferred tax assets	14	19
Security deposit	10,000	10,000
Other	400	400
Total investments and other assets	<u>1,545,557</u>	<u>1,432,650</u>
Total fixed assets	<u>541,594,719</u>	<u>550,737,217</u>

	(Unit: Thousands of yen)	
	As of Nov. 30, 2018	As of May 31, 2019
Deferred assets:		
Investment corporation bond issuance costs	82,479	75,739
Total deferred assets	82,479	75,739
Total assets	572,680,675	577,647,014
LIABILITIES		
Current liabilities:		
Operating accounts payable	1,609,655	1,330,813
Short-term loans payable	-	6,500,000
Current portion of investment corporation bonds payable	2,000,000	2,000,000
Current portion of long-term loans payable	7,400,000	1,000,000
Accounts payable	589,610	578,082
Accrued expenses	1,925,584	1,923,071
Accrued consumption taxes	804,872	-
Income taxes payable	890	990
Advances received	3,336,839	3,381,118
Other current liabilities	81,218	94,779
Total current liabilities	17,748,670	16,808,855
Non-current liabilities:		
Investment corporation bonds payable	16,000,000	16,000,000
Long-term loans payable	185,600,000	192,000,000
Tenant leasehold and security deposits	247,773	247,773
Tenant leasehold and security deposits in trust	13,855,824	14,435,224
Other non-current liabilities	194	6,546
Total non-current liabilities	215,703,791	222,689,544
Total liabilities	233,452,462	239,498,399
NET ASSETS		
Unit holders' equity		
Unit holders' capital		
Unit holders' capital, gross	338,516,767	338,516,767
Deduction of unit holders' capital	(7,999,392)	(8,972,139)
Unit holders' capital	330,517,375	329,544,627
Surplus		
Unappropriated retained earnings (undisposed loss)	8,710,838	8,603,987
Total surplus	8,710,838	8,603,987
Total unit holders' equity	339,228,213	338,148,614
Total net assets (*2)	*2 339,228,213	*2 338,148,614
Total liabilities and net assets	572,680,675	577,647,014

(2) Statement of Income

	(Unit: Thousands of yen)	
	For the period from June 1, 2018 to Nov. 30, 2018	For the period from Dec. 1, 2018 to May 31, 2019
Operating revenues:		
Operating rental revenues	* ¹ 17,855,150	* ¹ 18,470,266
Other rental revenues	* ¹ 1,870,554	* ¹ 1,300,995
Gain on sales of real estate properties	* ² 572	-
Total operating revenues	<u>19,726,277</u>	<u>19,771,261</u>
Operating expenses:		
Expenses related to property rental business (* ¹)	* ¹ 8,503,051	* ¹ 8,695,897
Asset management fee	1,719,714	1,717,183
Asset custody fee	44,328	42,988
Directors' compensation	5,600	7,200
Audit fee	15,000	15,000
Other operating expenses	58,994	52,735
Total operating expenses	<u>10,346,689</u>	<u>10,531,005</u>
Operating income	<u>9,379,588</u>	<u>9,240,255</u>
Non-operating income:		
Interest income	104	114
Reversal of distributions payable	555	587
Interest on refund of consumption taxes	751	-
Total non-operating income	<u>1,411</u>	<u>701</u>
Non-operating expenses:		
Interest expenses	431,729	431,919
Interest expenses on investment corporation bonds	43,155	51,378
Amortization of investment corporation bond issuance costs	6,015	6,740
Borrowing related expenses	189,515	191,061
Others	184	21
Total non-operating expenses	<u>670,600</u>	<u>681,121</u>
Ordinary income:	<u>8,710,398</u>	<u>8,559,835</u>
Extraordinary income:		
Insurance income	-	* ³ 759,531
Total extraordinary income	<u>-</u>	<u>759,531</u>
Extraordinary losses:		
Loss on disaster	-	* ³ 716,390
Total extraordinary losses	<u>-</u>	<u>716,390</u>
Income before income taxes	<u>8,710,398</u>	<u>8,602,976</u>
Incomes taxes – current	906	1,007
Incomes taxes – deferred	13	(4)
Total income taxes	<u>920</u>	<u>1,002</u>
Profit	<u>8,709,478</u>	<u>8,601,974</u>
Retained earnings brought forward	1,359	2,013
Unappropriated retained earnings (undisposed loss)	<u>8,710,838</u>	<u>8,603,987</u>

(3) Statement of Unit Holders' Equity

For the periods 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	*1 338,516,767	(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	*1 338,516,767	(7,999,392)	330,517,375	8,710,838	8,710,838	339,228,213	339,228,213

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

(Units: Thousands of yen)

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

(4) Statement of Cash Distribution

(Unit: Yen)

	For the period from June 1, 2018 to Nov. 30, 2018	For the period from Dec. 1, 2018 to May 31, 2019
I Unappropriated retained earnings (undisposed loss)	8,710,838,184	8,603,987,514
II Distributions in excess of retained earnings		
Deduction from unit holders' capital	972,747,750	1,239,433,650
III Distributions	9,681,572,550	9,841,146,900
(Distributions per unit)	(4,429)	(4,502)
Of which, distributions of retained earnings	8,708,824,800	8,601,713,250
(Of which, distributions of retained earnings per unit)	(3,984)	(3,935)
Of which, distributions in excess of retained earnings	972,747,750	1,239,433,650
(Of which, distributions in excess of retained earnings per unit)	(445)	(567)
IV Retained earnings carried forward	2,013,384	2,274,264
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 8,708,824,800 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.</p> <p>In addition, based on the distribution policy as defined in Article 39, Paragraph 2 of incorporation, NPR shall make Surplus Cash Distributions (SCD) as a general principle, defined as distributions in excess of retained earnings, as a return of unit holders' capital, each fiscal period on a continuous basis. Furthermore, NPR is per permitted to distribute One-time Surplus Cash Distributions for the purpose of maintaining stable distributions per unit in the event that its distributions per unit is expected to temporarily dilute by a certain degree as a result of financing actions, as well as, certain inevitable and one-time events such as repair expenses and capital losses due to damages caused by natural disasters (e.g., earthquakes), accidents/incidents (e.g., fire), and/or other one-time</p>	<p>Pursuant to the "Policy on the Distribution of Funds" as defined in Article 39, Paragraph 1 of Article 2 of incorporation of NPR, the amount of distributions shall be the amount that does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act.</p> <p>Based on the policy, NPR declared the distribution amount of 8,601,713,250 yen which was the amount determined not to exceed unappropriated retained earnings, and to minimize unitholders' burdens of income taxes, and was also equivalent to the integral multiples of number of investment units issued and outstanding (2,185,950 investment units) as of the reporting fiscal period.</p> <p>In addition, based on the distribution policy as defined in Article 39, Paragraph 2 of incorporation, NPR shall make Surplus Cash Distributions (SCD) as a general principle, defined as distributions in excess of retained earnings, as a return of unit holders' capital, each fiscal period on a continuous basis. Furthermore, NPR is per permitted to distribute One-time Surplus Cash Distributions for the purpose of maintaining stable distributions per unit in the event that its distributions per unit is expected to temporarily dilute by a certain degree as a result of financing actions, as well as, certain inevitable and one-time events such as repair expenses and capital losses due to damages caused</p>

	<p>expenses such as litigation settlements and capital losses from property dispositions, etc.,.</p> <p>Considering the amount of temporarily revenue earned during the period, NPR declared SCD of 972,747,750 yen, which was the amount, excluding 249,198,300 yen as one-time revenue, from 1,221,946,050 yen that amount is approximately 28.5% of depreciation expense of 4,293,609,622 yen for the period.</p>	<p>by natural disasters (e.g., earthquakes), accidents/incidents (e.g., fire), and/or other one-time expenses such as litigation settlements and capital losses from property dispositions, etc.,.</p> <p>Considering the amount of temporarily revenue earned during the period, NPR declared SCD of 1,239,433,650 yen, which was the amount, excluding 41,533,050 yen as one-time revenue, from 1,280,966,700 yen that amount is approximately 28.5% of depreciation expense of 4,498,709,652 yen for the period.</p>
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(Note) NPR is permitted to distribute cash in excess of the amount of retained earnings if the amount of the accounting profit is smaller than 90% of its distributable retained earnings on a tax basis to the extent that such distribution amount does not exceed the amount of NPR's depreciation for the same fiscal period, and if NPR determines that such excess distribution amount is appropriate. Also, NPR is permitted to distribute cash in any amount to the extent that such amount is determined by NPR's board of directors and if the amount of distributions does not satisfy certain conditions of special tax treatment which NPR shall be eligible to otherwise. Please note that the amount of SCD shall be subtracted from the balance of unit holders' paid-in capital upon payment.

(5) Statement of Cash Flows

	(Units: Thousands of yen)	
	For the period from June 1, 2018 to Nov. 30, 2018	For the period from Dec. 1, 2018 to May 31, 2019
Cash flows from operating activities:		
Income before income taxes	8,710,398	8,602,976
Depreciation	4,293,609	4,498,709
Amortization of investment corporation bond issuance costs	6,015	6,740
Interest income	(104)	(114)
Interest expense	474,885	483,298
Insurance income	-	(759,531)
Loss on disaster	-	716,390
Decrease (Increase) in operating accounts receivable	17,038	146,339
Decrease (Increase) in consumption taxes refund receivables	1,319,143	(338,417)
Decrease (Increase) in prepaid expenses	30,069	(56,483)
Decrease (Increase) in long-term prepaid expenses	126,914	112,911
Increase (Decrease) in operating accounts payable	516,833	(420,825)
Increase (Decrease) in accounts payable-other	27,181	602
Increase (Decrease) in accrued expenses	118,166	(2,290)
Increase (decrease) in accrued consumption taxes	804,872	(804,872)
Increase (Decrease) in advances received	(274,023)	44,279
Changes due to sales of property and equipment in trust	3,614	-
Others, net	(20,923)	40,757
Subtotal	<u>16,153,693</u>	<u>12,270,471</u>
Interest received	104	114
Interest paid	(463,487)	(483,521)
Insurance income	-	759,531
Loss on disaster	-	(574,550)
Income taxes paid	(1,182)	(908)
Net cash used in operating activities	<u>15,689,128</u>	<u>11,971,137</u>
Cash flows from investing activities:		
Purchases of property and equipment	(88)	-
Purchases of property and equipment in trust	(5,837,351)	(13,766,068)
Proceeds from tenant leasehold and security deposits in trust	320,379	770,840
Repayments from tenant leasehold and security deposits in trust	(211,445)	(194,747)
Net cash used in investing activities	<u>(5,728,505)</u>	<u>(13,189,976)</u>
Cash flows from financing activities:		
Proceeds from short-term loans payable	6,300,000	6,500,000
Repayments of short-term loans payable	(12,600,000)	-
Proceeds from long-term loans payable	5,000,000	6,400,000
Repayments of long-term loans payable	-	(6,400,000)
Proceeds from issuance of investment corporation Bonds	5,963,838	-
Payment of distributions of retained earnings	(8,075,853)	(8,708,319)
Payment of distributions in excess of retained earnings	(1,484,077)	(972,697)
Net cash provided by financing activities	<u>(4,896,092)</u>	<u>(3,181,017)</u>
Net increase (decrease) in cash and cash equivalents	<u>5,064,529</u>	<u>(4,399,855)</u>
Cash and cash equivalents at the beginning of period	<u>24,051,966</u>	<u>29,116,495</u>
Cash and cash equivalents at the end of period	<u>*1 29,116,495</u>	<u>*1 24,716,639</u>

(6) Notes Concerning Going Concerns Assumption

None

(7) Notes Concerning Significant Accounting Policies

<p>1. Method of depreciation of non-current assets</p>	<p>(1) Property and equipment (including trust assets) The straight-line method is used. The useful lives of major property and equipment are as follows.</p> <table border="0" style="margin-left: 20px;"> <tr> <td>Buildings</td> <td style="text-align: right;">3-67 years</td> </tr> <tr> <td>Structures</td> <td style="text-align: right;">2-60 years</td> </tr> <tr> <td>Machinery and equipment</td> <td style="text-align: right;">17 years</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td style="text-align: right;">2-18 years</td> </tr> </table> <p>(2) Intangible assets (including trust assets) The straight-line method is used.</p>	Buildings	3-67 years	Structures	2-60 years	Machinery and equipment	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 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 1,131 thousand yen and 469 thousand yen for the fiscal period ended Nov. 30, 2018 and May 31, 2019, respectively.</p>								
<p>4. Hedge accounting</p>	<p>(1) Hedge accounting method For interest rate swaps, special accounting treatment is adopted. (2) Hedge instruments and hedged items Hedge instruments – interest rate swaps Hedged items – interests on loans payable (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. (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. (a) Cash and deposits in trust (b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust (c) Construction in progress in trust (d) Tenant leasehold and security deposits in trust (2) Accounting treatment of consumption taxes Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes. The nondeductible portion of consumption taxes imposed in connection with assets is charged to expense in the period incurred.</p>								

(8) Notes to Financial Statements

(Notes to Balance Sheet)

*1. Commitment line agreement

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

	As of Nov. 30, 2018	As of May 31, 2019
Total amount of committed line of credit	20,000,000 thousand yen	20,000,000 thousand yen
Borrowings drawn down	-thousand yen	-thousand yen
Balance of unused committed line of credit	20,000,000 thousand yen	20,000,000 thousand yen

As of 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.

As of May 31, 2019

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

50,000 thousand yen.

(Notes to Statement of Income)

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

	(Units: Thousands of yen)	
	For the period from June 1, 2018 to Nov. 30, 2018	For the period from Dec. 1, 2018 to May 31, 2019
(1) Property-related revenues		
Rental revenues		
Rental revenues	16,618,645	17,225,509
Common area charges	1,236,504	1,244,756
Total	17,855,150	18,470,266
Other rental revenues		
Received utilities cost	1,248,854	1,069,175
Others	621,700	231,819
Total	1,870,554	1,300,995
Total property-related revenues	19,725,705	19,771,261
(2) Property-related expenses		
Rental expenses		
Subcontract expenses	1,078,665	1,046,431
Utilities cost	1,237,740	1,121,655
Taxes and dues	1,588,795	1,728,306
Non-life insurance premium	28,837	35,594
Repair and maintenance	253,909	242,981
Depreciation	4,293,609	4,498,709
Custodian fee	18,560	19,356
Other expenses	2,933	2,864
Total rental expenses	8,503,051	8,695,897
(3) Operating income from property leasing ((1)-(2))	11,222,653	11,075,363

*2. Gain on sales of real estate properties:

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

	(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 .

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

None

*3. Extraordinary income and Extraordinary loss:

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

None

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

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

(Notes to Statement of Unit Holders' Equity)

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

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

(Notes to Statement of Cash Flow)

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

	For the period from June 1, 2018 to Nov. 30, 2018	For the period from Dec. 1, 2018 to May 31, 2019
Cash and deposits	24,546,935 thousand yen	20,380,422 thousand yen
Cash and deposits in trust	4,569,560 thousand yen	4,336,217 thousand yen
Cash and cash equivalents	29,116,495 thousand yen	24,716,639 thousand yen

(Notes Related to Lease Contracts)

Operating lease transactions (as lessor)

Unearned rental revenue

	As of Nov. 30, 2018	As of May 31, 2019
Due within one year	33,289,427 thousand yen	33,703,208 thousand yen
Due after one year	94,552,795 thousand yen	94,415,397 thousand yen
Total	127,842,222 thousand yen	128,118,605 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 Nov. 30, 2018

The book value, the fair value and the difference between the values as of 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. ^(Note 2)

	Book value	Fair value	(Unit: Thousands of yen) 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)

As of May 31, 2019

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

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

(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 Nov 30, 2018	As of May 31, 2019
Tenant leasehold and security deposits	247,773	247,773
Tenant leasehold and security deposits in trust	13,855,824	14,435,224

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

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

As of Nov 30 2018

(Units: Thousands of yen)

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

As of May 31, 2019

(Units: Thousands of yen)

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

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

As of Nov 30, 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

As of May 31, 2019

(Unit: Thousands of yen)

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

(Notes Related to Investment Securities)

For the periods ended Nov. 30, 2018, and May 31, 2019

None

(Notes Related to Derivative Transactions)

1. Derivative transactions for which hedge accounting is not applied

For the periods ended Nov. 30, 2018, and May 31, 2019

None

2. Derivative transactions for which hedge accounting is applied

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 (Note 1)		Fair value (Note 2)	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	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.

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

(Units: Thousands of yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	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	192,000,000	192,000,000	(Note)	-

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

(Notes Related to Related Party Transactions)

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

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

None

2. Transactions and Account Balances with Affiliates

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

None

3. Transactions and Account Balances with Companies under Common Control

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.

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

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

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

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

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

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

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

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

None

(Notes Related to Retirement Payment)

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

None

(Notes Related to Deferred Tax Accounting)

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

(Deferred tax assets)	(Unit: Thousands of yen)	
	As of Nov. 30, 2018	As of May 31, 2019
Enterprise tax payable	14	19
Total deferred tax assets	14	19
Net deferred tax assets	14	19

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

	(Unit: %)	
	As of Nov. 30, 2018	As of May 31, 2019
Statutory tax rate	31.51	31.51
(Adjustments)		
Deductible distributions of retained earnings	(31.50)	(31.50)
Others	0.00	0.00
Effective tax rate	0.01	0.01

(Notes Related to Asset Retirement Obligations)

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

None

(Notes Related to Rental Properties)

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

(Unit: Thousands of yen)

	For the period from June 1, 2018 to Nov. 30, 2018	For the period from Dec. 1, 2018 to May 31, 2019
Book value		
Balance at the beginning of the period	538,137,301	540,049,161
Change during the period	1,911,860	9,255,404
Balance at the end of the period	540,049,161	549,304,566
Fair value at the end of the period	671,280,000	693,550,000

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

(Note 2) The increase for the fiscal period ended Nov. 30, 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.

The increase for the fiscal period ended May 31, 2019 was primarily a result of acquiring a property, Prologis Park Tsukuba 1-A, during the period for a total of 12,972,248 thousand yen. The decrease for the fiscal period ended May 31, 2019 was primarily a result of recognition of depreciation, which amounted to 4,498,709 thousand yen.

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

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

(Notes Related to Segment and Related Information)

(Segment Information)

1. Overview of operating and reportable segments

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

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

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

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

Kumamoto, Oita, Miyazaki and Kagoshima prefectures, respectively.

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

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

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

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

Fiscal period ended Nov 30, 2018

(Unit: Thousands of yen)

	Global markets	Regional markets	Reconciling adjustments	Amount on financial statements
Operating revenues ⁽¹⁾	18,205,477	1,520,799	-	19,726,277
Segment income ⁽²⁾	9,386,090	672,948	(679,451)	9,379,588
Segment assets ⁽²⁾	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. Operating revenues in Global markets includes 572 thousand yen of gain on sales of real estate properties.

(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.

Fiscal period ended May 31, 2019

(Unit: Thousands of yen)

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

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

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

(Related Information)

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.

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

1. Information by products and services

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

2. Information by geographic region

(1) Operating revenues

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

(2) Property and equipment

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

3. Information by major customers

(Unit: Thousands of yen)

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

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

(Notes Related to Per Unit Information)

	For the period from June 1, 2018 to Nov. 30, 2018	For the period from Dec. 1, 2018 to May 31, 2019
Net assets per unit	155,185 yen	154,691 yen
Profit per unit	3,984 yen	3,935 yen

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

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

	For the period from June 1, 2018 to Nov. 30, 2018	For the period from Dec. 1, 2018 to May 31, 2019
Profit (Thousands of yen)	8,709,478	8,601,974
Amount not attributable to common unit holders (Thousands of yen)	-	-
Profit attributable to common unit holders (Thousands of yen)	8,709,478	8,601,974
Average number of investment units during the period (unit)	2,185,950	2,185,950

(Notes Related to Material Subsequent Events)

(a) Borrowings

On June 6, 2019, NPR borrowed bridge loans (the “Bridge loans”), which were based on a resolution made by the board of directors on June 4, 2019, for the purpose of funding the acquisition costs of new properties and related expenses described in the following “(b) Acquisition of Asset.” These Bridge loans were subsequently prepaid with the net proceeds from long-term loans (the “Borrowings”) borrowed on June 19, 2019, which were based on a resolution made by the board of directors described above, with a portion of the net proceeds from the Public Offering described below in “(c) Issuance of New Investment Units” and cash on hand.

Summary of the Bridge Loans

Category	Lender	Borrowing Amount	Interest Rate	Borrowing Date	Repayment Date	Repayment Method	Collateral
Short-term	Sumitomo Mitsui Banking Corporation	38,080 million yen	Base interest rate (JBA 1-month Japanese yen TIBOR) +0.17%	June 6, 2019	June 5, 2020	Paid in full upon maturity	Unsecured and non-guaranteed
	MUFG Bank, Ltd.	16,320 million yen					

Summary of the Borrowings

Category	Lender	Borrowing Amount	Interest Rate	Borrowing Date	Repayment Date	Repayment Method	Collateral
Long-term (Note 3)	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation and MUFG Bank, Ltd. (Note 1)	6,600 million yen	Base interest rate (JBA 3-month Japanese yen TIBOR) +0.275%	June 19, 2019	June 19, 2028	Paid in full upon maturity	Unsecured and non-guaranteed
Long-term (Note 4)	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation and MUFG Bank, Ltd. (Note 2)	12,000 million yen	Base interest rate (JBA 3-month Japanese yen TIBOR) +0.300%		June 19, 2029		

(Note)

- The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Mizuho Bank, Ltd., Development Bank of Japan Inc., Resona Bank, Limited, The Bank of Fukuoka, Ltd., Mizuho Trust & Banking Co., Ltd., The Iyo Bank, Ltd. and The Nishi-Nippon City Bank, Ltd.
- The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Mizuho Bank, Ltd., Development Bank of Japan Inc., Resona Bank, Limited, The Bank of Fukuoka, Ltd., Mizuho Trust & Banking Co., Ltd. and The Nishi-Nippon City Bank, Ltd.
- NPR has executed the interest rate swap agreement to hedge the risks of interest rate volatility by converting the floating interest rates payable to fixed interest rates for the Borrowing.

1. Counterparty	Mizuho Securities Co., Ltd.
2. Notional Amount	6,600 million yen
3. Interest Rate	Fixed Interest Rate: 0.0902% Floating Interest Rate: JBA 3-month Japanese yen TIBOR
4. Trade Date	June 17, 2019
5. Effective Date	June 19, 2019
6. Termination Date	June 19, 2028

*The subject interest rate swap agreement has, in effect, fixed the interest rate at 0.3652%.

4. NPR has executed the interest rate swap agreement to hedge the risks of interest rate volatility by converting the floating interest rates payable to fixed interest rates for the Borrowing.

1. Counterparty	Nomura Securities Co., Ltd.
2. Notional Amount	12,000 million yen
3. Interest Rate	Fixed Interest Rate: 0.1300% Floating Interest Rate: JBA 3-month Japanese yen TIBOR
4. Trade Date	June 17, 2019
5. Effective Date	June 19, 2019
6. Termination Date	June 19, 2029

*The subject interest rate swap agreement has, in effect, fixed the interest rate at 0.4300%.

(b) Acquisition of Asset

As resolved by the board of directors on June 4, 2019, in line with basic investment guidelines defined in its Articles of Incorporation, NPR decided to acquire properties described below, and acquired Prologis Park Higashimatsuyama, Prologis Park Kyotanabe and Prologis Park Sendai Izumi 2 on June 6, 2019 with proceeds from the Bridge Loans described in “(a) Borrowings” above and cash on hand.

Property name		Prologis Park Higashimatsuyama
Location		2, Nakadacho, Higashimatsuyama, Saitama 2, Nakadacho, Higashimatsuyama, Saitama
Class of assets		Real estate trust beneficiary interests
Acquisition date		June 6, 2019
Acquisition price		12,600 million yen (Note)
Land	Ownership form	Proprietary
	Land area	31,170.84 m ²
Building	Ownership form	Proprietary
	Gross floor area	61,885.92 m ²
	Date of construction	Jan. 15, 2018
	Use	Warehouse, Office
	Structure/No. of stories	S, 4-story building

Note : “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. The same hereinafter.

Property name		Prologis Park Kyotanabe
Location		1, Matsumiyaden, Kyotanabe, Kyoto 1, Matsumiyaden, Kyotanabe, Kyoto
Class of assets		Real estate trust beneficiary interests
Acquisition date		June 6, 2019
Acquisition price		35,800 million yen
Land	Ownership form	Proprietary
	Land area	70,310.07 m ²
Building	Ownership form	Proprietary
	Gross floor area	139,520.72 m ²
	Date of construction	Oct. 17, 2018
	Use	Warehouse, Office
	Structure/No. of stories	RC, 6-story building

Property name		Prologis Park Sendai Izumi 2
Location		3-1, Akedori 3 chome, Izumi Ward, Sendai, Miyagi 3-1, Akedori 3 chome, Izumi Ward, Sendai, Miyagi
Class of assets		Real estate trust beneficiary interests
Acquisition date		June 6, 2019
Acquisition price		9,250 million yen
Land	Ownership form	Proprietary
	Land area	64,813.11 m ²
Building	Ownership form	Proprietary
	Gross floor area	36,589.70 m ²
	Date of construction	Sep. 3, 2018
	Use	Warehouse, Office
Structure/No. of stories		RC/S, 4-story building

Property name		Prologis Park Kobe 4
Location		6-1, Mitsugaoka 7-chome, Nishi Ward, Kobe, Hyogo
Class of assets		Real estate trust beneficiary interests
Anticipated acquisition date		Oct. 1, 2019 (Note 1)
Anticipated acquisition price		5,000 million yen (Note 2)
Land	Ownership form	Proprietary
	Land area	13,020.82 m ²
Building	Ownership form	Proprietary
	Gross floor area	24,137.60 m ²
	Date of construction	May 22, 2019
	Use	Warehouse, Office
Structure/No. of stories		S, 4-story building

Note 1: "Anticipated acquisition date" indicates the anticipated acquisition date in the Purchase and Sale Agreement of Trust Beneficiary Interest that was executed with the current owners of the property.

Note 2: As for Prologis Park Kobe 4, since payment for transfer of the property will take place more than a month after the execution of the purchase agreement, such purchase agreement is considered a forward commitment contract. According to the purchase agreement for this property, if either the seller or buyer breaches the purchase agreement in any material way and the purpose of the purchase agreement cannot be achieved because of such breach, the other party can terminate the contract by providing a notice to the other party, excluding the cases set forth separately in the Purchase and Sale Agreement. In such case, the breaching party shall pay the other party a penalty in an amount equivalent to 20% of the sale/purchase price after deduction of consumption tax and local consumption tax, and neither party shall seek damages for more than the amount of this penalty, even if the amount of actual damages exceeds the penalty amount, or seek to reduce the size of the penalty, even if the amount of actual damages is less than the penalty amount.

Under the purchase agreement, payment of the acquisition price is conditioned upon NPR's successful financing to fund the acquisition price, and if this condition is not met, NPR is entitled to terminate the Purchase and Sale Agreement with a notification to the seller and NPR is not obliged to pay the penalty fee to the seller.

As a result, even if NPR cannot finance the acquisition of the property, this would likely not directly or materially harm NPR's financial condition or its ability to pay dividends, since NPR is able to terminate the Purchase and Sale Agreement in such a situation without paying any penalties.

In addition, previous owner is expected to transfer these assets to trustee by the time of anticipated acquisition date and NPR is expected to acquire the trust beneficiary interest on the real estate.

Note 3: The Purchase and Sale Agreement pertaining to this property stipulates that acquisition price of this property may increase or decrease under certain circumstances, for the purpose of preserving the Asset Manager's expected yield of this property, regardless of any change in NCF of this property by the time when this property is acquired (the "Price Adjustment Clause").

Under the Price Adjustment Clause, it is stipulated that, in the event of any change in NCF of the this property by the

time this property is acquired for any prescribed reason, such as any increase or decrease in estimated rent prescribed in the lease agreement, outsourcing expenses, or repair expenses or capital expenditure (the "Price Adjustment Event"), the transfer price of this property shall be increased or decreased, by a certain amount calculated based on a prescribed formula according to such change.

Accordingly, the anticipated acquisition price of this property may vary when the Price Adjustment Event occurs.

(c) Issuance of New Investment Units

NPR issued new investment units based on a resolution made by the board of directors on June 4, 2019 and June 11, 2019. Subsequently, the payments were completed on June 18, 2019 and July 17, 2019, for the issuance of new investment units through the public offering and third-party allotment, respectively.

Issuance of New Investment Units through the Public Offering

Number of units issued and outstanding	155,430 units
Issue price	227,458 yen per unit
Total net proceeds	35,353,796,940 yen
Issue value	220,030 yen per unit
Total issue value	34,199,262,900 yen
Payment date	June 18, 2019

Issuance of New Investment Units through the Third-Party Allotment

Number of units issued	7,770 units
Issue price	220,030 yen per unit
Total net proceeds	1,709,633,100 yen
Payment date	July 17, 2019

Use of proceeds

A portion of the net proceeds from the Public Offering, the net proceeds from the Borrowings described above in "(a) Borrowings" and cash on hand were used to fund the repayment of the Bridge Loans described above in "(a) Borrowings". Besides, a portion of the net proceeds from the Public Offering and the Third Party Allotment will be used to acquire Prologis Park Kobe 4 described above in "(b) Acquisition of Asset" and fund the related expenses.

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

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

Date	Type of issue	Number of investment units issued and outstanding (Units)		Unit holders' equity (Note 1) (Thousands of yen)		Note
		Increase	Total	Increase	Total	
Aug. 15, 2014	Surplus cash distribution (Return on capital)	-	1,563,750	(745,908)	196,528,287	(Note 2)
Sept. 16, 2014	Public offering	159,050	1,722,800	38,466,719	234,995,007	(Note 3)
Oct. 16, 2014	Secondary distribution	7,950	1,730,750	1,922,731	236,917,738	(Note 4)
Feb. 13, 2015	Surplus cash distribution (Return on capital)	-	1,730,750	(1,002,104)	235,915,634	(Note 5)
Aug. 14, 2015	Surplus cash distribution (Return on capital)	-	1,730,750	(996,912)	234,918,722	(Note 6)
Feb. 15, 2016	Surplus cash distribution (Return on capital)	-	1,730,750	(835,952)	234,082,769	(Note 7)
Mar. 14, 2016	Public offering	105,900	1,836,650	23,710,374	257,793,144	(Note 8)
Apr. 13, 2016	Secondary distribution	5,300	1,841,950	1,186,638	258,979,782	(Note 9)
Aug. 15, 2016	Surplus cash distribution (Return on capital)	-	1,841,950	(1,123,589)	257,856,193	(Note 10)
Dec. 19, 2016	Public offering	61,330	1,903,280	13,190,979	271,047,172	(Note 11)
Jan. 16, 2017	Secondary distribution	3,070	1,906,350	660,301	271,707,473	(Note 12)
Feb. 15, 2017	Surplus cash distribution (Return on capital)	-	1,906,350	(946,762)	270,760,711	(Note 13)
Aug. 7, 2017	Public offering	143,430	2,049,780	31,609,963	302,370,675	(Note 14)
Sept. 6, 2017	Secondary distribution	7,170	2,056,950	1,580,167	303,950,843	(Note 15)
Mar. 12, 2018	Public offering	122,860	2,179,810	26,715,661	330,666,504	(Note 16)
Apr. 11, 2018	Secondary distribution	6,140	2,185,950	1,335,130	332,001,635	(Note 17)
Aug. 15, 2018	Surplus cash distribution (Return on capital)	-	2,185,950	(1,484,260)	330,517,375	(Note 18)

Feb. 15, 2019	Surplus cash distribution (Return on capital)	-	2,185,950	(972,747)	329,544,627	(Note 19)
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- (Note 1) Refers to the value after the deduction of unit holders' capital.
- (Note 2) 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 3) 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 4) 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 5) 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 6) 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 7) 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 8) 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 9) 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 10) 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 11) 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 12) 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 13) 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 14) 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 15) 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 16) 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 17) 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 18) Cash distributions for the fiscal period ended May 2018 in the amount of 679 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on July 17, 2018, and payment began on Aug. 15, 2018.
- (Note 19) Cash distributions for the fiscal period ended Nov. 2018 in the amount of 445 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on Jan. 18, 2019, and payment began on Feb. 15, 2019.

3. Reference Information

(1) Composition of NPR's Assets

Type of asset	Region	Ninth fiscal period (As of Nov. 30, 2018)		Tenth fiscal period (As of May 31, 2019)	
		Retained amount (Millions of yen) (Note 3)	Ratio of total asset (%)	Retained amount (Millions of yen) (Note 3)	Ratio of total asset (%)
Real estate	Global markets (Note 1)				
	Kanto area	-	-	-	-
	Kansai area	4,161	0.7	4,132	0.7
	Regional markets (Note 2)				
	Chubu area	-	-	-	-
	Tohoku area	-	-	-	-
	Kyushu area	6,319	1.1	6,253	1.1
	Total	10,480	1.8	10,386	1.8
Beneficiary right in trust	Global markets (Note 1)				
	Kanto area	316,270	55.2	327,058	56.6
	Kansai area	186,199	32.5	185,055	32.0
	Regional markets (Note 2)				
	Chubu area	17,383	3.0	17,197	3.0
	Tohoku area	9,711	1.7	9,590	1.7
	Kyushu area	-	-	-	-
	Total	529,564	92.5	538,901	93.3
Total of real estate and others		540,045	94.3	549,287	95.1
Deposit and other assets		32,635	5.7	28,359	4.9
Total assets (Note 4)		572,680 (540,045)	100.0 (94.3)	577,647 (549,287)	100.0 (95.1)

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

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

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

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

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

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

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

(2) Overview of the Portfolio

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

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

Property number	Property name	Form of ownership	Acquisition price (Millions of yen) ⁽¹⁾	Book value (Millions of yen) ⁽²⁾	Appraisal value as of the end of the reporting fiscal period (Millions of yen) ⁽³⁾	Return price					Investment rate (%) ⁽⁴⁾
						Direct capitalization method		DCF method			
						Priced based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Priced based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
M-01	Prologis Park Ichikawa 1	Beneficiary right in trust	33,900	31,928	43,700	44,400	4.0	43,700	3.8	4.2	5.9
M-02	Prologis Park Zama 1	Beneficiary right in trust	27,900	25,778	33,900	34,200	4.2	33,900	4.0	4.4	4.8
M-03	Prologis Park Kawajima	Beneficiary right in trust	25,600	23,099	33,100	33,600	4.5	33,100	4.3	4.7	4.4
M-04	Prologis Park Osaka 2	Beneficiary right in trust	25,000	22,880	32,800	32,800	4.3	32,800	4.1	4.4	4.3
M-05	Prologis Park Maishima 3	Beneficiary right in trust	13,500	12,198	15,900	16,000	4.4	15,900	4.2	4.5	2.3
M-06	Prologis Park Kasugai	Beneficiary right in trust	12,500	11,325	18,000	18,200	4.6	18,000	4.4	4.7	2.2
M-07	Prologis Park Kitanagoya	Beneficiary right in trust	6,500	5,871	9,200	9,550	4.3	9,200	4.2	4.5	1.1
M-09	Prologis Park Tokyo-Ohta	Beneficiary right in trust	29,500	28,997	38,200	38,700	3.7	38,200	3.5	3.9	5.1
M-10	Prologis Park Zama 2	Beneficiary right in trust	21,900	20,373	29,000	29,500	4.1	29,000	3.9	4.3	3.8
M-11	Prologis Park Funabashi 5 (Annex)	Beneficiary right in trust	9,500	10,455	14,000	14,300	4.1	14,000	3.9	4.3	1.9
			1,500								
M-12	Prologis Park Narita 1-A&B	Beneficiary right in trust	8,420	7,900	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	4,589	5,900	5,930	4.9	5,860	4.6	5.1	0.8
M-14	Prologis Park Amagasaki 1	Beneficiary right in trust	17,600	16,737	21,200	21,300	4.5	21,100	4.2	4.6	3.0
M-15	Prologis Park Amagasaki 2	Beneficiary right in trust	19,200	18,359	22,300	22,300	4.5	22,200	4.2	4.6	3.3
M-16	Prologis Park Tokyo-Shinkiba	Beneficiary right in trust	13,600	13,135	18,000	17,900	3.7	18,000	3.5	3.8	2.4
M-17	Prologis Park Yokohama-Tsurumi	Beneficiary right in trust	13,800	12,828	18,400	18,500	4.0	18,400	3.8	4.1	2.4
M-18	Prologis Park Osaka 4	Beneficiary right in trust	21,000	19,382	25,600	25,500	4.3	25,600	4.1	4.4	3.6
M-19	Prologis Park Iwanuma 1	Beneficiary right in trust	5,670	5,060	7,880	7,910	4.8	7,880	4.6	4.9	1.0
M-20	Prologis Park Kawajima 2	Beneficiary right in trust	8,180	7,641	9,640	9,750	4.5	9,640	4.3	4.7	1.4

Property number	Property name	Form of ownership	Acquisition price (Millions of yen) ⁽¹⁾	Book value (Millions of yen) ⁽²⁾	Appraisal value as of the end of the reporting fiscal period (Millions of yen) ⁽³⁾	Return price					Investment rate (%) ⁽⁴⁾
						Direct capitalization method		DCF method			
						Priced based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Priced based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
M-21	Prologis Park Kitamoto	Beneficiary right in trust	12,600	12,097	13,800	13,800	4.7	13,700	4.4	4.9	2.2
M-22	Prologis Park Joso	Beneficiary right in trust	7,120	6,798	7,480	7,590	4.6	7,480	4.4	4.8	1.2
M-23	Prologis Park Osaka 5	Beneficiary right in trust	17,600	16,982	19,200	19,500	4.3	19,200	4.1	4.5	3.0
M-24	Prologis Park Narita 3	Beneficiary right in trust	9,240	9,000	10,500	10,600	4.7	10,300	4.5	4.9	1.6
M-25	Prologis Park Narashino 5	Beneficiary right in trust	13,600	13,314	15,000	15,000	4.0	15,000	3.8	4.1	2.4
M-26	Prologis Park Ibaraki	Beneficiary right in trust	38,300	37,769	41,400	41,000	4.2	41,400	4.0	4.3	6.6
M-27	Prologis Park Ichikawa 3	Beneficiary right in trust	17,000	16,887	17,600	17,800	3.9	17,600	3.7	4.1	2.9
M-28	Prologis Park Narita 1-D	Beneficiary right in trust	5,260	5,243	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	21,068	21,800	22,100	4.5	21,800	4.3	4.7	3.7
B-02	Prologis Park Takatsuki	Real estate	4,410	4,132	5,350	5,290	4.5	5,350	4.2	4.6	0.8
B-03	Prologis Park Tosu 2	Real estate	3,030	2,751	3,870	3,880	4.6	3,870	4.3	4.7	0.5
B-04	Prologis Park Tosu 4	Real estate	3,810	3,502	4,870	5,010	4.6	4,870	4.3	4.7	0.7
B-05	Prologis Park Narashino 4	Beneficiary right in trust	20,000	18,524	26,100	26,200	3.9	26,100	3.7	4.0	3.5
B-06	Prologis Park Ebina	Beneficiary right in trust	8,250	7,972	10,800	10,800	4.0	10,800	3.8	4.1	1.4
B-07	Prologis Park Kawanishi	Beneficiary right in trust	13,600	12,891	15,000	15,300	4.4	15,000	4.2	4.7	2.4
B-08	Prologis Park Amagasaki 3	Beneficiary right in trust	9,090	8,643	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	5,988	7,330	7,390	4.8	7,270	4.6	5.1	1.1
B-10	Prologis Park Sendai Izumi	Beneficiary right in trust	4,820	4,530	5,390	5,430	5.0	5,350	4.8	5.4	0.8
B-11	Prologis Park Koga 1	Beneficiary right in trust	7,680	7,376	8,320	8,380	4.8	8,260	4.5	5.0	1.3
B-12	Prologis Park Kobe 2	Beneficiary right in trust	13,700	13,221	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	3,818	4,020	4,050	4.8	3,990	4.5	5.0	0.7

Property number	Property name	Form of ownership	Acquisition price (Millions of yen) ⁽¹⁾	Book value (Millions of yen) ⁽²⁾	Appraisal value as of the end of the reporting fiscal period (Millions of yen) ⁽³⁾	Return price					Investment rate (%) ⁽⁴⁾
						Direct capitalization method		DCF method			
						Priced based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Priced based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
B-14	Prologis Park Koga 3	Beneficiary right in trust	5,440	5,405	5,550	5,610	4.8	5,490	4.5	5.0	0.9
B-15	Prologis Park Tsukuba 1-A	Beneficiary right in trust	12,900	12,820	13,000	13,000	4.6	13,000	4.4	4.8	2.2
Total		-	578,670	549,287	693,550	698,640	-	692,530	-	-	100.0

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

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

(Note 3) NPR has retained JLL Morii Valuation & Advisory K.K., CBRE K.K. and Japan Real Estate Institute to appraise or investigate the properties. Appraisal or Investigation value as of the end of the reporting fiscal period represents the appraisal or investigation value as set forth on the relevant study reports by real estate appraisers as of May 31, 2019.

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

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

Property number	Property name	Property age (years) ⁽²⁾	Leasable area(m ²) ⁽³⁾	Leased area(m ²) ⁽⁴⁾	Gross number of tenants ⁽⁵⁾	Occupancy rate (%) ⁽⁶⁾	Annual rent (Millions of yen) ⁽⁷⁾	Security deposit (Millions of yen) ⁽⁸⁾	Average lease contract (years) ⁽⁹⁾	Average remaining lease contract (years) ⁽¹⁰⁾
M-01	Prologis Park Ichikawa 1	10.6	125,026.84	125,026.84	10	100.0	2,155	955	10.5	5.6
M-02	Prologis Park Zama 1	10.0	113,471.12	113,299.81	7	99.8	1,828	588	8.2	1.1
M-03	Prologis Park Kawajima	8.0	144,897.54	143,598.76	7	99.1	1,831	596	3.9	2.7
M-04	Prologis Park Osaka 2	12.1	130,553.85	129,654.71	6	99.3	1,767	628	5.4	2.7
M-05	Prologis Park Maishima 3	11.3	74,874.39	73,506.41	6	98.2	940	267	6.8	2.3
M-06	Prologis Park Kasugai	11.4	91,455.06	89,742.80	5	98.1	1,026	396	2.4	0.7
M-07	Prologis Park Kitanoagoya	10.0	42,751.60	42,751.60	3	100.0	535	172	4.5	0.8
M-09	Prologis Park Tokyo-Ohta	13.7	73,115.63	72,928.70	21	99.7	1,737	672	4.6	2.5
M-10	Prologis Park Zama 2	6.8	95,121.43	95,121.43	8	100.0	1,484	622	5.9	2.6
M-11	Prologis Park Funabashi 5 (Annex)	14.5	56,556.95	56,556.95	4	100.0	785	346	4.6	2.9
M-12	Prologis Park Narita 1-A&B	14.3	62,058.81	60,566.97	10	97.6	694	176	2.4	1.1
M-13	Prologis Park Narita 1-C	12.1	32,230.25	32,230.25	3	100.0	394	102	2.6	0.9
M-14	Prologis Park Amagasaki 1	13.8	91,446.75	91,446.75	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	6.8
M-15	Prologis Park Amagasaki 2	12.2	91,399.12	91,308.07	7	99.9	1,218	527	4.7	2.7
M-16	Prologis Park Tokyo-Shinkiba	12.0	31,022.88	30,109.09	9	97.1	845	410	5.7	3.2
M-17	Prologis Park Yokohama-Tsurumi	11.1	63,973.26	63,598.58	4	99.4	954	419	5.5	2.8
M-18	Prologis Park Osaka 4	7.1	106,135.15	106,135.15	8	100.0	1,395	428	2.5	1.4
M-19	Prologis Park Iwanuma 1	10.7	40,520.44	40,520.44	3	100.0	451	269	4.6	2.9
M-20	Prologis Park Kawajima 2	5.3	42,005.07	42,005.07	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	7.8	2.7
M-21	Prologis Park Kitamoto	5.2	69,432.01	69,432.01	4	100.0	817	247	5.4	1.4
M-22	Prologis Park Joso	4.6	37,165.49	36,732.87	3	98.8	Not disclosed (Note 11)	Not disclosed (Note 11)	2.6	0.6
M-23	Prologis Park Osaka 5	4.4	78,087.30	78,087.30	8	100.0	1,089	390	5.5	2.7

Property number	Property name	Property age (years) ⁽²⁾	Leasable area(m ²) ⁽³⁾	Leased area(m ²) ⁽⁴⁾	Gross number of tenants ⁽⁵⁾	Occupancy rate (%) ⁽⁶⁾	Annual rent (Millions of yen) ⁽⁷⁾	Security deposit (Millions of yen) ⁽⁸⁾	Average lease contract (years) ⁽⁹⁾	Average remaining lease contract (years) ⁽¹⁰⁾
M-24	Prologis Park Narita 3	11.0	52,982.99	52,982.99	12	100.0	677	254	3.7	1.8
M-25	Prologis Park Narashino 5	3.2	58,159.44	58,159.44	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	5.6	3.5
M-26	Prologis Park Ibaraki	2.7	154,182.43	154,182.43	4	100.0	2,292	565	9.0	6.7
M-27	Prologis Park Ichikawa 3	1.5	50,714.15	50,714.15	3	100.0	902	367	6.2	4.9
M-28	Prologis Park Narita 1-D	4.4	27,960.13	27,960.13	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	4.1	1.5
M-29	Prologis Park Yoshimi	3.5	98,076.60	98,076.60	4	100.0	1,202	455	8.9	6.8
B-02	Prologis Park Takatsuki	7.4	19,898.05	19,898.05	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	7.7
B-03	Prologis Park Tosu 2	6.9	21,778.87	21,778.87	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	3.2
B-04	Prologis Park Tosu 4	7.4	28,765.31	28,765.31	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.3	8.0
B-05	Prologis Park Narashino 4	5.9	91,529.07	91,529.07	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	4.3
B-06	Prologis Park Ebina	9.2	32,500.08	32,500.08	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	5.7	0.8
B-07	Prologis Park Kawanishi	5.5	75,493.23	75,493.23	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	4.5
B-08	Prologis Park Amagasaki 3	5.7	39,527.85	39,527.85	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	4.3
B-09	Prologis Park Kobe	5.5	32,511.56	32,511.56	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.2	9.8
B-10	Prologis Park Sendai Izumi	3.7	26,353.50	26,353.50	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	20.3	16.8
B-11	Prologis Park Koga 1	2.6	34,158.16	34,158.16	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	12.4
B-12	Prologis Park Kobe 2	2.6	62,468.19	62,468.19	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	12.4
B-13	Prologis Park Koga 2	2.1	19,699.36	19,699.36	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	12.9
B-14	Prologis Park Koga 3	0.9	29,196.84	29,196.84	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	9.2
B-15	Prologis Park Tsukuba 1-A	0.7	65,168.90	65,168.90	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	11.0	10.3
Total		7.8	2,714,425.65	2,705,485.27	180	99.7	37,606	14,578	7.3	4.1

- (Note 1) “Leasable area”, “Leased area” and “Occupancy rate” does not include the area of the convenience store building that is jointly owned by the owners of Prologis Park Narita 1-A&B, Prologis Park Narita 1-C and Prologis Park Narita 1-D. The same applies hereinafter.
- (Note 2) “Property age” of each property is calculated based on the date in the property registration as of May 31, 2019, and is rounded to the nearest first tenth. Although Prologis Park Zama 2 also has an annex, the property age is calculated based only on the main structure of the property, as the annex is relatively small. Also, a convenience store building jointly owned by the owners of Prologis Park 1-A&B and Prologis Park 1-C is excluded.
- (Note 3) “Leasable area” equals the gross leasable space in each property or property in trust based on lease agreements and floor plans included in lease agreements, plus available space based on floor plans, rounded down to the nearest square meter.
- (Note 4) “Leased area” equals to gross floor area of leased space in each property or property in trust as of May 31, 2019, based on the lease agreements and floor plans included in the lease agreements.
- (Note 5) “Gross number of tenants” is based on the lease agreements with tenants for warehouses, offices and stores for each property or property in trust as of May 31, 2019. For properties with pass-through master lease agreements, this is the total number of end-tenants.
- (Note 6) “Occupancy rate” is as of May 31, 2019, calculated by dividing total leased area for each property by the total leasable area. The total occupancy rate is calculated by dividing the aggregate total leased area for the relevant properties by the aggregate total leasable area for the relevant properties. Figures are rounded to the nearest tenth.
- (Note 7) “Annual rent” is based on total annual rent (including common area charges) as of May 31, 2019, as indicated in the relevant lease agreements for all warehouses, offices and stores for each property or property in trust. If the relevant agreements include monthly contracted rent, anticipated annual rent is calculated in accordance with the terms provided in the agreements. Figures are rounded down to the nearest million yen.
- (Note 8) “Security deposit” is calculated as the total security deposit as indicated in the relevant lease agreements for all warehouses, offices and stores for each property or property in trust as of May 31, 2019, rounded down to the nearest million yen.
- (Note 9) “Average lease contract” is calculated as the weighted average of length of lease contract indicated in the relevant lease agreements for all warehouses, offices and stores for each property or property in trust as of May 31, 2019, by the rent and figures are rounded to the nearest tenth.
- (Note 10) “Average remaining lease contract” is calculated as the weighted average of length of remaining lease contract indicated in the relevant lease agreements for all warehouses, offices and stores for each property or property in trust as of May 31, 2019, by the rent and figures are rounded to the nearest tenth.
- (Note 11) We have not obtained permission from the tenant of the properties to disclose the information unstated in this table.

(3) Capital Expenditures for Owned Properties

(I) Future Plans for Capital Expenditure

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

Name (Location)	Purpose	Planned period	Estimate construction cost (Millions of yen) ⁽¹⁾		
			Total amount	Paid during the reporting period	Total amount already paid
Prologis Park Narita1-C other (Narita, Chiba, other)	Installment of LED lighting	From June 2019 to May 2020	222	-	-
Prologis Park Tokyo Shinkiba (Koto, Tokyo)	Repair work of exterior walls	From Dec. 2018 to Sep. 2019	204	0	0
Prologis Park Funabashi 5 (Funabashi, Chiba)	Repair work of exterior walls	From Dec. 2018 to Mar. 2020	177	-	-

(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 1,011 million yen in the reporting fiscal period which is a sum of capital expenditures of 768 million yen and repair and maintenance expenses of 242 million yen.

Name (Location)	Purpose	Expenditure Period	Amount spent (Millions of yen) ⁽¹⁾
Prologis Park Amagasaki 2 (Amagasaki, Hyogo)	Repair work of exterior walls	From Oct. 2017 to May 2019	179
Prologis Park Naruta 1-C (Narita, Chiba)	Repair work of exterior walls	From Dec. 2018 to May 2019	167
Prologis Park Ibaraki (Osaka, Ibaraki)	Interior construction	From Dec. 2018 to Mar. 2019	134
Others	-	-	287
Total			768

(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

Thirteenth Fiscal Period from Dec. 1, 2018, to May 31, 2019

(Units: Thousands of yen)

Property number	M-01	M-02	M-03	M-04	M-05
Property name	Prologis Park Ichikawa 1	Prologis Park Zama 1	Prologis Park Kawajima	Prologis Park Osaka 2	Prologis Park Maishima 3
Operating days	182	182	182	182	182
(1) Property related revenues	1,202,459	979,485	997,417	930,273	461,199
Property revenues	1,071,084	910,777	922,998	868,308	433,637
Other property related revenues	131,374	68,707	74,418	61,965	27,562
(2) Total of property related expenses	491,517	377,928	423,892	405,788	271,260
Property taxes	86,551	72,356	69,280	83,797	51,708
Subcontract expenses	74,573	44,564	49,368	43,778	52,740
Utilities cost	102,151	52,967	63,833	53,827	22,088
Non-life insurance premium	1,771	1,545	1,859	1,929	1,078
Repair and maintenance	15,142	3,581	10,797	8,451	16,585
Depreciation	210,847	200,293	228,252	213,504	126,578
Custodian fee	480	500	500	500	480
Other expenses	-	2,119	-	-	-
(3) Operating income from property leasing (= (1)-(2))	710,941	601,556	573,524	524,484	189,938
NOI ((3) + Depreciation)	921,788	801,850	801,777	737,989	316,517

(Units: Thousands of yen)

Property number	M-06	M-07	M-09	M-10	M-11
Property name	Prologis Park Kasugai	Prologis Park Kitanagoya	Prologis Park Tokyo-Ohta	Prologis Park Zama 2	Prologis Park Funabashi 5 (include Annex)
Operating days	182	182	182	182	182
(1) Property related revenues	535,344	279,028	924,764	813,360	406,306
Property revenues	506,786	267,250	848,544	725,363	390,325
Other property related revenues	28,558	11,778	76,220	87,996	15,981
(2) Total of property related expenses	281,395	149,742	322,124	351,220	157,556
Property taxes	57,461	30,432	59,947	62,316	34,135
Subcontract expenses	46,000	24,682	45,438	54,429	24,007
Utilities cost	28,523	12,258	61,445	73,280	12,607
Non-life insurance premium	1,177	496	1,180	1,269	696
Repair and maintenance	19,439	20,629	8,544	6,016	6,545
Depreciation	128,293	60,742	145,069	153,406	78,603
Custodian fee	500	500	500	500	960
Other expenses	-	-	-	-	-
(3) Operating income from property leasing (= (1)-(2))	253,949	129,286	602,639	462,140	248,749
NOI ((3) + Depreciation)	382,242	190,029	747,709	615,547	327,353

(Units: Thousands of yen)

Property number	M-12	M-13	M-14	M-15	M-16
Property name	Prologis Park Narita 1-A&B	Prologis Park Narita 1-C	Prologis Park Amagasaki 1	Prologis Park Amagasaki 2	Prologis Park Tokyo-Shinkiba
Operating days	182	182	182	182	182
(1) Property related revenues	382,645	220,364	Not disclosed (Note 1)	679,629	456,213
Property revenues	347,021	198,378		608,871	415,368
Other property related revenues	35,623	21,985		70,757	40,844
(2) Total of property related expenses	165,193	96,119		301,769	169,032
Property taxes	23,361	16,122		57,526	37,009
Subcontract expenses	27,581	16,855		33,045	31,868
Utilities cost	26,208	16,866		59,196	33,462
Non-life insurance premium	694	390		1,046	428
Repair and maintenance	6,936	1,295		5,468	4,589
Depreciation	79,911	44,089		145,005	61,173
Custodian fee	500	500	480	500	
Other expenses	-	-	-	-	
(3) Operating income from property leasing (= (1)-(2))	217,451	124,245	339,224	377,859	287,181
NOI ((3) + Depreciation)	297,362	168,334	453,446	522,865	348,355

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

(Units: Thousands of yen)

Property number	M-17	M-18	M-19	M-20	M-21
Property name	Prologis Park Yokohama- Tsurumi	Prologis Park Osaka 4	Prologis Park Iwanuma 1	Prologis Park Kawajima 2	Prologis Park Kitamoto
Operating days	182	182	182	182	182
(1) Property related revenues	516,304	740,527	283,155	Not disclosed (Note 1)	425,559
Property revenues	473,515	686,973	219,101		406,438
Other property related revenues	42,788	53,554	64,053		19,120
(2) Total of property related expenses	240,758	334,472	181,714		186,569
Property taxes	51,926	76,460	21,040		31,658
Subcontract expenses	32,559	34,865	12,635		32,678
Utilities cost	41,790	39,350	54,239		17,070
Non-life insurance premium	763	1,296	434		780
Repair and maintenance	4,959	11,597	25,030		3,050
Depreciation	107,960	170,423	67,833		100,852
Custodian fee	500	480	500	480	
Other expenses	300	-	-	-	
(3) Operating income from property leasing (= (1)-(2))	275,545	406,055	101,440	171,284	238,989
NOI ((3) + Depreciation)	383,505	576,478	169,274	238,932	339,841

(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	182	182	182	182	182
(1) Property related revenues	Not disclosed (Note 1)	568,089	377,022	Not disclosed (Note 1)	1,162,927
Property revenues		541,342	334,737		1,113,284
Other property related revenues		26,747	42,285		49,642
(2) Total of property related expenses		266,227	193,845		536,679
Property taxes		61,731	30,301		124,600
Subcontract expenses		34,734	33,650		76,259
Utilities cost		23,634	38,364		49,029
Non-life insurance premium		1,101	846		2,298
Repair and maintenance		3,636	12,649		1,072
Depreciation		140,908	77,550		282,646
Custodian fee	480	480	480		
Other expenses	-	2	292		
(3) Operating income from property leasing (= (1)-(2))	35,410	301,862	183,177	210,451	626,248
NOI ((3) + Depreciation)	99,966	442,771	260,727	322,364	908,894

(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	182	182	182	182	182
(1) Property related revenues	463,134	Not disclosed (Note 1)	628,013	Not disclosed (Note 1)	Not disclosed (Note 1)
Property revenues	444,942		596,620		
Other property related revenues	18,191		31,393		
(2) Total of property related expenses	208,608		279,480		
Property taxes	38,786		40,594		
Subcontract expenses	31,110		30,666		
Utilities cost	16,577		24,939		
Non-life insurance premium	928		1,353		
Repair and maintenance	330		480		
Depreciation	120,396		180,966		
Custodian fee	480	480			
Other expenses	-	-			
(3) Operating income from property leasing (= (1)-(2))	254,525	102,358	348,533	92,526	61,795
NOI ((3) + Depreciation)	374,922	144,154	529,500	124,543	93,763

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

(Units: Thousands of yen)

Property number	B-04	B-05	B-06	B-07	B-08
Property name	Prologis Park Tosu 4	Prologis Park Narashino 4	Prologis Park Ebina	Prologis Park Kawanishi	Prologis Park Amagasaki 3
Operating days	182	182	182	182	182
(1) Property related revenues	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)
Property revenues					
Other property related revenues					
(2) Total of property related expenses					
Property taxes					
Subcontract expenses					
Utilities cost					
Non-life insurance premium					
Repair and maintenance					
Depreciation					
Custodian fee					
Other expenses					
(3) Operating income from property leasing (= (1)-(2))	74,362	375,392	170,250	322,106	174,322
NOI ((3) + Depreciation)	110,715	519,683	208,549	410,047	234,570

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

(Units: Thousands of yen)

Property number	B-09	B-10	B-11	B-12	B-13
Property name	Prologis Park Kobe	Prologis Park Sendai Izumi	Prologis Park Koga 1	Prologis Park Kobe 2	Prologis Park Koga 2
Operating days	182	182	182	182	182
(1) Property related revenues	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)
Property revenues					
Other property related revenues					
(2) Total of property related expenses					
Property taxes					
Subcontract expenses					
Utilities cost					
Non-life insurance premium					
Repair and maintenance					
Depreciation					
Custodian fee					
Other expenses					
(3) Operating income from property leasing (= (1)-(2))	134,044	87,982	132,845	243,158	60,069
NOI ((3) + Depreciation)	186,313	142,615	204,204	357,830	99,326

(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	B-15
Property name	Prologis Park Koga 3	Prologis Park Tsukuba 1-A
Operating days	182	180
(1) Property related revenues	Not disclosed (Note 1)	Not disclosed (Note 1)
Property revenues		
Other property related revenues		
(2) Total of property related expenses		
Property taxes		
Subcontract expenses		
Utilities cost		
Non-life insurance premium		
Repair and maintenance		
Depreciation		
Custodian fee		
Other expenses		
(3) Operating income from property leasing (= (1)-(2))	77,968	169,478
NOI ((3) + Depreciation)	136,597	320,810

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