

SUMMARY OF FINANCIAL RESULTS (REIT) For the Tenth Fiscal Period Ended November 30, 2017

Jan. 15, 2018

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

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

Scheduled Date of Filing of Securities Report: Feb. 23, 2018

Scheduled Date for Commencement of Distributions Payments: Feb. 15, 2018

Supplementary Materials for Financial Results: ☐ Yes • No

Investors & Analysts Meeting: ☐ Yes • No

1. Financial Results for the Fiscal Period ended Nov 30, 2017 (Tenth Fiscal Period) (June 1, 2017 to Nov 30, 2017)

(Values are rounded down to the nearest million yen)

(1) Operating Results

(Percentages indicates percentage change from the previous period)

	Operating revenues		Operating income		Ordinary income		Profit	
Period ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nov. 30, 2017	19,287	(9.2)	10,333	(20.0)	9,601	(14.4)	9,601	8.8
May 31, 2017	21,253	35.9	12,918	67.5	11,215	65.4	8,822	30.1

	Profit per unit	Return on unit holders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
Period ended	Yen	%	%	%
Nov. 30, 2017	4,799	3.2	1.9	49.8
May 31, 2017	4,644	3.2	2.4	52.8

(2) Distributions

	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
Period ended	Yen	Yen	Yen	Millions of yen	Millions of yen	Millions of yen	%	%
Nov. 30, 2017	4,668	4,668	0	9,601	9,601	-	100.0	3.1
May 31, 2017	4,628	4,628	0	8,822	8,822	-	100.0	3.2

* "SCD" indicates "Surplus Cash Distributions".

(Note 1) As there were issuance of new investment units during both fiscal periods and accordingly there were changes of outstanding investment units, the following formula was used for the calculation of payout ratio:

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

(3) Financial Position

	Total assets	Net assets	Ratio of unit holders' equity to total assets	Net asset per unit
Period ended	Millions of yen	Millions of yen	%	Yen
Nov. 30, 2017	527,624	313,553	59.4	152,436
May 31, 2017	487,739	279,584	57.3	146,659

(4) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the fiscal period
Period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Nov. 30, 2017	18,754	(56,277)	28,599	25,210
May 31, 2017	19,136	(30,594)	19,499	34,134

2. Earnings Forecasts for the Fiscal Period ending May 31, 2018 (Eleventh Fiscal Period) (from Dec. 1, 2017, to May 31, 2018) and Nov. 30, 2018 (Twelfth Fiscal Period) (from June 1, 2018, to Nov. 30, 2018)

(Percentages indicate change from the previous period)

Period ending	Operating revenues		Operating income		Ordinary income		Profit		Distributions per unit (including SCD)	Distributions per unit (excluding SCD)	SCD
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen	Yen
May 31, 2018	17,667	(8.4)	8,359	(19.1)	7,729	(19.5)	7,728	(19.5)	4,299	3,757	542
Nov. 30, 2018	17,785	0.7	8,299	(0.7)	7,679	(0.6)	7,678	(0.6)	4,277	3,733	544

(Reference) Forecasted Profit per unit for the fiscal period ending May 31, 2018: 3,757 yen
Forecasted Profit per unit for the fiscal period ending Nov. 30, 2018: 3,733 yen

3. Other

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

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

(2) Number of Investment Units Issued and Outstanding

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

As of Nov. 30, 2017	2,056,950 units
As of May 31, 2017	1,906,350 units

Number of treasury units at end of period:

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

* The Implementation Status of Statutory Audit

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

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

The forward-looking statements in this material are based on information currently available to us and on certain assumptions that we believe are reasonable. Actual operating performance may differ substantially due to various factors. Furthermore, those statements shall not be deemed a guarantee or any commitment of the amount of future distributions and surplus cash distributions. Please refer to "Assumptions for fiscal periods ending May 31, 2018 (Eleventh Fiscal Period) (from Dec. 1, 2017, to May 31, 2018) and Nov. 30, 2018 (Twelfth Fiscal Period) (from June 1, 2018, to Nov. 30, 2018)" on page 8 for assumptions regarding forward-looking statements.

1. Organizational Structure of Investment Corporation

Jinba Special Purpose Company has been categorized as Prologis REIT Management K.K.'s "specified related party" (a party engaged in the transactions set forth in Article 29-3, Paragraph 3, Item 2 of the Order for Enforcement of the Financial Instruments and Exchange Act) as of Dec. 1, 2017 and has submitted the extraordinary report as of Dec. 1, 2017. No significant changes have occurred to the organizational structure of the investment corporation since the most recent securities report (filed Aug. 30, 2017); therefore, their descriptions are not included here.

2. Management Policies and Results of Operations

(1) Management Policies

No significant changes have occurred to investment policies, investment targets and distribution policies since the most recent securities report (filed Aug. 30, 2017); therefore, their descriptions are not included here.

(2) Results of Operations

(I) Overview of the Tenth Fiscal Period ended Nov. 30, 2017

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

NPR acquired 12 properties (aggregate acquisition price: 173,020 million yen) on Feb. 15, 2013, following its listing, and acquired an additional 24 properties in total (aggregate acquisition price: 304,790 million yen) during the second, third, fourth, seventh and ninth fiscal periods. NPR acquired three additional properties (aggregate acquisition price: 55,830 million yen), and sold Prologis Park Maishima 4 (sale price: 15,700 million yen, acquisition price: 11,500 million yen) and Prologis Park Tagajo (sale price: 7,155 million yen, acquisition price: 5,370 million yen) during ninth fiscal period and the reporting fiscal period. As a result, NPR owned 37 properties (aggregate acquisition price: 516,770 million yen) as of the end of the reporting fiscal period.

(*) 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).

(ii) Operational Results of the Tenth Fiscal Period ended Nov. 30, 2017

During the reporting fiscal period, Japan's macroeconomic outlook continued to improve. The steady growth of the U.S. economy and some European economies, along with accelerating trends in Asia, encouraged Japanese imports and exports, which resulted in a continued recovery in corporate earnings and better employment numbers across Japan. While the hike in the U.S. long-term interest rate and dollar appreciation and yen depreciation since the fourth quarter of 2016 have paused, the U.S. equity market continued to grow, driven mainly by tech-related stocks. Japanese stock market has demonstrated rally since the fourth quarter of 2017, which used to lag behind other developed countries'.

The J-REIT market demonstrated solid performances after the Bank of Japan's announcement of the negative interest rate policy at the end of January 2016. However, the rise in the U.S. long-term interest rate in the fourth quarter of 2016 changed the market sentiment, and the J-REIT market has subsequently been softened further as a result of commencement of cash outflows from monthly distribution-type domestic mutual funds. Under these circumstances, domestic institutional investors are demonstrating various different investment attitudes. More specifically, while some domestic mutual fund managers are forced to monetize stakes in J-REITs due to the ongoing cash outflows, some domestic institutional investors represented by commercial banks maintain their appetite for J-REITs, focusing on J-REIT dividend yields under the super-low Japanese interest rate environment caused by the

introduction of negative interest rates by the Bank of Japan. Meanwhile, global institutional investors appear to take a somewhat cautious stance on J-REIT investment, as they are trying to discern the long-term outlook of Japanese economy and real estate market and the potential outcome of cash outflows from the monthly distribution-type domestic mutual funds. In total, we believe the J-REIT dividend yield still remains attractive in the global monetary easing environment and J-REITs' financial and operational performances continue to be deemed relatively defensive, being relatively unsusceptible to uncertainties of the global macroeconomy. However, the J-REIT market itself will continue to be affected by various investor trends, and therefore, its directions is unclear for now.

On the other hand, in the Japanese real estate property secondary market, the appetite of various investors (i.e., private J-REITs, private funds and international investors) continues to be significantly high, reflecting the favorable financing market environment and continued competition over high-quality real estate, which makes good investment opportunities scarce.

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

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

As of the end of the reporting fiscal period, NPR owned 37 properties (aggregate acquisition price: 516,770 million yen), all of which were developed by the Prologis Group. The portfolio's total leasable area was 2,443,505.65 square meters and the occupancy rate remained high, at 97.3 percent as of the end of the reporting fiscal period.

(iii) Overview of Financing

(a) Issuance of New Investment Units

NPR issued new investment units through its follow-on offering (143,430 units), with a payment date of Aug. 7, 2017, with an aim to procure funds to acquire three new properties. NPR additionally issued units through a third-party allotment (7,170 units) with a payment date of Sept. 6, 2017. As a result of these offerings, NPR successfully raised 33.19 billion yen equity money (net of underwriters' fees), and the balance of NPR's unit holders' capital was 303,950 million yen and the total number of units issued and outstanding was 2,056,950 as of the end of the reporting fiscal period.

(b) Borrowings

For the purpose of acquiring the three new assets, including ancillary costs and expenses, NPR borrowed bridge loans of 39.5 billion yen on Aug. 1, 2017. These bridge loans were subsequently prepaid with the net proceeds from the abovementioned offerings and borrowed short-term loans of 6.3 billion yen on Aug. 8, 2017. As a result, the ending balance of NPR's interest-bearing debt was 194,500 million yen, out of which investment corporation bonds accounted for 12 billion yen as of the end of the reporting fiscal period. NPR's loan-to-value ratio (the ratio of aggregate balance of interest-bearing debt, including bank loans and the outstanding balance of long-term and short-term investment corporation bonds to NPR's total assets, hereinafter "LTV") was 36.9 percent as of the end of the reporting fiscal period.

(c) Credit Rating

NPR's credit ratings as of the end of the reporting fiscal period (November 30, 2017) 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 19,287 million yen, operating income of 10,333 million yen, ordinary income of 9,601 million yen and profit of 9,601 million yen for the reporting fiscal period. NPR's distributions for the same period were 4,668 yen per unit, which included NPR's profit distributions in deductible expenses in

accordance with the Section 1 of Article 67-15 of the Act on Special Taxation Measures Law (a customary practice of J-REITs). The distribution amount was determined to distribute all unappropriated retained earnings for the reporting period, excluding fractions less than one yen.

In addition, NPR intends to regularly distribute cash in excess of the amount of retained earnings (“Regular Surplus Cash Distributions”) in each fiscal period in accordance with a distribution policy set forth in its articles of incorporation (*1). Furthermore, to maintain the stability of NPR’s distributions per unit in the event that an amount of distributions per unit temporarily decreases due to a series of financing actions such as the issuance of new investment units (including investment unit third-party allotment), the issuance of investment corporation bonds and borrowings, etc. and cancellation, redemption or repayment of such debt, which may result in a temporary dilution of investment units or incurrence of large expenses, NPR may make distributions as one-time surplus cash distributions (“One-time Surplus Cash Distributions,” collectively with the Regular Surplus Cash Distributions, “SCD” or “SCDs”) (*2).

However, no regular surplus cash distributions will be paid in consideration of a level of income including capital gains on sale of real estate from Prologis Park Tagajo.

- (*1) Going forward, NPR intends to distribute regular surplus cash distributions on a regular basis in an amount no higher than 60 percent of its depreciation expense for an applicable fiscal period, while pursuing other uses of capital such as maintenance expenses, capital expenditures, repayment of borrowings and funding of new acquisitions. In the meantime, NPR intends to regularly distribute approximately 30 percent of depreciation expense for an applicable fiscal period.
- (*2) NPR intends to maintain the maximum amount of total SCD, which is the sum of the Regular Surplus Cash Distributions and the One-time Surplus Cash Distributions, in an amount no higher than 40 percent of its depreciation expense for an applicable fiscal period.

(II). Outlook for Next Fiscal Period

(i) Future Management Policies and Issues

(a) Basic Policies

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

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

(b) External Growth Strategies

Pursuant to the sponsor support agreement, NPR was granted exclusive negotiation rights from the Prologis Group for five properties (Prologis Park Koga 3, Prologis Park Sendai Izumi 2, Prologis Park Tsukuba 1-A, Prologis Park Kyotanabe, Prologis Park MFLP Kawagoe (50% co-ownership)) on Dec. 15, 2017. The Prologis Group will continue to develop new assets of approximately 40 to 60 billion yen every year in Japan. 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 Narita 1-D	Narita, Chiba	Dec. 12, 2014	28,207 m ²
Prologis Park Yoshimi	Hiki, Saitama	Dec. 14, 2015	102,593 m ²
Prologis Park Chiba New Town	Inzai, Chiba	Dec. 14, 2015	109,981 m ²
Prologis Park Ichikawa 3	Ichikawa, Chiba	Dec. 5, 2016	52,211 m ²
Prologis Park Higashimatsuyama	Higashimatsuyama, Saitama	Dec. 5, 2016	71,347 m ²
Prologis Park Koga 3	Koga, Ibaraki	Dec. 15, 2017	31,255 m ²
Prologis Park Sendai Izumi 2	Sendai, Miyagi	Dec. 15, 2017	40,083 m ²
Prologis Park Tsukuba 1-A	Tsukuba, Ibaraki	Dec. 15, 2017	70,354 m ²
Prologis Park Kyotanabe	Kyotanabe, Kyoto	Dec. 15, 2017	161,057 m ²
Prologis Park MFLP Kawagoe (50% co-ownership)	Kawagoe, Saitama	Dec. 15, 2017	131,298 m ² (Note)

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

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. Due to new supply, the vacancy rates of large scale multi-tenant logistics facilities is temporarily rising, but we believe we would be able to minimize potential impact from this supply on our existing portfolio by closely monitoring the status of the supply/demand balance and leveraging the collaboration between the Asset Manager and the Prologis Group to conduct organized proactive leasing activities.

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

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

(d) Financing Strategies

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

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

(ii) Significant Subsequent Events

Not applicable

(ii) Earnings Forecast

	Operating revenues (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Profit (Millions of yen)	Distributions per unit (including surplus cash distributions) (yen)	Distributions per unit (excluding surplus cash distributions) (yen)	Surplus cash distributions per unit (yen)
Period ending May 31, 2018 (11th period)	17,667	8,359	7,729	7,728	4,299	3,757	542
Period ending Nov. 30, 2018 (12th period)	17,785	8,299	7,679	7,678	4,277	3,733	544

(Note)

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

Assumptions for the fiscal periods ending May 31, 2018 (Eleventh Fiscal Period) (from Dec. 1, 2017, to May 31, 2018) and Nov. 30, 2018 (Twelfth Fiscal Period) (from June 1, 2018, to Nov. 30, 2018)

Item	Assumption
Accounting period	<ul style="list-style-type: none"> Fiscal period ending May 31, 2018 (11th fiscal period) (from Dec. 1, 2017, to May 31, 2018) (182 days) Fiscal period ending Nov. 30, 2018 (12th fiscal period) (from June 1, 2018 to Nov. 30, 2018) (183 days)
Portfolio of Investment Assets Held	<ul style="list-style-type: none"> It is assumed that there will be no material change in the operational status of the 37 properties NPR owned as of Nov. 30, 2017, up until Nov. 30, 2018. Such changes include acquisitions of new properties and dispositions of properties held. The actual results may change due to acquisitions of new properties or dispositions of existing properties, etc.
Operating revenues	<ul style="list-style-type: none"> Operating rental revenues are estimated, by taking into account factors such as market trends and competitiveness of NPR's properties, to be 17,667 million yen and 17,785 million yen for the periods ending May 31, 2018, and Nov. 30, 2018, respectively. The expected average occupancy rates are estimated to be 97.6 percent and 97.5 percent for the periods ending May 31, 2018, and Nov. 30, 2018, 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 such as seasonal events and are assumed to be 3,736 million yen and 3,887 million yen for the periods ending May 31, 2018, and Nov. 30, 2018, respectively. Depreciation expenses, including ancillary costs associated with property acquisitions, are calculated using the straight-line method and are assumed to be 3,918 million yen and 3,932 million yen for the periods ending May 31, 2018, and Nov. 30, 2018, respectively. Property tax and city planning tax are generally included in the purchase price of properties on a pro-rated basis of a calendar year and start to be expensed from the next calendar year. Accordingly, property tax and city planning tax for the three new properties (Prologis Park Narashino 5, Prologis Park Ibaraki and Prologis Park Koga 2) will be expensed starting from the fiscal period ending May 31, 2018. The total amount of property tax and city planning tax included in the purchase price of the three new properties acquired on Aug. 1, 2017 is assumed to be 29 million yen (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"> As for interest expenses and other debt-related costs, 607 million yen and 611 million yen are expected for each of the periods ending May 31, 2018, and Nov. 30, 2018, respectively. The debt-related amortization, which is included in debt-related expenses, is expected to be 164 million yen and 165 million yen for each of the periods ending May 31, 2018, and Nov. 30, 2018.
Borrowings and bonds	<ul style="list-style-type: none"> The balance of NPR's interest-bearing liabilities outstanding as of the date hereof is 194,500 million yen, including the balance of investment corporation bonds. We assume that we will fully refinance a 6.3 billion yen short-term loan that is due on Aug. 8, 2018. We assume there will be no bonds due prior to the end of the fiscal period ending Nov. 30, 2018.
Investment units	<ul style="list-style-type: none"> It is assumed that the number of investment units currently issued and outstanding will not change. Currently, there are 2,056,950 units issued and outstanding.
Distributions per unit (excluding surplus cash distributions (SCD))	<ul style="list-style-type: none"> Distributions per unit (excluding SCD) are calculated based on the premises of the distribution policy in the articles of incorporation of NPR that all profit shall be distributed. Distributions per unit (excluding SCD) may change considerably due to various factors including changes in operational environment arising from any additional acquisitions or dispositions of properties, changes in rent revenues attributable to tenant moves, occurrence of unexpected repairs, changes in interest rates and issues of new investment units in the future.
Surplus cash distributions (SCD) per unit	<ul style="list-style-type: none"> SCD per unit is calculated based on the premises of the fund distribution policy contained in the articles of incorporation of NPR. It is assumed that SCD in the periods ending May 31, 2018, and Nov.

	<p>30, 2018 will be equal to 28.5 percent of depreciation expenses for each of the fiscal periods, which are assumed to be 1,114 million yen and 1,118 million yen, respectively.</p> <ul style="list-style-type: none"> • 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. In the event such as occurrence of material damages on NPR's assets, etc. when NPR needs to allocate its cash to emergency capital expenditures, the amount of SCD per unit may vary. • For now, NPR intends to pay SCD at an amount equivalent to approximately 30 percent of the depreciation expense for the relevant fiscal period. • To determine the amount of SCD, NPR also considers the payout ratio of total distribution amount relative to adjusted funds from operations ("AFFO"). NPR defines AFFO as funds from operations ("FFO") minus capital expenditures plus amortization of capitalized finance costs. FFO is defined as the sum of profit and non-cash expenses. For calculations, please refer to the following formulas: $\text{FFO} = \text{profit} + \text{depreciation} + \text{property-related amortization} + \text{loss on sale of real estate} - \text{gain on sale of real estate}$ $\text{AFFO} = \text{FFO} - \text{capital expenditure} + \text{amortization of capitalized finance costs}$ • Capital expenditures are assumed to be 701 million yen and 700 million yen in the periods ending May 31, 2018, and Nov. 30, 2018, respectively. • NPR does not plan to pay SCD in case such payment would cause the Distribution LTV, as defined below, to exceed 60 percent. <ul style="list-style-type: none"> • $\text{Distribution LTV}(\%) = A / B \times 100$ A = interest-bearing debt (including borrowings held in trust and investment corporation bonds) at the end of the fiscal period + balance of tenant leasehold deposits released at the end of the fiscal period B = total appraisal real estate value at the end of the fiscal period + the amount of cash deposits at the end of the fiscal period – the total amount distributions (including SCD)
Others	<ul style="list-style-type: none"> • It is assumed that any revision that will have an impact on the forecast information above will be made with regard to the laws and regulations, tax system, accounting standards, listing rules of the Tokyo Stock Exchange and rules of the Investment Trusts Association, Japan, etc. • It is assumed that no unexpected material change will arise in general economic trends and real estate market conditions.

3. Financial Statements

(1) Balance Sheet

	(Unit: Thousands of yen)	
	As of May 31, 2017	As of Nov. 30 2017
ASSETS		
Current assets:		
Cash and deposits	30,584,674	21,091,230
Cash and deposits in trust	3,549,872	4,119,378
Operating accounts receivable	788,887	1,178,794
Prepaid expenses	358,899	333,265
Deferred tax assets	12	1
Consumption taxes receivables	1,171,410	1,540,068
Other current assets	116	28
Total current assets	36,453,874	28,262,768
Fixed assets:		
Property and equipment		
Buildings	7,549,829	7,552,840
Less: accumulated depreciation	(780,453)	(870,984)
Buildings, net	6,769,376	6,681,856
Structures	249,739	249,739
Less: accumulated depreciation	(80,471)	(89,757)
Structures, net	169,267	159,982
Tools, furniture and fixtures	5,434	5,434
Less: accumulated depreciation	(2,186)	(2,439)
Tools, furniture and fixtures, net	3,247	2,995
Land	3,834,204	3,834,204
Buildings in trust	271,629,546	302,769,605
Less: accumulated depreciation	(21,460,346)	(24,436,588)
Buildings in trust, net	250,169,199	278,333,016
Structures in trust	5,726,744	6,603,247
Less: accumulated depreciation	(1,026,782)	(1,195,163)
Structures in trust, net	4,699,961	5,408,084
Machinery and equipment in trust	11,267	11,267
Less: accumulated depreciation	(1,587)	(1,918)
Machinery and equipment in trust, net	9,679	9,348
Tools, furniture and fixtures in trust	563,273	663,106
Less: accumulated depreciation	(172,103)	(200,945)
Tools, furniture and fixtures in trust, net	391,169	462,160
Other tangible assets in trust	35	35
Less: accumulated depreciation	(35)	(35)
Other tangible assets in trust, net	0	0
Land in trust	183,343,823	202,635,652
Construction in progress in trust	12,723	71,138
Total property and equipment	449,402,653	497,598,439
Intangible assets		
Other intangible assets	4,964	12,526
Total intangible assets	4,964	12,526
Investments and other assets		
Long-term prepaid expenses	1,842,707	1,682,701
Security deposit	10,000	10,000
Other	400	400
Total investments and other assets	1,853,107	1,693,101

	(Unit: Thousands of yen)	
	As of May 31, 2017	As of Nov. 30 2017
Total fixed assets	451,260,725	499,304,066
Deferred assets:		
Organization expenses	6,787	-
Investment corporation bond issuance costs	18,057	57,272
Total deferred assets	24,845	57,272
Total assets	487,739,445	527,624,107
LIABILITIES		
Current liabilities:		
Operating accounts payable	1,044,413	1,434,686
Short-term loans payable	7,000,000	6,300,000
Current portion of long-term loans payable	2,000,000	-
Accounts payable	463,939	296,133
Accrued expenses	1,369,150	1,677,895
Income taxes payable	842	616
Advances received	2,704,557	2,961,566
Other current liabilities	136,894	399,534
Total current liabilities	14,719,799	13,070,433
Non-current liabilities:		
Investment corporation bonds payable	5,000,000	12,000,000
Long-term loans payable	176,200,000	176,200,000
Tenant leasehold and security deposits	247,773	247,773
Tenant leasehold and security deposits in trust	11,984,729	12,551,061
Other non-current liabilities	2,558	1,377
Total non-current liabilities	193,435,061	201,000,212
Total liabilities	208,154,860	214,070,645
NET ASSETS		
Unit holders' equity		
Unit holders' capital		
Unit holders' capital, gross	277,275,843	310,465,975
Deduction of unit holders' capital	(6,515,132)	(6,515,132)
Unit holders' capital	270,760,711	303,950,843
Surplus		
Unappropriated retained earnings (undisposed loss)	8,823,872	9,602,618
Total surplus	8,823,872	9,602,618
Total unit holders' equity	279,584,584	313,553,462
Total net assets (*2)	*2 279,584,584	*2 313,553,462
Total liabilities and net assets	487,739,445	527,624,107

(2) Statement of Income

	(Unit: Thousands of yen)	
	For the period from Dec. 1, 2016 to May 31, 2017	For the period from June 1, 2017 to Nov. 30, 2017
Operating revenues:		
Operating rental revenues	* ¹ 15,339,816	* ¹ 15,944,794
Other rental revenues	* ¹ 1,076,683	* ¹ 1,272,775
Gain on sales of real estate properties	* ² 4,836,630	* ² 2,069,771
Total operating revenues	21,253,130	19,287,342
Operating expenses:		
Expenses related to property rental business (* ¹)	* ¹ 6,987,577	* ¹ 7,348,224
Asset management fee	1,231,161	1,503,755
Asset custody fee	39,082	40,156
Directors' compensation	4,800	4,800
Audit fee	15,000	15,000
Other operating expenses	56,770	41,882
Total operating expenses	8,334,391	8,953,818
Operating income	12,918,738	10,333,523
Non-operating income:		
Interest income	107	140
Reversal of distributions payable	834	1,210
Interest on refund of consumption taxes	-	4,876
Total non-operating income	942	6,227
Non-operating expenses:		
Interest expenses	736,614	395,072
Interest expenses on investment corporation bonds	17,424	30,536
Amortization of deferred organization expenses	8,145	6,787
Amortization of investment corporation bond issuance costs	1,903	4,732
Borrowing related expenses	819,875	177,955
Investment unit issuance expenses	24,950	25,041
Offering costs associated with the issuance of investments unit	57,947	78,659
Others	37,011	18,982
Total non-operating expenses	1,703,872	737,767
Ordinary income	11,215,808	9,601,983
Extraordinary loss:		
Interest rate swap breakage costs	* ³ 2,392,420	-
Total extraordinary loss	2,392,420	-
Income before income taxes	8,823,387	9,601,983
Incomes taxes – current	859	638
Incomes taxes – deferred	(0)	10
Total income taxes	858	649
Profit	8,822,529	9,601,334
Retained earnings brought forward	1,343	1,284
Unappropriated retained earnings (undisposed loss)	8,823,872	9,602,618

(3) Statement of Unit Holders' Equity

The Reporting Period (from Dec. 1, 2016 to May 31, 2017)

(Units: Thousands of yen)

	Unit holders' equity						Total net assets
	Unit holders' capital			Surplus		Total unit holders' equity	
	Unit holders' capital, gross	Deduction of unit holders' capital	Unit holders' capital	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at the beginning of the period	263,424,563	(5,568,369)	257,856,193	6,781,561	6,781,561	264,637,754	264,637,754
Change during the period							
Issuance of new investments	13,851,280		13,851,280			13,851,280	13,851,280
Surplus cash distributions		(946,762)	(946,762)			(946,762)	(946,762)
Dividends from surplus				(6,780,217)	(6,780,217)	(6,780,217)	(6,780,217)
Profit				8,822,529	8,822,529	8,822,529	8,822,529
Total change during the period	13,851,280	(946,762)	12,904,518	2,042,311	2,042,311	14,946,830	14,946,830
Balance at the end of the period	*1 277,275,843	(6,515,132)	270,760,711	8,823,872	8,823,872	279,584,584	279,584,584

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

(Units: Thousands of yen)

	Unit holders' equity						Total net assets
	Unit holders' capital			Surplus		Total unit holders' equity	
	Unit holders' capital, gross	Deduction of unit holders' capital	Unit holders' capital	Unappropriat ed retained earnings (undisposed loss)	Total surplus		
Balance at the beginning of the period	277,275,843	(6,515,132)	270,760,711	8,823,872	8,823,872	279,584,584	279,584,584
Change during the period							
Issuance of new investments	33,190,131		33,190,131			33,190,131	33,190,131
Dividends from surplus				(8,822,587)	(8,822,587)	(8,822,587)	(8,822,587)
Profit				9,601,334	9,601,334	9,601,334	9,601,334
Total change during the period	33,190,131	-	33,190,131	778,746	778,746	33,968,877	33,968,877
Balance at the end of the period	*1 310,465,975	(6,515,132)	303,950,843	9,602,618	9,602,618	313,553,462	313,553,462

(4) Statement of Cash Distribution

(Unit: Yen)

	For the period from Dec. 1, 2016 to May 31, 2017	For the period from June 1, 2017 to Nov. 30, 2017
I Unappropriated retained earnings (undisposed loss)	8,823,872,626	9,602,618,972
II Distributions in excess of retained earnings		
Deduction from unit holders' capital	-	-
III Distributions	8,822,587,800	9,601,842,600
(Distributions per unit)	(4,628)	(4,668)
Of which, distributions of retained earnings	8,822,587,800	9,601,842,600
(Of which, distributions of retained earnings per unit)	(4,628)	(4,668)
Of which, distributions in excess of retained earnings	-	-
(Of which, distributions in excess of retained earnings per unit)	(-)	(-)
IV Retained earnings carried forward	1,284,826	776,372
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 8,822,587,800 yen which was the amount equivalent to the maximum integral multiples of number of investment units issued and outstanding (1,906,350 investment units) as of the reporting fiscal period.</p> <p>In addition, based on the distribution policy as defined in Article 39, Paragraph 2 of incorporation, NPR shall make Surplus Cash Distributions (SCD), defined as distributions in excess of retained earnings, as a return of unit holders' capital, each fiscal period on a continuous basis.</p> <p>Furthermore, NPR is per permitted to distribute One-time Surplus Cash Distributions for the purpose of maintaining stable distributions per unit in the event that its distributions per unit is expected to temporarily dilute by a certain degree as a result of financing actions.</p> <p>Considering the amount of current profit, including the gain on sales of</p>	<p>Pursuant to the "Policy on the Distribution of Funds" as defined in Article 39, Paragraph 1 of Article 2 of incorporation of NPR, the amount of distributions shall be the amount that does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act.</p> <p>Based on the policy, NPR declared the distribution amount of 9,601,842,600 yen which was the amount equivalent to the maximum integral multiples of number of investment units issued and outstanding (2,056,950 investment units) as of the reporting fiscal period.</p> <p>In addition, based on the distribution policy as defined in Article 39, Paragraph 2 of incorporation, NPR shall make Surplus Cash Distributions (SCD), defined as distributions in excess of retained earnings, as a return of unit holders' capital, each fiscal period on a continuous basis.</p> <p>Furthermore, NPR is per permitted to distribute One-time Surplus Cash Distributions for the purpose of maintaining stable distributions per unit in the event that its distributions per unit is expected to temporarily dilute by a certain degree as a result of financing actions.</p> <p>Considering the amount of current profit, including the gain on sales of</p>

	real estate properties, NPR decided to suspend to declare SCD.	real estate properties, NPR decided to suspend to declare SCD.
--	--	--

- (Note) NPR is permitted to distribute cash in excess of the amount of retained earnings if the amount of the accounting profit is smaller than 90% of its distributable retained earnings on a tax basis to the extent that such distribution amount does not exceed the amount of NPR's depreciation for the same fiscal period, and if NPR determines that such excess distribution amount is appropriate. Also, NPR is permitted to distribute cash in any amount to the extent that such amount is determined by NPR's board of directors and if the amount of distributions does not satisfy certain conditions of special tax treatment which NPR shall be eligible to otherwise. Please note that the amount of SCD shall be subtracted from the balance of unit holders' paid-in capital upon payment.

(5) Statement of Cash Flows

	(Units: Thousands of yen)	
	For the period from Dec. 1, 2016 to May 31, 2017	For the period from June 1, 2017 to Nov. 30, 2017
Cash flows from operating activities:		
Income before income taxes	8,823,387	9,601,983
Depreciation	3,588,223	3,765,984
Amortization of organization expenses	8,145	6,787
Amortization of investment corporation bond issuance costs	1,903	4,732
Investment unit issuance expenses	24,950	25,041
Interest income	(107)	(140)
Interest expense	754,039	425,609
Interest rate swap breakage costs	2,392,420	-
Decrease (Increase) in operating accounts receivable	(319,137)	(389,906)
Decrease (Increase) in consumption taxes refund receivables	(1,171,410)	(368,658)
Decrease (Increase) in prepaid expenses	(76,881)	25,633
Decrease (Increase) in long-term prepaid expenses	(1,076,397)	160,006
Increase (Decrease) in operating accounts payable	(163,702)	393,123
Increase (Decrease) in accounts payable-other	20,707	(25,504)
Increase (Decrease) in accrued expenses	(150,398)	295,585
Increase (decrease) in accrued consumption taxes	(930,723)	-
Increase (Decrease) in advances received	33,889	257,009
Changes due to sales of property and equipment in trust	10,783,022	4,991,936
Others, net	(256,007)	(1,726)
Subtotal	22,285,921	19,167,497
Interest received	107	140
Interest paid	(755,981)	(412,450)
Interest rate swap breakage costs	(2,392,420)	-
Income taxes paid	(845)	(864)
Net cash used in operating activities	19,136,779	18,754,322
Cash flows from investing activities:		
Purchases of property and equipment	(500)	(240)
Purchases of property and equipment in trust	(31,366,187)	(57,096,532)
Purchases of intangible assets in trust	(550)	(9,049)
Proceeds from tenant leasehold and security deposits in trust	1,268,235	1,466,536
Repayments from tenant leasehold and security deposits in trust	(495,580)	(638,142)
Net cash used in investing activities	(30,594,582)	(56,277,428)
Cash flows from financing activities:		
Proceeds from short-term loans payable	7,000,000	6,300,000
Repayments of short-term loans payable	(7,000,000)	(7,000,000)
Proceeds from long-term loans payable	151,100,000	39,500,000
Repayments of long-term loans payable	(137,700,000)	(41,500,000)
Proceeds from issuance of investment corporation bonds	-	6,956,052
Proceeds from issuance of new investment units	13,826,330	33,165,090
Payment of distributions of retained earnings	(6,780,079)	(8,821,771)
Payment of distributions in excess of retained earnings	(946,787)	(203)
Net cash provided by financing activities	19,499,463	28,599,167
Net increase (decrease) in cash and cash equivalents	8,041,661	(8,923,938)
Cash and cash equivalents at the beginning of period	26,092,886	34,134,547
Cash and cash equivalents at the end of period	*1 34,134,547	*1 25,210,609

(6) Notes Concerning Going Concerns Assumption

None

(7) Notes Concerning Significant Accounting Policies

1. Method of depreciation of non-current assets	<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> <tr> <td>Buildings</td><td>3-67 years</td></tr> <tr> <td>Structures</td><td>2-60 years</td></tr> <tr> <td>Machinery and equipment</td><td>17 years</td></tr> <tr> <td>Tools, furniture and fixtures</td><td>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								
2. Accounting method of deferred charges	<p>(1) Investment unit issuance expenses The full amount of investment unit issuance expenses is recorded as expense at the time of expenditure.</p> <p>(2) Organization expenses All organization expenses are amortized over five years using straight-line method.</p> <p>(3) Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized over the remaining life of the bonds using straight-line method.</p>								
3. Revenue and expense recognition	<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 5,036 thousand yen and 139,685 thousand yen respectively for the fiscal period ended May 31, 2017 Nov. 30, 2017.</p>								
4. Hedge accounting	<p>(1) Hedge accounting method For interest rate swaps, special accounting treatment is adopted.</p> <p>(2) Hedge instruments and hedged items Hedge instruments – interest rate swaps Hedged items – interests on loans payable</p> <p>(3) Hedging policy NPR uses interest rate swaps for the purpose of hedging risks defined in the articles of incorporation based on its risk management policies.</p> <p>(4) Hedge effectiveness test Assessment of the hedge effectiveness has been omitted since all interest rate swaps meet the specific matching criteria under the special accounting treatment.</p>								
5. Cash and cash equivalents as stated in the Statement of Cash Flows	<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>								
6. Other significant matters which constitute the basis for preparation of financial statements	<p>(1) Accounting treatment of trust beneficiary interests of real estate As to trust beneficiary interests of real estate, all accounts of assets and liabilities within assets in trust, as well as all income generated and expenses incurred from assets in trust, are recorded in the relevant balance sheets and income statement accounts. Of which, the following significant trust assets are shown separately on the balance sheet.</p> <p>(a) Cash and deposits in trust (b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust (c) Construction in progress in trust (d) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment of consumption taxes Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes. The nondeductible portion of consumption taxes imposed in connection with assets is charged to expense in the period incurred.</p>								

(8) Notes to Financial Statements

(Notes to Balance Sheet)

*1. Commitment line agreement

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

	As of May 31, 2017	As of Nov. 30, 2017
Total amount of committed line of credit	20,000,000 thousand yen	20,000,000 thousand yen
Borrowings drawn down	-thousand yen	-thousand yen
Balance of unused committed line of credit	20,000,000 thousand yen	20,000,000 thousand yen

As of May 31, 2017

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

As of Nov. 30, 2017

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

(Notes to Statement of Income)

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

	(Units: Thousands of yen)	
	For the period from Dec. 1, 2016 to May 31, 2017	For the period from June 1, 2017 to Nov. 30, 2017
(1) Property-related revenues		
Rental revenues		
Rental revenues	14,358,213	14,895,492
Common area charges	981,603	1,049,302
Total	15,339,816	15,944,794
Other rental revenues		
Received utilities cost	877,491	1,059,098
Others	199,191	213,677
Total	1,076,683	1,272,775
Total property-related revenues	16,416,500	17,217,570
(2) Property-related expenses		
Rental expenses		
Subcontract expenses	967,705	908,116
Utilities cost	802,760	1,012,001
Taxes and dues	1,415,756	1,430,718
Non-life insurance premium	25,380	24,870
Repair and maintenance	168,565	187,413
Depreciation	3,588,223	3,765,984
Custodian fee	16,612	16,549
Other expenses	2,573	2,569
Total rental expenses	6,987,577	7,348,224
(3) Operating income from property leasing ((1)-(2))	9,428,922	9,869,345

*2. Gain on sales of real estate properties:

For the period from Dec. 1, 2016, to May 31, 2017

<Prologis Park Maishima 4>

	(Units: Thousands of yen)
Sales proceed	15,700,000
Book value of properties sold	10,783,022
Other sales expenses	80,347
Gain on sales of real estate properties	4,836,630

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

<Prologis Park Tagajo>

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

*3. Interest rate swap breakage costs represent the settlement related to prepayment of bank loans executed on Apr. 28, 2017

(Notes to Statement of Unit Holders' Equity)

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

	For the period from Dec. 1, 2016 to May 31, 2017	For the period from June 1, 2017 to Nov. 30, 2017
Number of investment units authorized	10,000,000 units	10,000,000 units
Number of investment units issued and outstanding	1,906,350 units	2,056,950 units

(Notes to Statement of Cash Flow)

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

	For the period from Dec. 1, 2016 to May 31, 2017	For the period from June 1, 2017 to Nov. 30, 2017
Cash and deposits	30,584,674 thousand yen	21,091,230 thousand yen
Cash and deposits in trust	3,549,872 thousand yen	4,119,378 thousand yen
Cash and cash equivalents	34,134,547 thousand yen	25,210,609 thousand yen

(Notes Related to Lease Contracts)

Operating lease transactions (as lessor)

Unearned rental revenue

	As of May 31, 2017	As of Nov. 30, 2017
Due within one year	21,949,499 thousand yen	24,737,154 thousand yen
Due after one year	86,628,965 thousand yen	104,147,726 thousand yen
Total	108,578,465 thousand yen	128,884,881 thousand yen

(Notes Related to Financial Instruments)

1. Status of financial instruments

(1) Policy for Financial Instruments

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

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

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

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

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

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

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

interest rate loans.

(3) Supplemental Explanation Regarding Fair Values of Financial Instruments

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

2. Estimated Fair Value of Financial Instruments

As of May 31, 2017

The book value, the fair value and the difference between the values as of May 31, 2017, are as follows. Financial instruments for which fair value is difficult to estimate are excluded from the following table. ^(Note 2)

(Unit: Thousands of yen)

	Book value	Fair value	Difference
(1) Cash and deposits	30,584,674	30,584,674	-
(2) Cash and deposits in trust	3,549,872	3,549,872	-
Total assets	34,134,547	34,134,547	-
(3) Short-term loans payable	7,000,000	7,000,000	-
(4) Current portion of long-term loans payable	2,000,000	2,000,250	250
(5) Investment corporation bonds payable	5,000,000	5,115,000	115,000
(6) Long-term loans payable	176,200,000	177,716,963	1,516,963
Total liabilities	190,200,000	191,832,213	1,632,213
(7) Derivative transactions	-	-	-

As of Nov. 30, 2017

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

(Unit: Thousands of yen)

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

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

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

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

(3) Short-term loans payable

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

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

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

(5) Investment corporation bonds payable

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

(7) Derivative transactions

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

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

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

(Units: Thousands of yen)

	As of May 31, 2017	As of Nov. 30, 2017
Tenant leasehold and security deposits	247,773	247,773
Tenant leasehold and security deposits in trust	11,984,729	12,551,061

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

As of May 31, 2017

(Units: Thousands of yen)

	Due within one year
Cash and deposits	30,584,674
Cash and deposits in trust	3,549,872

As of Nov. 30, 2017

(Units: Thousands of yen)

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

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

As of May 31, 2017

(Unit: Thousands of yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds payable	-	-	2,000,000	-	-	3,000,000
Long-term loans payable	2,000,000	6,400,000	1,000,000	21,300,000	30,000,000	117,500,000
Total	2,000,000	6,400,000	3,000,000	21,300,000	30,000,000	120,500,000

As of Nov. 30, 2017

(Unit: Thousands of yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds payable	-	2,000,000	-	2,000,000	-	8,000,000
Long-term loans payable	-	7,400,000	-	21,300,000	30,000,000	117,500,000
Total	-	9,400,000	-	23,300,000	30,000,000	125,500,000

(Notes Related to Investment Securities)

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

None

(Notes Related to Derivative Transactions)

1. Derivative transactions for which hedge accounting is not applied

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

None

2. Derivative transactions for which hedge accounting is applied

The contract and notional amount as of May 31, 2017, sorted by hedge accounting method is as follows:

(Units: Thousands of yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
			Total	Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term loans payable	177,200,000	175,200,000	(Note)	(Note)

(Note) Interest rate swaps under special accounting treatment are accounted for as the integral part of long-term loans payable designated as hedged items. Therefore, their fair value is included in long-term loans payable disclosed in the aforementioned "Notes Related to Financial Instruments, 2. Estimated Fair Values of Financial Instruments, (4) Current portion of long-term and loans payable (6) Long-term loans payable".

The contract and notional amount as of Nov. 30, 2017, sorted by hedge accounting method is as follows:

(Units: Thousands of yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
			Total	Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term loans payable	175,200,000	175,200,000	(Note)	(Note)

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

(Notes Related to Related Party Transactions)

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

For the periods from Dec. 1, 2016, to May 31, 2017, and June 1, 2017, to Nov. 30, 2017

None

2. Transactions and Account Balances with Affiliates

For the periods from Dec. 1, 2016, to May 31, 2017, and June 1, 2017, to Nov. 30, 2017

None

3. Transactions and Account Balances with Companies under Common Control

For the periods from Dec. 1, 2016, to May 31, 2017

Relationship	Name of the company	Address	Stated capital (Thousands of yen)	Type of business	% of voting rights owned	Relation		Type of transaction	Transaction amount (Thousands of yen)	Account	Balance (Thousands of yen)
						Common board member	Business relationship				
Subsidiary of an affiliate	Prologis REIT Master Lease GK (Note 3)	Chiyoda-ku, Tokyo	2,100	Real estate business	-	-	Lessee	Lease of properties in trust	15,193,498	Operating accounts receivable	374,374
								Advances received			2,527,032
								Proceeds of tenant leasehold and security deposits in trust	592,587	Tenant leasehold and security deposits in trust	11,224,159
								Repayments of tenant leasehold and security deposits in trust	495,580		
Subsidiary of an affiliate	Narita 3 Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	9,240,000	-	-
Subsidiary of an affiliate	Gassan Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	7,680,000	-	-
Subsidiary of an affiliate	Kobe Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	13,700,000	-	-
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	1,462,761	Accrued expenses	1,329,654

(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 29 of the 35 properties held by NPR, NPR leases space to Prologis REIT Master Lease GK based on a pass-through type master lease agreement, and Prologis REIT Master Lease GK subleases the space to tenants.

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

Relationship	Name of the company	Address	Stated capital (Thousands of yen)	Type of business	% of voting rights owned	Relation		Type of transaction	Transaction amount (Thousands of yen)	Account	Balance (Thousands of yen)
						Common board member	Business relationship				
Subsidiary of an affiliate	Prologis REIT Master Lease GK (Note 3)	Chiyoda-ku, Tokyo	2,100	Real estate business	-	-	Lessee	Lease of properties in trust	15,975,178	Operating accounts receivable	587,232
										Advances received	2,748,588
								Proceeds of tenant leasehold and security deposits in trust	1,466,536	Tenant leasehold and security deposits in trust	12,052,552
								Repayments of tenant leasehold and security deposits in trust	638,142		
Subsidiary of an affiliate	Hakuba Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	13,600,000	Accrued expenses	-
Subsidiary of an affiliate	Ibaraki Special Purpose Company (Note 4)	Chiyoda-ku, Tokyo	131,100	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	38,300,000	-	-
Subsidiary of an affiliate	Gassan Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	3,930,000	-	-
Subsidiary of an affiliate	Prologis REIT Management K.K.	Chiyoda-ku, Tokyo	100,000	Investment management business	-	Executive Director of NPR and President & CEO of the Asset Manager	Asset Manager	Payment of asset management fee	1,818,680	Accrued expenses	1,624,055

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

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

(Note 3) With respect to 31 of the 37 properties held by NPR, NPR leases space to Prologis REIT Master Lease GK based on a pass-through type master lease agreement, and Prologis REIT Master Lease GK subleases the space to tenants.

(Note 4) Ibaraki Special Purpose Company changed its trade name to Jinba Special Purpose Company on Nov. 20, 2017.

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

For the periods from Dec. 1, 2016, to May 31, 2017, and June 1, 2017, to Nov. 30, 2017

None

(Notes Related to Retirement Payment)

For the periods from Dec. 1, 2016, to May 31, 2017, and June 1, 2017, to Nov. 30, 2017

None

(Notes Related to Deferred Tax Accounting)

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

	(Unit: Thousands of yen)	
(Deferred tax assets)	As of May 31, 2017	As of Nov. 30, 2017
Enterprise tax payable	12	1
Total deferred tax assets	12	1
Net deferred tax assets	12	1

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

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

(Notes Related to Asset Retirement Obligations)

For the periods from Dec. 1, 2016, to May 31, 2017, and June 1, 2017, to Nov. 30, 2017

None

(Notes Related to Rental Properties)

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

(Unit: Thousands of yen)

	For the period from Dec. 1, 2016 to May 31, 2017	For the period from June 1, 2017 to Nov. 30, 2017
Book value		
Balance at the beginning of the period	432,334,447	449,407,618
Change during the period	17,073,170	48,203,347
Balance at the end of the period	449,407,618	497,610,965
Fair value at the end of the period	548,380,000	610,150,000

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

(Note 2) The increase for the fiscal period ended May 31, 2017 was primarily a result of acquiring three properties, Prologis Park Narita 3, Prologis Park Koga 1 and Prologis Park Kobe 2, during the period for a total of 30,822,913 thousand yen. The decrease for the fiscal period ended May 31, 2017 was primarily a result of the disposition of Prologis Park Maishima 4 and the recognition of depreciation, which amounted to 10,783,022 thousand yen and 3,588,223 thousand yen, respectively.

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

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

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

(Notes Related to Segment and Related Information)

(Segment Information)

1. Overview of operating and reportable segments

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

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

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

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

Kumamoto, Oita, Miyazaki and Kagoshima prefectures, respectively.

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

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

Global markets: Prologis Park Ichikawa 1, Prologis Park Zama 1, Prologis Park Kawajima, Prologis Park Osaka 2, Prologis Park Maishima 3, Prologis Park Maishima 4, 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 and Prologis Park Koga2.

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

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

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

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

As of May 31, 2017

(Unit: Thousands of yen)

	Global markets	Regional markets	Reconciling adjustments	Amount on financial statements
Operating revenues ⁽¹⁾	19,608,654	1,644,475	-	21,253,130
Segment income ⁽²⁾	12,565,195	723,397	(369,854)	12,918,738
Segment assets ⁽²⁾	414,071,609	39,778,414	33,889,420	487,739,445
Other items				
Depreciation	3,159,006	429,217	-	3,588,223
Increase in property and equipment	31,362,281	79,574	-	31,441,856

(Note 1) Operating revenues of NPR are exclusively earned from external parties. Operating revenues in Global markets includes 4,836,630 thousand yen of gain on sales of real estate properties.

(Note 2) Reconciling adjustments to segment income of (369,854) thousand yen include general corporate expenses of 369,854 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 33,889,420 thousand yen include current assets of 32,011,900 thousand yen, investments and other assets of 1,852,675 thousand yen and deferred assets of 24,845 thousand yen.

As of Nov. 30, 2017

(Unit: Thousands of yen)

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

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

(Note 2) Reconciling adjustments to segment income of (582,423) thousand yen include general corporate expenses of 582,423 thousand yen that are not allocated to each reportable segment. General corporate expenses consist mainly of asset management fees, asset custody fees, administrative service fees and directors' compensation and other. Reconciling adjustments to segment assets of 24,633,670 thousand yen include current assets of 22,883,784 thousand yen, investments and other assets of 1,692,613 thousand yen and deferred assets of 57,272 thousand yen.

(Related Information)

For the period from Dec. 1, 2016, to May 31, 2017

1. Information by products and services

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

2. Information by geographic region

(1) Operating revenues

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

(2) Property and equipment

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

3. Information by major customers

(Unit: Thousands of yen)

Counterparty	Operating revenues	Related segment
Prologis REIT Master Lease GK	15,193,498	Global market, Regional market

(Note 1) With respect to 29 of the 35 properties held by NPR, NPR leases space to Prologis REIT Master Lease GK based on a pass-through type master lease agreement, and Prologis REIT Master Lease GK subleases the space to tenants.

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

1. Information by products and services

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

2. Information by geographic region

(1) Operating revenues

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

(2) Property and equipment

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

3. Information by major customers

(Unit: Thousands of yen)

Counterparty	Operating revenues	Related segment
Prologis REIT Master Lease GK	15,975,178	Global market, Regional market

(Note 1) With respect to 31 of the 37 properties held by NPR, NPR leases space to Prologis REIT Master Lease GK based on a pass-through type master lease agreement, and Prologis REIT Master Lease GK subleases the space to actual tenants.

(Notes Related to Per Unit Information)

	For the period from Dec. 1, 2016 to May 31, 2017	For the period from June 1, 2017 to Nov. 30, 2017
Net assets per unit	146,659 yen	152,436 yen
Profit per unit	4,644 yen	4,799 yen

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

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

	For the period from Dec. 1, 2016 to May 31, 2017	For the period from June 1, 2017 to Nov. 30, 2017
Profit (Thousands of yen)	8,822,529	9,601,334
Amount not attributable to common unit holders (Thousands of yen)	-	-
Profit attributable to common unit holders (Thousands of yen)	8,822,529	9,601,334
Average number of investment units during the period (unit)	1,899,508	2,000,636

(Notes Related to Material Subsequent Events)

None

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

Changes in the number of investment units issued and outstanding and unit holders' equity from the date of establishment to the end of the reported fiscal period are as follows:

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

Aug. 7, 2017	Public offering	143,430	2,049,780	31,609,963	302,370,675	(Note 22)
Sept. 6, 2017	Secondary distribution	7,170	2,056,950	1,580,167	303,950,843	(Note 23)

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

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

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

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

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

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

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

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

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

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

(Note 11) New investment units were issued at a price of 250,096 yen per unit (241,853 yen after deduction of gross spread to underwriters) to raise funds for the repayment of borrowings for the acquisition of new properties.

(Note 12) New investment units were issued at a price of 241,853 yen per unit through third-party allotment to raise funds for the future acquisition of properties or the repayment of borrowings.

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

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

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

(Note 16) New investment units were issued at a price of 231,574 yen per unit (223,894 yen after deduction of gross spread to underwriters) to raise funds for the repayment of borrowings for the acquisition of new properties.

(Note 17) New investment units were issued at a price of 223,894 yen per unit through third-party allotment to raise funds for the future acquisition of properties or the repayment of borrowings.

(Note 18) Cash distributions for the fiscal period ended May 2016 in the amount of 610 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on July 14, 2016, and payment began on Aug. 15, 2016.

(Note 19) New investment units were issued at a price of 222,460 yen per unit (215,082 yen after deduction of gross spread to underwriters) to raise funds for the repayment of borrowings for the acquisition of new properties.

(Note 20) New investment units were issued at a price of 215,082 yen per unit through third-party allotment to raise funds for the future acquisition of properties or the repayment of borrowings.

(Note 21) Cash distributions for the fiscal period ended Nov. 2016 in the amount of 514 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on Jan. 17, 2017, and payment began on Feb. 15, 2017.

(Note 22) New investment units were issued at a price of 227,850 yen per unit (220,386 yen after deduction of gross spread to underwriters) to raise funds for the repayment of borrowings for the acquisition of new properties.

(Note 23) New investment units were issued at a price of 220,386 yen per unit through third-party allotment to raise funds for the future acquisition of properties or the repayment of borrowings.

4. Change of Directors

No change in directors of NPR or PLDRM during the reporting fiscal period.

5. Reference Information

(1) Composition of NPR's Assets

Type of asset	Region	Ninth fiscal period (As of May 31, 2017)		Tenth fiscal period (As of Nov. 30, 2017)	
		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	4,255	0.9	4,225	0.8
	Regional markets (Note 2)				
	Chubu area	-	-	-	-
	Tohoku area	-	-	-	-
	Kyushu area	6,520	1.3	6,453	1.2
	Total	10,776	2.2	10,679	2.0
Beneficiary right in trust	Global markets (Note 1)				
	Kanto area	254,484	52.2	270,479	51.3
	Kansai area	151,350	31.0	188,788	35.8
	Regional markets (Note 2)				
	Chubu area	17,815	3.7	17,708	3.4
	Tohoku area	14,968	3.1	9,884	1.9
	Kyushu area	-	-	-	-
	Total	438,618	89.9	486,860	92.3
Total of real estate and others		449,394	92.1	497,539	94.3
Deposit and other assets		38,344	7.9	30,084	5.7
Total assets (Note 4)		487,739	100.0	527,624	100.0
		(449,394)	(92.1)	(497,539)	(94.3)

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

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

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

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

(Note 3) The retained amount is from the balance (for the "Total of real estate and others", the book value after depreciation) as of end of the reporting fiscal period

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

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

(2) Overview of the Portfolio

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

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

Property number	Property name	Form of ownership	Acquisition price (Millions of yen) ⁽¹⁾	Book value (Millions of yen) ⁽²⁾	Appraisal value as of the end of the reporting fiscal period (Millions of yen) ⁽³⁾	Return price					Investment rate (%) ⁽⁴⁾
						Direct capitalization method		DCF method			
						Priced based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Priced based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
M-01	Prologis Park Ichikawa 1	Beneficiary right in trust	33,900	32,499	43,200	43,900	4.0	43,200	3.8	4.2	6.56
M-02	Prologis Park Zama 1	Beneficiary right in trust	27,900	26,236	33,700	34,000	4.3	33,700	4.1	4.5	5.40
M-03	Prologis Park Kawajima	Beneficiary right in trust	25,600	23,720	32,900	33,600	4.6	32,900	4.4	4.8	4.95
M-04	Prologis Park Osaka 2	Beneficiary right in trust	25,000	23,449	31,000	30,900	4.5	31,000	4.3	4.6	4.84
M-05	Prologis Park Maishima 3	Beneficiary right in trust	13,500	12,536	15,300	15,500	4.6	15,300	4.4	4.7	2.61
M-06	Prologis Park Kasugai	Beneficiary right in trust	12,500	11,657	16,900	17,100	4.9	16,900	4.7	5.0	2.42
M-07	Prologis Park Kitanagoya	Beneficiary right in trust	6,500	6,051	8,700	8,970	4.6	8,700	4.5	4.8	1.26
M-09	Prologis Park Tokyo-Ohta	Beneficiary right in trust	29,500	29,110	36,500	37,200	3.8	36,500	3.6	4.0	5.71
M-10	Prologis Park Zama 2	Beneficiary right in trust	21,900	20,820	28,300	28,800	4.3	28,300	4.1	4.5	4.24
M-11	Prologis Park Funabashi 5	Beneficiary right in trust	9,500	10,611	13,800	13,900	4.2	13,800	4.0	4.4	2.13
	(Annex)		1,500								
M-12	Prologis Park Narita 1-A&B	Beneficiary right in trust	8,420	8,072	10,200	10,300	4.9	10,100	4.6	5.1	1.63
M-13	Prologis Park Narita 1-C	Beneficiary right in trust	4,810	4,497	5,870	5,880	4.9	5,860	4.6	5.1	0.93
M-14	Prologis Park Amagasaki 1	Beneficiary right in trust	17,600	17,064	20,600	20,700	4.6	20,500	4.3	4.7	3.41
M-15	Prologis Park Amagasaki 2	Beneficiary right in trust	19,200	18,326	21,800	21,800	4.6	21,700	4.3	4.7	3.72
M-16	Prologis Park Tokyo-Shinkiba	Beneficiary right in trust	13,600	13,268	16,800	16,900	3.8	16,800	3.6	3.9	2.63
M-17	Prologis Park Yokohama-Tsurumi	Beneficiary right in trust	13,800	13,119	17,000	17,200	4.2	17,000	4.0	4.3	2.67
M-18	Prologis Park Osaka 4	Beneficiary right in trust	21,000	19,856	24,500	24,500	4.5	24,500	4.3	4.6	4.06
M-19	Prologis Park Iwanuma 1	Beneficiary right in trust	5,670	5,190	7,200	7,240	5.1	7,200	4.9	5.2	1.10
M-20	Prologis Park Kawajima 2	Beneficiary right in trust	8,180	7,814	9,500	9,570	4.6	9,500	4.4	4.8	1.58

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	12,396	13,800	13,800	4.7	13,700	4.4	4.9	2.44
M-22	Prologis Park Joso	Beneficiary right in trust	7,120	6,969	7,590	7,680	4.7	7,590	4.5	4.9	1.38
M-23	Prologis Park Osaka 5	Beneficiary right in trust	17,600	17,399	18,500	18,800	4.5	18,500	4.3	4.7	3.41
M-24	Prologis Park Narita 3	Beneficiary right in trust	9,240	9,144	9,970	10,100	4.7	9,830	4.5	4.9	1.79
M-25	Prologis Park Narashino 5	Beneficiary right in trust	13,600	13,648	13,900	13,800	4.3	13,900	4.1	4.4	2.63
M-26	Prologis Park Ibaraki	Beneficiary right in trust	38,300	38,472	39,700	39,000	4.3	39,700	4.1	4.4	7.41
B-02	Prologis Park Takatsuki	Real estate	4,410	4,225	5,270	5,330	4.7	5,270	4.4	4.8	0.85
B-03	Prologis Park Tosu 2	Real estate	3,030	2,847	3,770	3,740	4.8	3,770	4.5	4.9	0.59
B-04	Prologis Park Tosu 4	Real estate	3,810	3,606	4,660	4,750	4.8	4,660	4.5	4.9	0.74
B-05	Prologis Park Narashino 4	Beneficiary right in trust	20,000	18,948	24,700	24,700	4.2	24,700	4.0	4.3	3.87
B-06	Prologis Park Ebina	Beneficiary right in trust	8,250	8,076	10,000	10,000	4.3	10,000	4.1	4.4	1.60
B-07	Prologis Park Kawanishi	Beneficiary right in trust	13,600	13,149	14,900	14,900	4.6	14,900	4.4	4.9	2.63
B-08	Prologis Park Amagasaki 3	Beneficiary right in trust	9,090	8,823	10,300	10,400	4.4	10,200	4.2	4.6	1.76
B-09	Prologis Park Kobe	Beneficiary right in trust	6,410	6,143	7,330	7,390	4.8	7,270	4.6	5.1	1.24
B-10	Prologis Park Sendai Izumi	Beneficiary right in trust	4,820	4,694	5,180	5,210	5.2	5,150	5.0	5.6	0.93
B-11	Prologis Park Koga 1	Beneficiary right in trust	7,680	7,590	8,400	8,450	4.8	8,350	4.5	5.0	1.49
B-12	Prologis Park Kobe 2	Beneficiary right in trust	13,700	13,565	14,400	14,400	4.8	14,300	4.6	5.1	2.65
B-13	Prologis Park Koga 2	Beneficiary right in trust	3,930	3,935	4,010	4,030	4.8	3,980	4.5	5.0	0.76
Total		-	516,770	497,539	610,150	614,440	-	609,230	-	-	100.00

(Note 1) "Acquisition price" represents the purchase price of each property or beneficiary right in trust as set forth on the relevant purchase agreement and does not include expenses such as consumption taxes, and is rounded down to nearest million yen.

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

- (Note 3) NPR has retained Jones Lang LaSalle K.K., CBRE K.K. and Japan Real Estate Institute to appraise the properties. "Appraisal value as of the end of the reporting fiscal period" represents the appraisal value as set forth on the relevant study reports by real estate appraisers as of Nov. 30, 2017.
- (Note 4) "Investment ratio" is calculated by dividing the acquisition price for each property by the total acquisition price and is rounded to nearest second decimal place. Thus the sum of the figures in total may not add up to the figure in the total column.

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

Property number	Property name	Property age (years) ⁽²⁾	Leasable area(m ²) ⁽³⁾	Leased area(m ²) ⁽⁴⁾	Gross number of tenants ⁽⁵⁾	Occupancy rate (%) ⁽⁶⁾	Annual rent (Millions of yen) ⁽⁷⁾	Security deposit (Millions of yen) ⁽⁸⁾	Average lease contract (years) ⁽⁹⁾	Average remaining lease contract (years) ⁽¹⁰⁾
M-01	Prologis Park Ichikawa 1	9.1	125,123.08	125,123.08	11	100.0	2,152	933	10.6	6.9
M-02	Prologis Park Zama 1	8.6	113,471.12	111,219.73	8	98.0	1,797	541	8.2	2.4
M-03	Prologis Park Kawajima	6.5	144,897.54	144,897.54	7	100.0	1,868	637	3.8	1.8
M-04	Prologis Park Osaka 2	10.6	130,553.85	124,229.27	6	95.2	1,696	642	5.5	4.0
M-05	Prologis Park Maishima 3	9.8	74,874.39	56,062.55	4	74.9	711	286	9.0	3.6
M-06	Prologis Park Kasugai	9.9	91,526.05	89,813.79	6	98.1	1,016	415	3.1	1.7
M-07	Prologis Park Kitanagoya	8.5	42,751.60	42,751.60	3	100.0	539	172	4.5	1.3
M-09	Prologis Park Tokyo-Ohta	12.2	73,145.02	72,958.09	20	99.7	1,722	675	4.5	2.8
M-10	Prologis Park Zama 2	5.4	95,121.43	95,121.43	8	100.0	1,481	633	5.9	4.0
M-11	Prologis Park Funabashi 5 (Annex)	13.0	56,556.95	56,556.95	4	100.0	783	344	4.3	3.2
M-12	Prologis Park Narita 1-A&B	12.8	62,058.81	60,504.33	10	97.5	692	151	2.2	0.9
M-13	Prologis Park Narita 1-C	10.6	32,230.25	32,230.25	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	3.4	2.0
M-14	Prologis Park Amagasaki 1	12.3	91,446.75	91,446.75	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	8.3
M-15	Prologis Park Amagasaki 2	10.7	91,399.12	90,985.59	7	99.5	1,225	493	6.7	3.6
M-16	Prologis Park Tokyo-Shinkiba	10.5	31,022.88	25,739.12	7	83.0	723	354	4.7	2.3
M-17	Prologis Park Yokohama-Tsurumi	9.6	63,973.26	63,598.58	4	99.4	940	414	5.6	2.2
M-18	Prologis Park Osaka 4	5.6	106,135.15	90,020.15	7	84.8	1,186	411	2.7	0.4
M-19	Prologis Park Iwanuma 1	9.2	40,520.44	40,520.44	3	100.0	444	266	5.0	2.3
M-20	Prologis Park Kawajima 2	3.8	42,005.07	42,005.07	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	7.8	4.2
M-21	Prologis Park Kitamoto	3.7	69,432.01	69,432.01	4	100.0	817	247	5.4	2.9
M-22	Prologis Park Joso	3.1	37,165.49	37,165.49	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	5.0	2.3
M-23	Prologis Park Osaka 5	2.9	78,087.30	78,087.30	8	100.0	1,087	389	5.8	3.7

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	9.5	52,982.99	46,737.44	11	88.2	593	220	4.1	2.4
M-25	Prologis Park Narashino 5	1.7	58,159.44	58,159.44	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	5.6	5.0
M-26	Prologis Park Ibaraki	1.2	154,182.43	147,468.15	3	95.6	2,193	520	9.3	8.5
B-02	Prologis Park Takatsuki	5.9	19,898.05	19,898.05	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	9.2
B-03	Prologis Park Tosu 2	5.4	21,778.87	21,778.87	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	4.7
B-04	Prologis Park Tosu 4	5.9	28,765.31	28,765.31	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.3	9.5
B-05	Prologis Park Narashino 4	4.4	91,529.07	91,529.07	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	5.8
B-06	Prologis Park Ebina	7.7	32,500.08	32,500.08	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	5.7	2.3
B-07	Prologis Park Kawanishi	4.0	75,493.23	75,493.23	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	6.0
B-08	Prologis Park Amagasaki 3	4.2	39,527.85	39,527.85	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	5.8
B-09	Prologis Park Kobe	4.0	32,511.56	32,511.56	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.2	11.3
B-10	Prologis Park Sendai Izumi	2.2	26,353.50	26,353.50	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	20.3	18.3
B-11	Prologis Park Koga 1	1.1	34,158.16	34,158.16	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	13.9
B-12	Prologis Park Kobe 2	1.1	62,468.19	62,468.19	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	13.9
B-13	Prologis Park Koga 2	0.6	19,699.36	19,699.36	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	14.4
Total		7.0	2,443,505.65	2,377,517.37	162	97.3	33,205	12,955	7.5	4.7

(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 and Prologis Park Narita 1-C. The same applies hereinafter.

(Note 2) “Property age” of each property is calculated based on the date in the property registration as of Nov. 30, 2017, and is rounded to the nearest first tenth. Although Prologis Park Zama 2 also has an annex, the property age is calculated based only on the main structure of the property, as the annex is relatively small. Also, a convenience store building jointly owned by the owners of Prologis Park 1-A&B and Prologis Park 1-C is excluded.

(Note 3) “Leasable area” equals the gross leasable space in each property or property in trust based on lease agreements and floor plans included in lease agreements, plus available space based on floor plans, rounded down to the nearest square meter.

(Note 4) “Leased area” equals to gross floor area of leased space in each property or property in trust as of Nov. 30, 2017, based on the lease agreements and floor plans included in the lease agreements.

(Note 5) “Gross number of tenants” is based on the lease agreements with tenants for warehouses, offices and stores for each property or property in trust as of Nov. 30, 2017. For properties with pass-through master lease agreements, this is the total number of end-tenants.

(Note 6) "Occupancy rate" is as of Nov. 30, 2017, calculated by dividing total leased area for each property by the total leasable area. The total occupancy rate is calculated by dividing the aggregate total leased area for the relevant properties by the aggregate total leasable area for the relevant properties. Figures are rounded to the nearest tenth.

(Note 7) "Annual rent" is based on total annual rent (including common area charges) as of Nov. 30, 2017, as indicated in the relevant lease agreements for all warehouses, offices and stores for each property or property in trust. If the relevant agreements include monthly contracted rent, anticipated annual rent is calculated in accordance with the terms provided in the agreements. Figures are rounded down to the nearest million yen.

(Note 8) "Security deposit" is calculated as the total security deposit as indicated in the relevant lease agreements for all warehouses, offices and stores for each property or property in trust as of Nov. 30, 2017, rounded down to the nearest million yen.

(Note 9) "Average lease contract" is calculated as the weighted average of length of lease contract indicated in the relevant lease agreements for all warehouses, offices and stores for each property or property in trust as of Nov. 30, 2017, by the rent and figures are rounded to the nearest tenth.

(Note 10) "Average remaining lease contract" is calculated as the weighted average of length of remaining lease contract indicated in the relevant lease agreements for all warehouses, offices and stores for each property or property in trust as of Nov. 30, 2017, 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

(a) Future Plans for Capital Expenditure

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

Name (Location)	Purpose	Planned period	Estimate construction cost (Millions of yen) ⁽¹⁾		
			Total amount	Paid during the reporting period	Total amount already paid
Prologis Park Amagasaki 2, other (Amagasaki, Hyogo, other)	Installment of LED lighting	From Dec. 2017 to Nov. 2018	307	-	-
-Prologis Park Tokyo-Ohta (Ota, Tokyo)	Repair work of exterior walls and ramps, extension work of shared building	From Dec. 2016 to Dec. 2017	514	128	293
Prologis Park Amagasaki 2 (Amagasaki, Hyogo)	Repair work of exterior walls	From Dec. 2017 to Nov. 2018	230	-	-

(Note 1) Figures are rounded down to the nearest million yen. "Paid during the reporting period" and "Total amount already paid" represent the amount of capital expenditure.

(b) 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 747 million yen in the reporting fiscal period which is a sum of capital expenditures of 560 million yen and repair and maintenance expenses of 187 million yen.

Name (Location)	Purpose	Expenditure Period	Amount spent (Millions of yen) ⁽¹⁾
Prologis Park Osaka 2, other (Osaka, Osaka, other)	Installment of LED lighting	From June 2017 to Nov. 2017	144
Prologis Park Kasugai, other (Kasugai, Aichi, other)	Countermeasure work of BCP	From July 2017 to Nov. 2017	95
Prologis Park Tokyo-Ohta (Ota, Tokyo)	Repair work of ramps and extension work of shared building	From Dec. 2016 to Nov. 2017	79
Prologis Park Narita 1-A&B, (Narita, Chiba)	Repair work of exterior walls	From June 2017 to Sept. 2017	63
Others	-	-	176
Total			560

(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

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

None

(b) 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

Tenth Fiscal Period from June 1, 2017, to Nov. 30, 2017

(Units: Thousands of yen)

Property number	M-01	M-02	M-03	M-04	M-05
Property name	Prologis Park Ichikawa 1	Prologis Park Zama 1	Prologis Park Kawajima	Prologis Park Osaka 2	Prologis Park Maishima 3
Operating days	183	183	183	183	183
(1) Property related revenues	1,189,941	952,106	1,021,177	933,771	399,755
Property revenues	1,047,103	875,768	929,788	842,883	369,312
Other property related revenues	142,838	76,338	91,389	90,888	30,442
(2) Total of property related expenses	498,735	370,871	420,665	412,885	249,115
Property taxes	82,734	72,786	69,740	84,446	52,126
Subcontract expenses	73,801	41,953	49,506	42,554	31,264
Utilities cost	106,021	53,244	69,110	62,565	21,166
Non-life insurance premium	1,399	1,223	1,448	1,503	845
Repair and maintenance	25,172	3,905	1,341	11,142	18,011
Depreciation	209,124	195,139	229,018	210,173	125,221
Custodian fee	480	500	500	500	480
Other expenses	-	2,119	-	-	-
(3) Operating income from property leasing (= (1)-(2))	691,206	581,234	600,512	520,886	150,639
NOI ((3) + Depreciation)	900,331	776,373	829,530	731,059	275,860

(Units: Thousands of yen)

Property number	M-06	M-07	M-08	M-09	M-10
Property name	Prologis Park Kasugai	Prologis Park Kitanagoya	Prologis Park Tagajo (Note 1)	Prologis Park Tokyo-Ohta	Prologis Park Zama 2
Operating days	183	183	25	183	183
(1) Property related revenues	515,161	282,422	24,785	924,360	806,229
Property revenues	486,084	267,250	21,700	832,422	709,847
Other property related revenues	29,077	15,172	3,085	91,938	96,382
(2) Total of property related expenses	254,147	136,189	18,242	332,063	331,204
Property taxes	57,687	30,983	2,550	58,990	63,588
Subcontract expenses	30,664	30,785	2,044	56,710	35,686
Utilities cost	26,973	13,300	3,016	61,454	70,600
Non-life insurance premium	930	396	53	880	992
Repair and maintenance	11,276	199	1,091	14,309	6,424
Depreciation	126,116	60,025	9,417	139,218	153,412
Custodian fee	500	500	68	500	500
Other expenses	-	-	-	-	-
(3) Operating income from property leasing (= (1)-(2))	261,013	146,233	6,542	592,297	475,025
NOI ((3) + Depreciation)	387,130	206,258	15,960	731,515	628,437

(Note 1) Prologis Park Tagajo was disposed on June 26, 2017.

(Units: Thousands of yen)

Property number	M-11	M-12	M-13	M-14	M-15
Property name	Prologis Park Funabashi 5 (include Annex)	Prologis Park Narita 1-A&B	Prologis Park Narita 1-C	Prologis Park Amagasaki 1	Prologis Park Amagasaki 2
Operating days	183	183	183	183	183
(1) Property related revenues	399,426	369,953	Not disclosed (Note 1)	Not disclosed (Note 1)	707,126
Property revenues	382,499	337,288			612,861
Other property related revenues	16,927	32,664			94,265
(2) Total of property related expenses	174,431	165,354			325,501
Property taxes	33,210	23,526			57,900
Subcontract expenses	39,954	30,522			40,906
Utilities cost	13,540	23,021			81,602
Non-life insurance premium	587	588			887
Repair and maintenance	10,196	9,471			4,380
Depreciation	75,982	77,724			139,344
Custodian fee	960	500			480
Other expenses	-	-			-
(3) Operating income from property leasing (= (1)-(2))	224,995	204,598	120,198	341,683	381,624
NOI ((3) + Depreciation)	300,978	282,323	162,524	455,321	520,969

(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-16	M-17	M-18	M-19	M-20
Property name	Prologis Park Tokyo-Shinkiba	Prologis Park Yokohama-Tsurumi	Prologis Park Osaka 4	Prologis Park Iwanuma 1	Prologis Park Kawajima 2
Operating days	183	183	183	183	183
(1) Property related revenues	403,578	508,863	719,528	288,746	Not disclosed (Note 1)
Property revenues	359,304	469,938	673,005	220,262	
Other property related revenues	44,273	38,925	46,522	68,483	
(2) Total of property related expenses	154,527	242,060	363,997	159,245	
Property taxes	36,749	51,701	77,466	21,062	
Subcontract expenses	19,084	31,782	74,996	11,530	
Utilities cost	32,759	40,324	37,138	58,480	
Non-life insurance premium	362	646	1,107	370	
Repair and maintenance	5,263	9,731	4,128	1,532	
Depreciation	59,807	107,074	168,680	65,769	
Custodian fee	500	500	480	500	
Other expenses	-	300	-	-	
(3) Operating income from property leasing (= (1)-(2))	249,051	266,802	355,531	129,500	174,205
NOI ((3) + Depreciation)	308,859	373,876	524,212	195,269	240,909

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

(Units: Thousands of yen)

Property number	M-21	M-22	M-23	M-24	M-25
Property name	Prologis Park Kitamoto	Prologis Park Joso	Prologis Park Osaka 5	Prologis Park Narita 3	Prologis Park Narashino 5
Operating days	183	183	183	183	122
(1) Property related revenues	427,481	Not disclosed (Note 1)	570,159	326,083	Not disclosed (Note 1)
Property revenues	406,438		541,162	291,626	
Other property related revenues	21,042		28,996	34,457	
(2) Total of property related expenses	185,464		259,316	179,411	
Property taxes	32,675		62,282	30,200	
Subcontract expenses	31,704		27,609	39,631	
Utilities cost	16,790		25,972	28,330	
Non-life insurance premium	665		927	704	
Repair and maintenance	2,465		1,343	4,720	
Depreciation	100,682		140,700	75,344	
Custodian fee	480		480	480	
Other expenses	-		-	-	
(3) Operating income from property leasing (= (1)-(2))	242,017	131,640	310,842	146,672	165,370
NOI ((3) + Depreciation)	342,700	196,061	451,543	222,016	239,969

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

(Units: Thousands of yen)

Property number	M-26	B-02	B-03	B-04	B-05
Property name	Prologis Park Ibaraki	Prologis Park Takatsuki	Prologis Park Tosu 2	Prologis Park Tosu 4	Prologis Park Narashino 4
Operating days	122	183	183	183	183
(1) Property related revenues	738,345	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)
Property revenues	710,682				
Other property related revenues	27,662				
(2) Total of property related expenses	263,063				
Property taxes	-				
Subcontract expenses	47,582				
Utilities cost	24,624				
Non-life insurance premium	1,261				
Repair and maintenance	1,447				
Depreciation	187,828				
Custodian fee	320				
Other expenses	-				
(3) Operating income from property leasing (= (1)-(2))	475,281	96,547	60,920	67,782	390,480
NOI ((3) + Depreciation)	663,110	128,459	92,800	104,058	534,422

(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-06	B-07	B-08	B-09	B-10
Property name	Prologis Park Ebina	Prologis Park Kawanishi	Prologis Park Amagasaki 3	Prologis Park Kobe	Prologis Park Sendai Izumi
Operating days	183	183	183	183	183
(1) Property related revenues	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)
Property revenues					
Other property related revenues					
(2) Total of property related expenses					
Property taxes					
Subcontract expenses					
Utilities cost					
Non-life insurance premium					
Repair and maintenance					
Depreciation					
Custodian fee					
Other expenses					
(3) Operating income from property leasing (= (1)-(2))	173,039	323,035	173,800	135,732	87,820
NOI ((3) + Depreciation)	210,910	410,600	233,907	187,873	142,457

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

Property number	B-11	B-12	B-13
Property name	Prologis Park Koga 1	Prologis Park Kobe 2	Prologis Park Koga 2
Operating days	183	183	122
(1) Property related revenues	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))	121,860	244,770	47,948
NOI ((3) + Depreciation)	193,218	359,441	74,075

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