

01. 15. 2018

# Nippon Prologis REIT, Inc.

Fiscal Period Ended  
Nov. 30, 2017  
Unaudited

Prologis Park Ibaraki



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## Section 01

# Nippon Prologis REIT



*Prologis Park Ibaraki*



# Fiscal Period Highlights and Updates

## External growth through follow-on offerings

- Portfolio grew by 12.1% and now exceeds JPY 500 bn
- Stabilized DPU and NAV per unit further increased

## Strategic disposition of asset

- Closed disposition of Prologis Park Tagajo at an attractive value

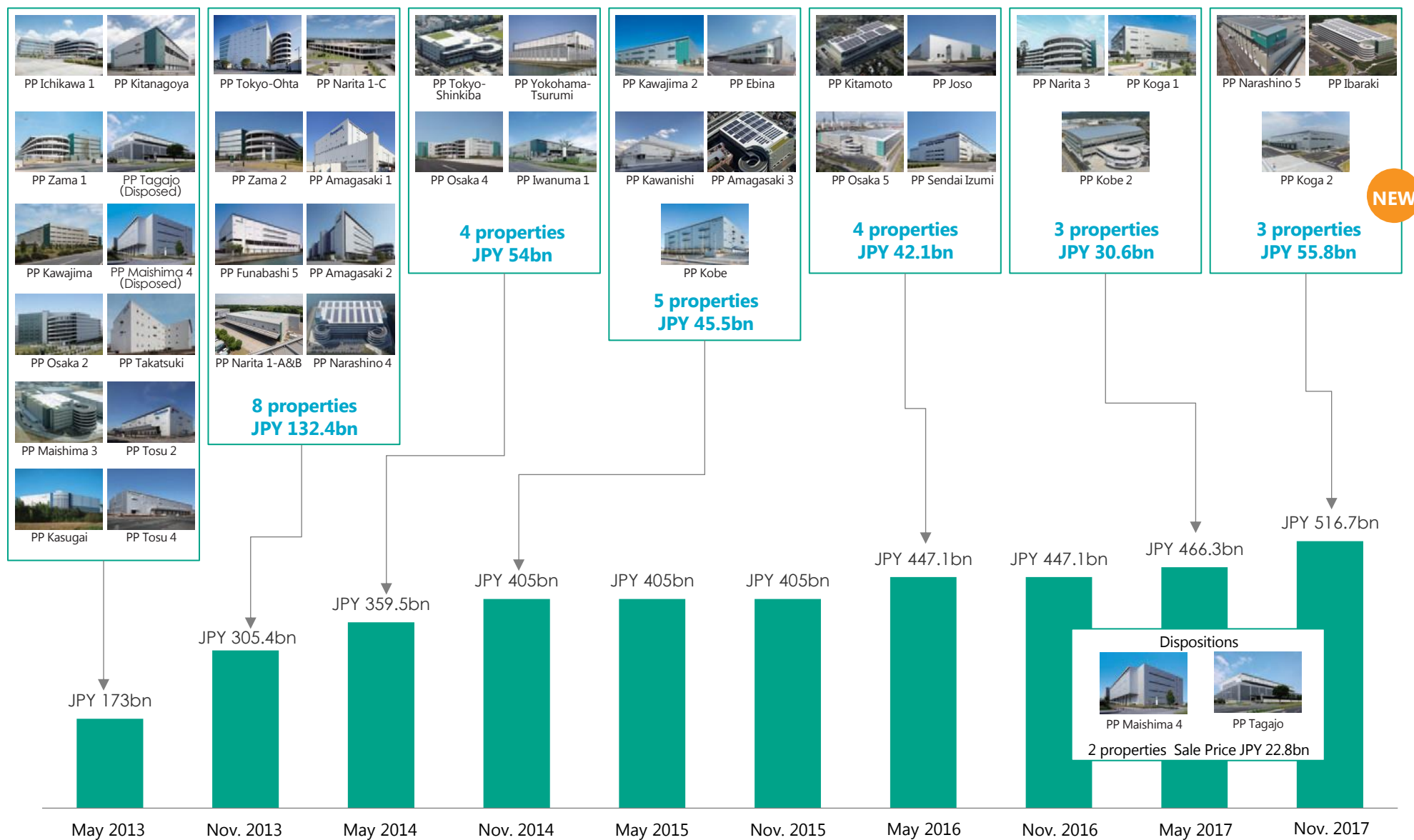
## High occupancy and continued rent growth

- Average occupancy of 97.4% and +1.1% weighted average rent growth
- Achieved rent growth for ten consecutive periods

## Robust acquisition pipeline from Sponsor

- Secured exclusive negotiation rights for five new development assets from Sponsor
- Pipeline now comprises of 17 assets totaling JPY 220 bn

# Strong and Steady Portfolio Growth since 2013





# Successful Completion of Follow-on Offering

Total Acquisition Price	Average Property Age	Average Appraisal NOI Yield <sup>(2)</sup>	Occupancy Rate	WALE <sup>(3)</sup>
JPY 55.8 bn	0.8 years	4.5%	97.1%	8.5 years



## Prologis Park Ibaraki (Ibaraki, Osaka)

Acquisition Price	<b>JPY38,300 mn</b>	Year Built	<b>Sept. 2016</b>
Occupancy Rate	<b>95.6%</b>	GFA	<b>160,746 sqm</b>
Appraisal NOI Yield <sup>(2)</sup>	<b>4.5%</b>	WALE	<b>9.0 years</b>



## Prologis Park Narashino 5 (Narashino, Chiba)

Acquisition Price	<b>JPY13,600 mn</b>	Year Built	<b>Mar. 2016</b>
Occupancy Rate	<b>100.0%</b>	GFA	<b>58,975 sqm</b>
Appraisal NOI Yield <sup>(2)</sup>	<b>4.5%</b>	WALE	<b>5.5 years</b>

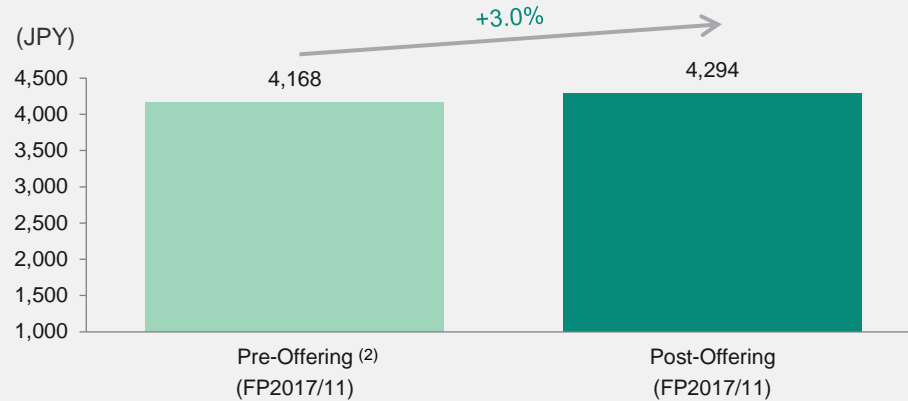


## Prologis Park Koga 2 (Koga, Ibaraki)

Acquisition Price	<b>JPY3,930 mn</b>	Year Built	<b>Apr. 2017</b>
Occupancy Rate	<b>100.0%</b>	GFA	<b>19,711 sqm</b>
Appraisal NOI Yield <sup>(2)</sup>	<b>5.0%</b>	WALE	<b>8.5 years</b>

# Offering Increased Unit Holder Value and Liquidity

## DPU (Stabilized) <sup>(2)</sup>



## Accretion from the Offering

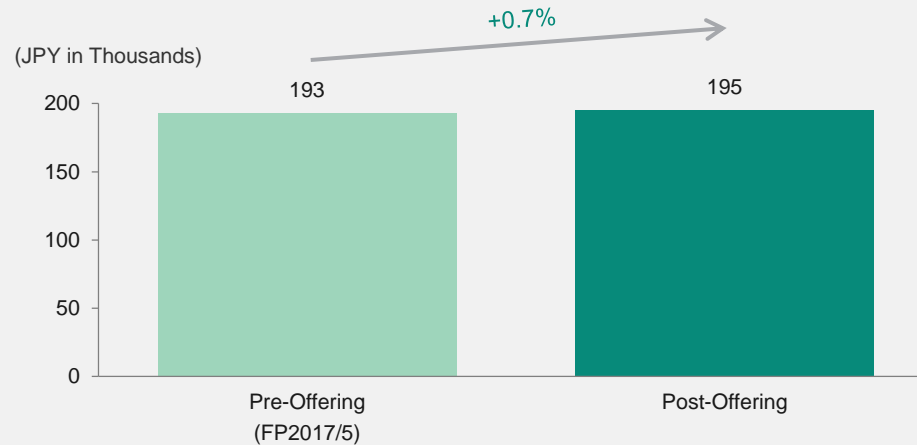
Stabilized DPU Accretion (FP2017/11)

3.0%

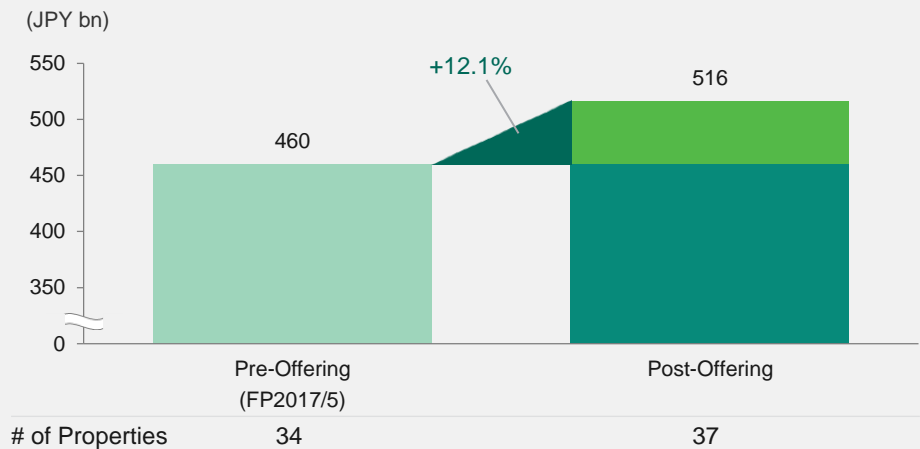
Appraisal NAV per Unit Accretion

0.7%

## Appraisal NAV per Unit <sup>(3)</sup>



## Asset Size



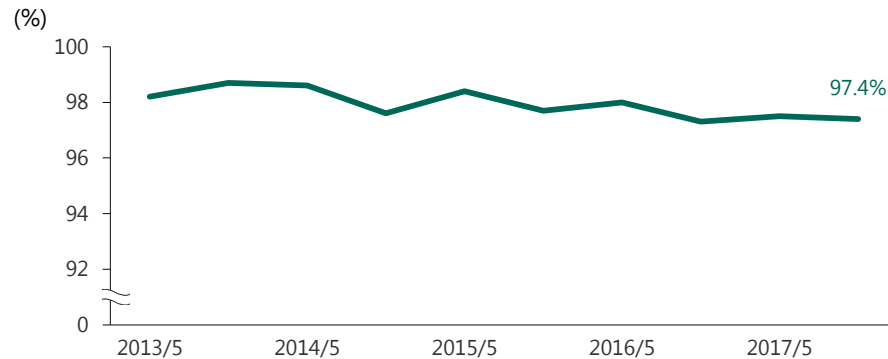
1. Data at the time of acquisition.

2. Stabilized DPU accretion is calculated by comparing estimated stabilized DPU as of FP2017/11 (post-acquisition and post-offering) with stabilized DPU as of FP2017/11 (pre-acquisition and pre-offering).

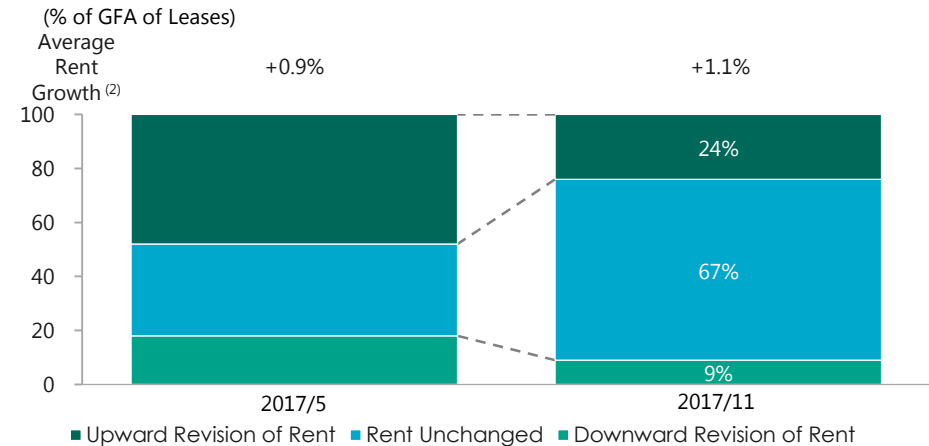
3. Appraisal NAV per unit accretion is calculated by comparing "Post-offering" appraisal NAV per unit with appraisal NAV per unit as of May 31, 2017.

# Stable Internal Growth and Robust External Growth Potential

## Maintaining High Average Occupancy



## Average Rent Growth and Historical Rent Revision <sup>(1)</sup>



## Robust Acquisition Pipeline <sup>(2)</sup>

### Exclusive Negotiation Rights Granted

Property Name	Type	Area (m²)	Expected Year Built
Prologis Park Narita 1-D	Multi-Tenant	28,207m²	-
Prologis Park Ichikawa 3	Multi-Tenant	52,211m²	-
Prologis Park Yoshimi	Multi-Tenant	102,593m²	-
Prologis Park Higashimatsuyama	Multi-Tenant	* 71,347m²	Expected Year Built 2018
Prologis Park Chiba New Town	Multi-Tenant	109,981m²	-



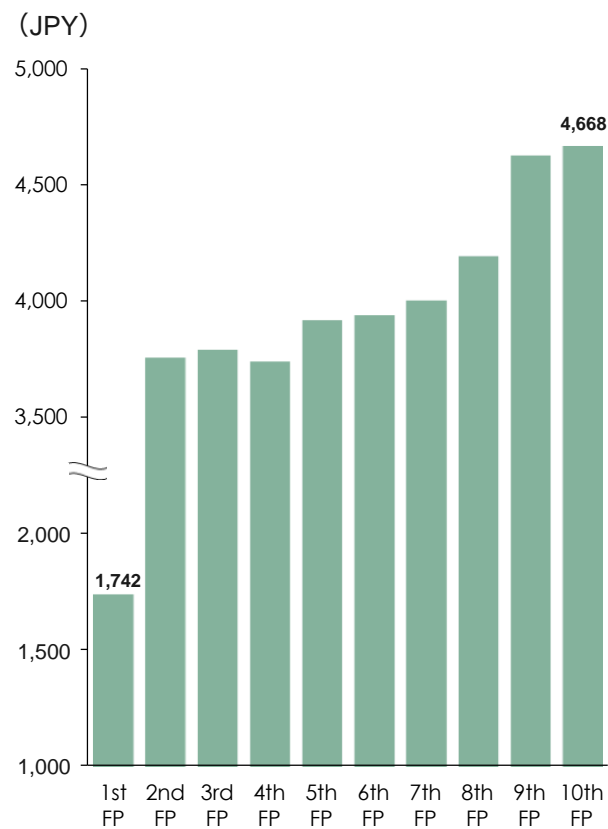
### Newly Granted Exclusive Negotiation Rights

Property Name	Type	Area (m²)	Expected Year Built
Prologis Park Kyotanabe	Multi-Tenant	* 161,057m²	Expected Year Built Oct. 2018
Prologis Park Koga 3	BTS	* 31,255m²	Expected Year Built Jul. 2018
Prologis Park Tsukuba 1-A	BTS	* 70,354m²	Expected Year Built Jul. 2018
Prologis Park Sendai Izumi 2	BTS	* 40,083m²	Expected Year Built Oct. 2018
Prologis Park MFLP Kawagoe	Multi-Tenant	* 131,298m²	Expected Year Built Oct. 2018

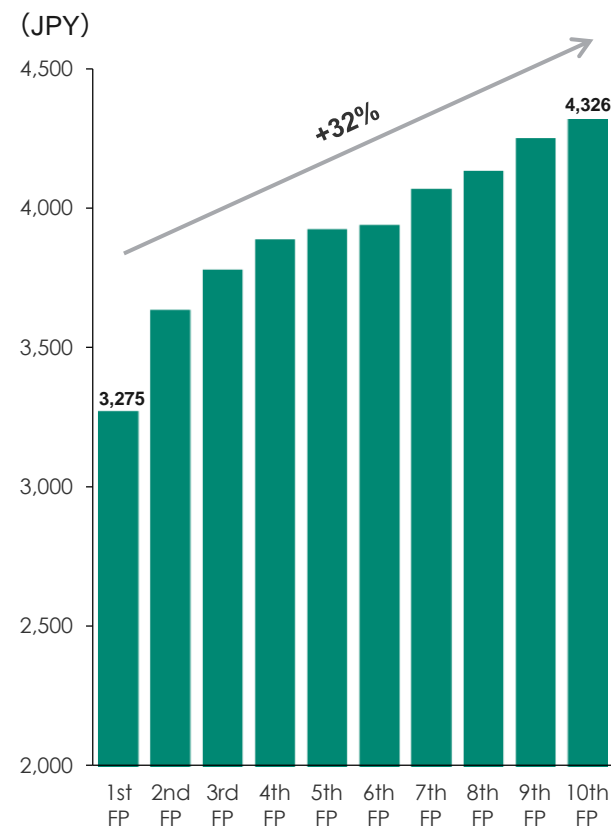


# Enhanced Unit Holder Value

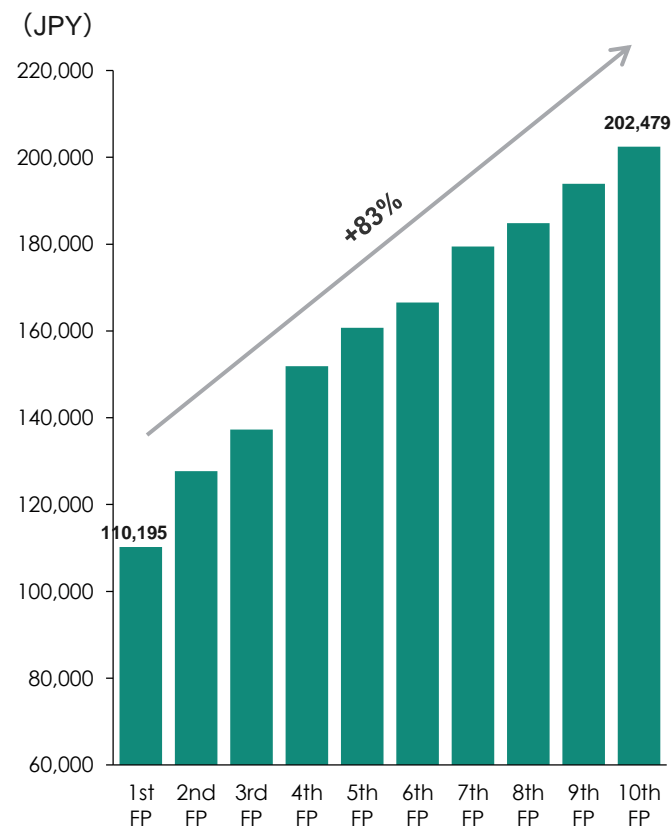
**DPU (actual) <sup>(1)</sup>**



**DPU (stabilized) <sup>(1)(2)</sup>**



**NAV per Unit <sup>(1)(3)</sup>**



## Section 02

# Financial Results for 10th Fiscal Period and Forecasts for 11th and 12th Fiscal Periods

Prologis Park Zama 1, Prologis Park Zama 2

# Financial Highlights - 9th Fiscal Period to 12th Fiscal Period

	9th FP (May 31, 2017)	10th FP (Nov. 30, 2017)	11th FP (May 31, 2018)	12th FP (Nov. 30, 2018)
(JPY mm)	Actual	Actual	Forecast	Forecast
Operating Rental Revenues	16,416	17,217	17,667	17,785
Gains from Dispositions	4,836	2,069	-	-
<b>Operating Revenue</b>	<b>21,253</b>	<b>19,287</b>	<b>17,667</b>	<b>17,785</b>
Expenses Related to Property Rental Business	(3,399)	(3,582)	(3,736)	(3,887)
<b>NOI</b>	<b>13,017</b>	<b>13,635</b>	<b>13,931</b>	<b>13,898</b>
Depreciation	(3,588)	(3,765)	(3,918)	(3,932)
Other Operating Expenses	(1,346)	(1,605)	(1,653)	(1,665)
<b>Operating Income</b>	<b>12,918</b>	<b>10,333</b>	<b>8,359</b>	<b>8,299</b>
Non-Operating Expenses	(1,702)	(731)	(629)	(620)
<b>Ordinary Income</b>	<b>11,215</b>	<b>9,601</b>	<b>7,729</b>	<b>7,679</b>
Extraordinary Loss	(2,392)	-	-	-
<b>Net Income</b>	<b>8,822</b>	<b>9,601</b>	<b>7,728</b>	<b>7,678</b>
CAPEX	618	560	701	700
Distributions Per Unit (excl. SCD)	4,628	4,668	3,757	3,733
Distributions Per Unit (total)	-	-	542	544
<b>Distributions Per Unit</b>	<b>4,628</b>	<b>4,668</b>	<b>4,299</b>	<b>4,277</b>
Average Occupancy Rate	97.5%	97.4%	97.6%	97.5%
LTV	39.0%	36.9%	37.0%	37.1%
No. of Assets at Period End	35	37	37	37
Total Assets (JPY '00 mm)	4,663	5,167	5,167	5,167

## One-time Items in 9th FP

- Operating revenue  
Capital gains from disposition of  
PP Maishima 4:  
JPY +4,836 mm
- Non-operating expenses  
Ancillary costs of loan refinancing:  
JPY (655 mm)
- Extraordinary loss  
Interest rate swap breakage costs  
associated with refinancing:  
JPY (2,392 mm)

## One-time Items in 10th FP

- Operating revenue  
Capital gains from disposition of PP  
Tagajo:  
JPY +2,069 mm



# Financial Highlights - 10th Fiscal Period

	10th Fiscal Period (November 30, 2017)			9th FP (May 31, 2017)
	Forecast (A) (as of Jul. 24, 2017)	Actual (B)	(B) – (A)	Actual
<b>Operating Results (JPY mm)</b>				
Operating Revenues	19,326	<b>19,287</b>	(39)	<b>21,253</b>
Operating Income	10,276	<b>10,333</b>	+57	<b>12,918</b>
Ordinary Income	9,513	<b>9,601</b>	+88	<b>11,215</b>
Net Income	9,512	<b>9,601</b>	+88	<b>8,822</b>
<b>Distributions Per Unit (JPY)</b>				
Distributions Per Unit (total)	4,625	<b>4,668</b>	+43	<b>4,628</b>
Distributions per unit (excl. SCD)	4,625	<b>4,668</b>	+43	<b>4,628</b>
Surplus Cash Distributions (SCD)	-	-	±0	-
<b>Other Statistics (JPY mm)</b>				
NOI	13,583	<b>13,635</b>	+52	<b>13,017</b>
LTV	36.9%	<b>36.9%</b>	±0.0%	<b>39.0%</b>
Total Assets	527,062	<b>527,624</b>	+561	<b>487,739</b>
Interest-Bearing Debt	193,800	<b>194,500</b>	+700	<b>190,200</b>
CAPEX	662	<b>560</b>	(102)	<b>618</b>
AFFO <sup>(1)</sup>	10,719	<b>10,901</b>	+182	<b>7,734</b>
AFFO Payout Ratio <sup>(2)</sup>	88.7%	<b>88.1%</b>	(0.6%)	<b>114.1%</b>

- Maintained high occupancy rates
- Average occupancy during the period: 97.4%
- Period-end occupancy: 97.3%

## Factors of Variance in 10th FP Net Income Forecast vs. Actual Results

- Average Occupancy Rate
  - Forecast 97.6% → Actual 97.4%
- Reduction in rental income: JPY (39 mm)
- Change in NOI: JPY +52 mm
- Reduction in non-operating costs: JPY +26 mm

# Financial Highlights - Forecasts for 11th and 12th Fiscal Periods

	10th FP (Nov. 30, 2017)	11th Fiscal Period (May 31, 2018)			12th FP (Nov. 30, 2018)
	Actual (A)	Forecast (as of July 24, 2017)	Forecast (B)	(B) – (A)	Forecast
<b>Operating Results (JPY mm)</b>					
Operating Revenues	19,287	17,708	17,667	(1,619)	17,785
Operating Income	10,333	8,338	8,359	(1,974)	8,299
Ordinary Income	9,601	7,713	7,729	(1,872)	7,679
Net Income	9,601	7,712	7,728	(1,872)	7,678
<b>Distributions Per Unit (JPY)</b>					
Distributions Per Unit (total)	4,668	4,292	4,299	(369)	4,277
Distributions per unit (excl. SCD)	4,668	3,749	3,757	(911)	3,733
Surplus Cash Distributions (SCD)	-	543	542	+542	544
<b>Other Statistics (JPY mm)</b>					
NOI	13,635	13,915	13,931	+296	13,898
LTV	36.9%	36.9%	37.0%	+0.1%	37.1%
Total Assets	527,624	524,943	525,751	(1,872)	524,589
Interest-Bearing Debt	194,500	193,800	194,500	±0	194,500
CAPEX	560	662	701	+140	700
AFFO <sup>(1)</sup>	10,901	11,138	11,110	+208	11,076
AFFO Payout Ratio <sup>(2)</sup>	88.1%	79.3%	79.6%	(8.5%)	79.4%

## 10th FP vs. 11th FP Variance Factors of Revenues & Profit

- Revenues
  - Revenues from the 3 newly acquired assets (+)
  - No capital gain from PP Tagajo (11th FP) (–)
  - Reduction in rental revenues due to disposition of PP Tagajo (–)
- Expenses
  - Property tax mostly expensed on the 3 newly acquired assets (–)
  - Absence of costs related to FO (11th FP) (+)

## 11th FP vs. 12th FP Variance Factors of Revenues & Profit

- Expenses
  - Property tax fully expensed on the 3 newly acquired assets (–)
  - Increase in Depreciation (–)

## Section 03

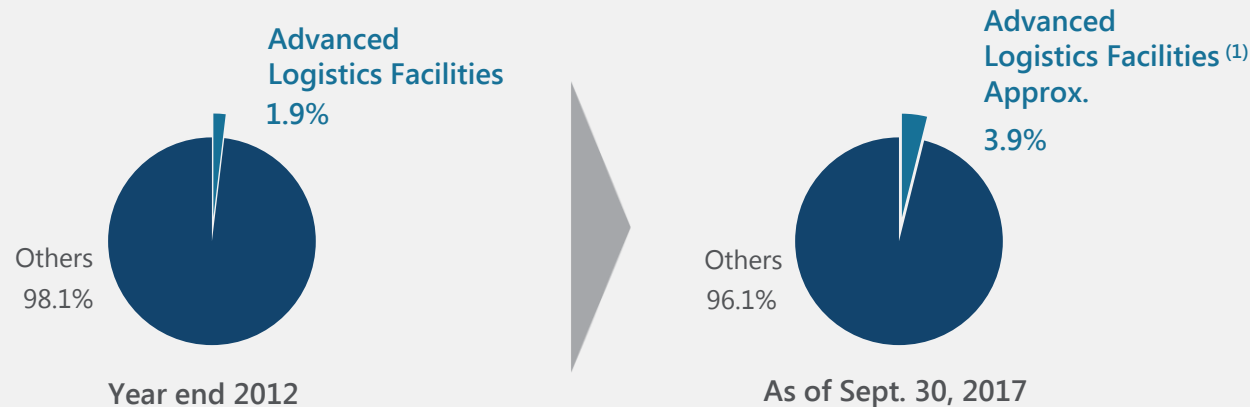
# Japan Logistics Real Estate Market

*Prologis Park Kitanagoya*



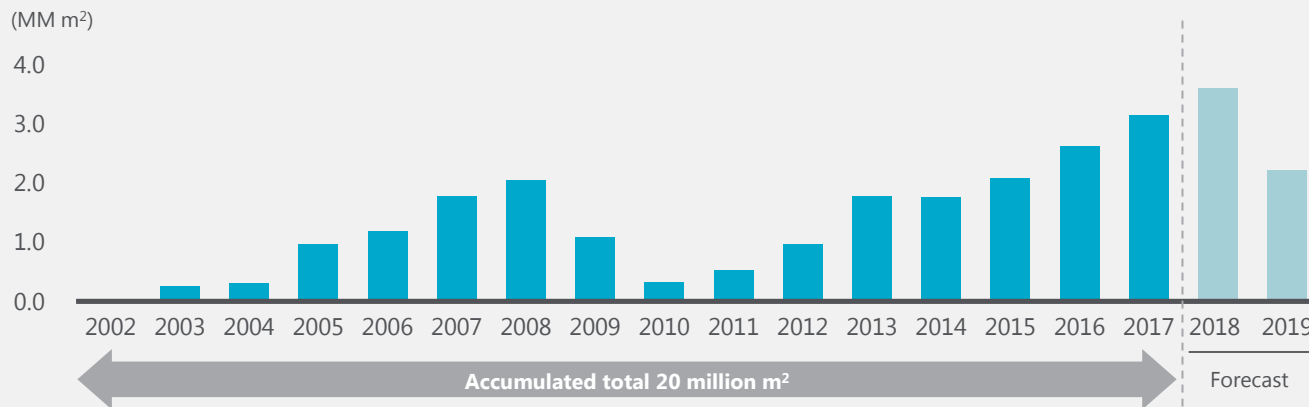
# Stock of High-Quality Logistics Facilities Remains Scarce

## Stock of Advanced Logistics Facilities



- Total cumulative volume of supply of advanced logistics facilities in Japan through Dec. 2017 is approx. 20 million m<sup>2</sup>
- Stock of advanced logistics facilities accounts for just 3.9% of total warehouse area in Japan

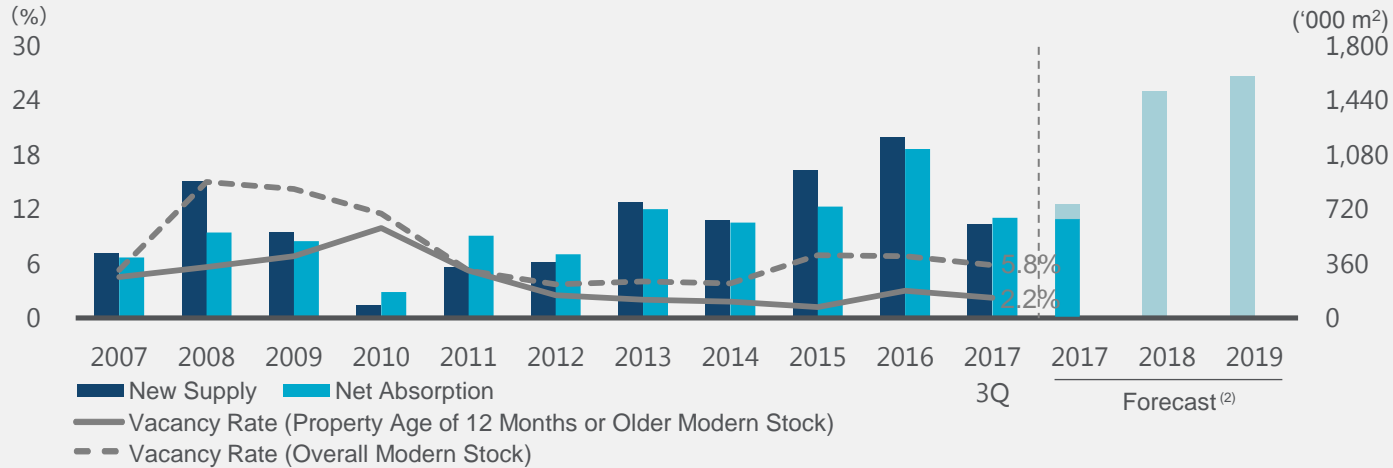
## Supply of Large Logistics Facilities <sup>(2)</sup>



Source: CBRE

# Vacancy Rates Remain below Average

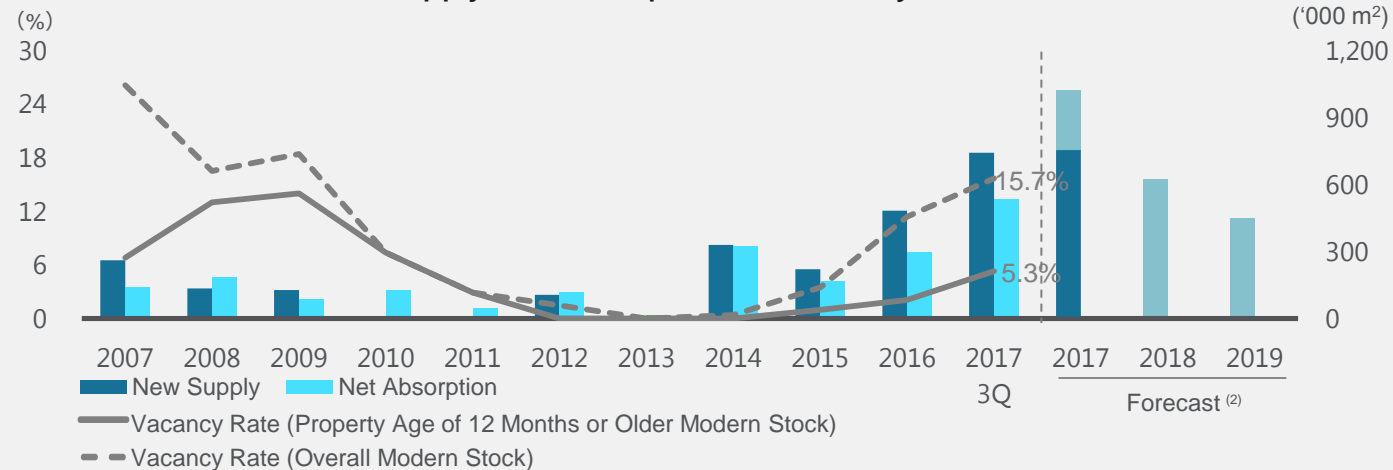
Greater Tokyo Area: New Supply, Net Absorption and Vacancy Rates <sup>(1)</sup>



## Greater Tokyo Area

- Vacancy rate as of Sept. 30, 2017 was 5.8% (2.2% for properties which are more than a year old)
- Estimated supply for 2018 is approx. 1,500,000m<sup>2</sup>  
Estimated supply for 2019 is approx. 1,600,000m<sup>2</sup>

Greater Osaka Area: New Supply, Net Absorption and Vacancy Rates <sup>(1)</sup>



## Greater Osaka Area

- Vacancy rate as of Sept. 30, 2017 was 15.7% (5.3% for properties which are more than a year old)
- Estimated supply for 2018 is approx. 600,000m<sup>2</sup>  
Estimated supply for 2019 is approx. 450,000m<sup>2</sup>

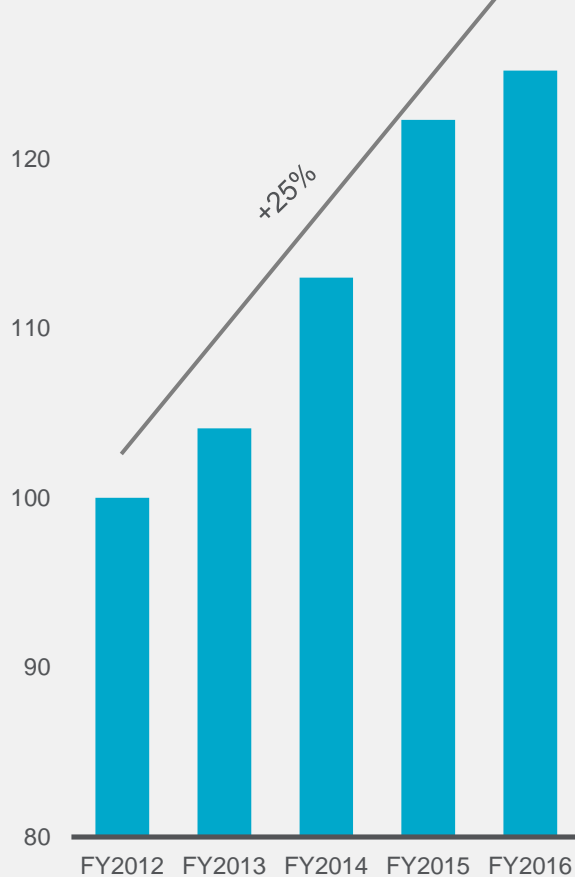
Source: CBRE

1. Survey data covered logistics facilities for lease held by corporations investing in real estate and real estate development companies with a gross floor area of 10,000 tsubo or more. The survey did not include logistics facilities owned by logistics companies and therefore did not cover all logistics facilities for lease having a gross floor area of 10,000 tsubo or more.
2. 2017 Q4, 2018 and 2019 figures are estimates.

# Increasing Demand for High-Quality Logistics Facilities

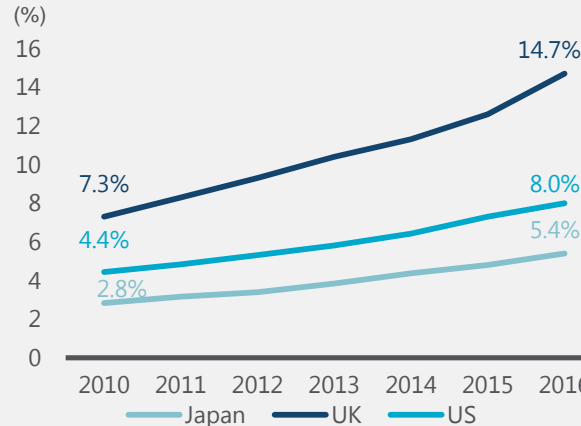
## 3PL Business Industrial Revenue Growth

(2012=100)  
130



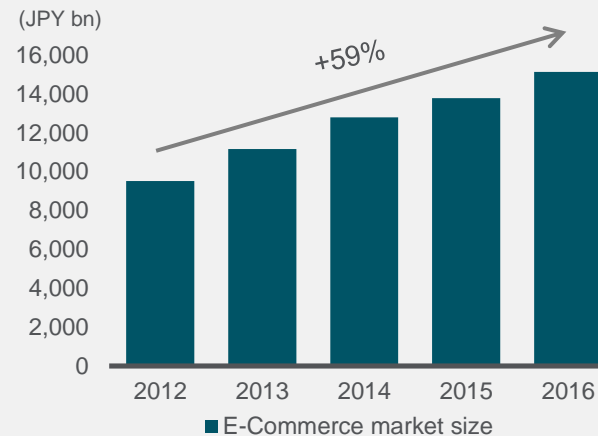
Source: CBRE

## E-Commerce Penetration Remains Low in Japan



Source: U.S. Census Bureau, Office for National Statistics, METI

## Growing E-Commerce Market



Source: METI

- Demand for advanced logistics facilities being driven by robust growth of e-commerce and 3PL business
- Significant growth of Japanese e-commerce to require most advanced modern logistics facilities



## Section 04

# Strategies and Future Growth

*Prologis Park Ichikawa 1*

# NPR's Investment Highlights





# Steady Portfolio Composed of high-quality Class-A logistics facilities

Total Acquisition Price :

JPY **516.7** bn

Average NOI Yield



















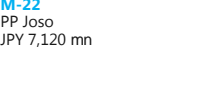





















**5.3** %<sup>(3)</sup> / **5.4** %<sup>(4)</sup>

Age (Years) :

**7.0**

PML :

**1.2** %

IPO Properties		Acquired in 1st IPO		Acquired in 2nd FO	Acquired in 3rd FO	Acquired in 4th FO	Acquired in 5th FO	
	<b>M-01</b> PP Ichikawa 1 JPY 33,900 mn		<b>M-02</b> PP Zama 1 JPY 27,900 mn					
	<b>M-03</b> PP Kawajima JPY 25,600 mn		<b>M-04</b> PP Osaka 2 JPY 25,000 mn					
	<b>M-05</b> PP Maishima 3 JPY 13,500 mn		<b>M-06</b> PP Kasugai JPY 12,500 mn					
	<b>M-07</b> PP Kitanagoya JPY 6,500 mn		<b>B-02</b> PP Takatsuki JPY 4,410 mn					
	<b>B-03</b> PP Tosu 2 JPY 3,030 mn		<b>B-04</b> PP Tosu 4 JPY 3,810 mn					
			<b>M-18</b> PP Osaka 4 JPY 21,000 mn					
			<b>M-19</b> PP Iwanuma 1 JPY 5,670 mn					



# Best-in-Class Portfolio Focused Strategy

● : Properties as of May 31, 2017 (excluding Prologis Park Tagajo)

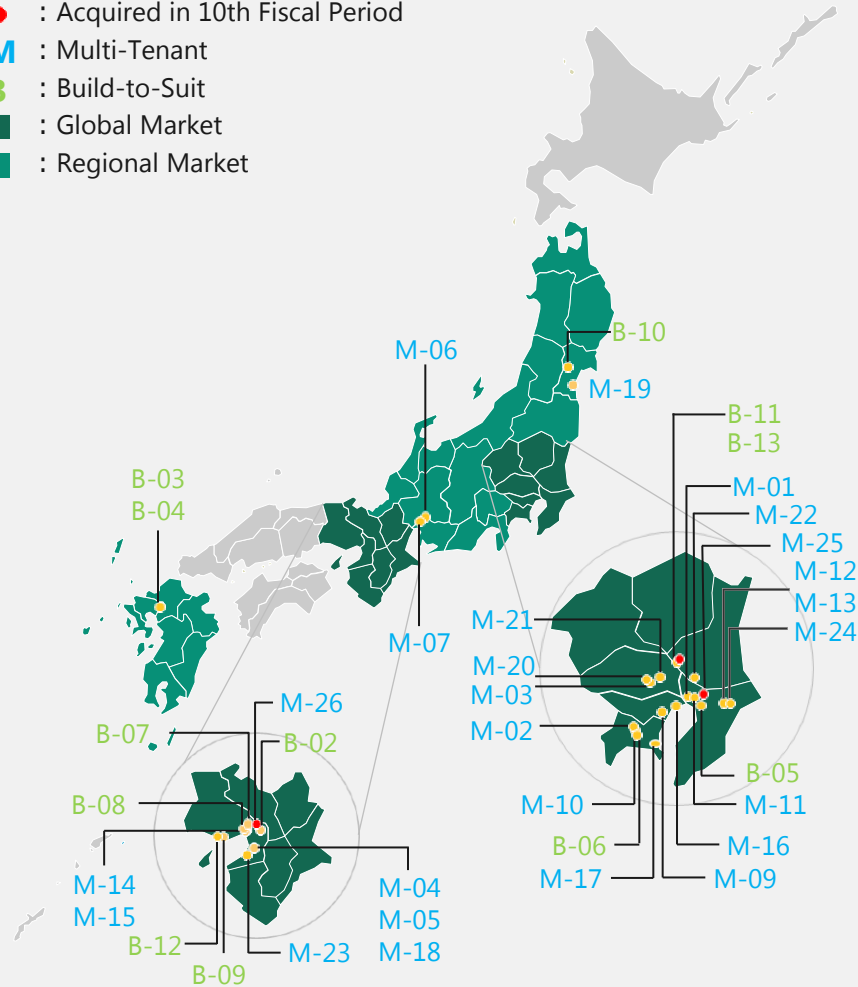
● : Acquired in 10th Fiscal Period

M : Multi-Tenant

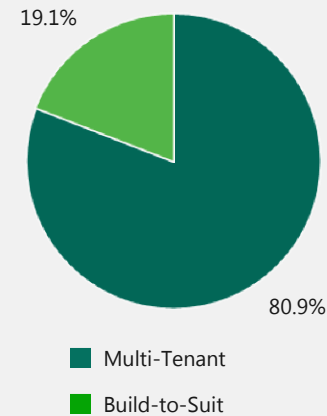
B : Build-to-Suit

■ : Global Market

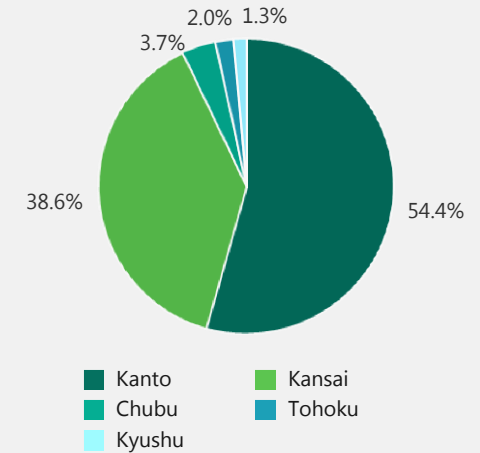
■ : Regional Market



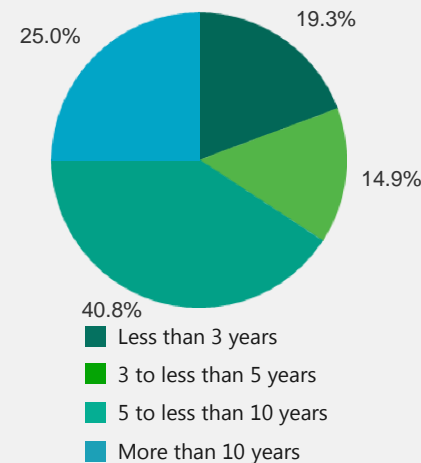
## Property Type



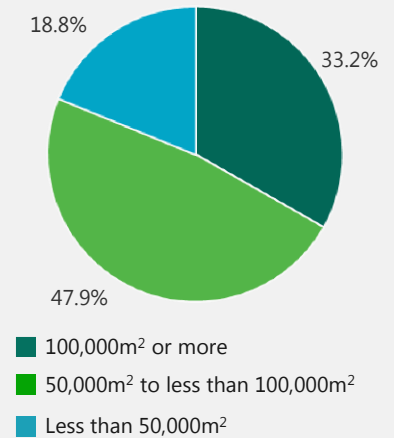
## Area



## Property Age



## Leasable Area



# Strong Sponsor Pipeline Fuels External Growth

	Status	Region / Area	Property Name	(Expected) Year Built	Property Type	(Expected) GFA (sqm)
Exclusive Negotiation Rights Granted by the Prologis Group	Completed	Kanto	Prologis Park Narita 1-D	Jan. 2015	Multi-Tenant	28,207
			Prologis Park Yoshimi	Dec. 2015	Multi-Tenant	102,593
			Prologis Park Chiba New Town	May 2016	Multi-Tenant	109,981
			Prologis Park Ichikawa 3	Dec. 2017	Multi-Tenant	52,211
	Under Development	Kanto	Prologis Park Higashimatsuyama	Feb. 2018	Multi-Tenant	71,347
			Prologis Park Koga 3	Jul. 2018	BTS	31,255
			Prologis Park Tsukuba 1-A	Sept. 2018	BTS	70,354
			Prologis Park MFLP Kawagoe	Oct. 2018	Multi-Tenant	131,298
		Kansai	Prologis Park Kyotanabe	Oct. 2018	Multi-Tenant	161,057
		Tohoku	Prologis Park Sendai Izumi 2	Oct. 2018	BTS	40,083
Planned Assets	Future Development	Kanto	Prologis Park Ebina 2	TBD	TBD	38,000
			Prologis Park Tsukuba 1-B	TBD	TBD	69,000
			Prologis Park Chiba 1 <sup>(1)</sup>	TBD	TBD	145,500
			Prologis Park Chiba 2 <sup>(1)</sup>	TBD	TBD	66,000
		Kansai	Prologis Park Kobe 3	TBD	TBD	38,700
			Prologis Park Kobe 4	TBD	TBD	24,700
			Prologis Park Kobe 5 <sup>(1)</sup>	TBD	TBD	42,900
Future Project	Kansai	Prologis Inagawa Project	TBD	TBD	258,000	

# NPR Portfolio and Pipeline Properties - Tokyo Metropolitan Area



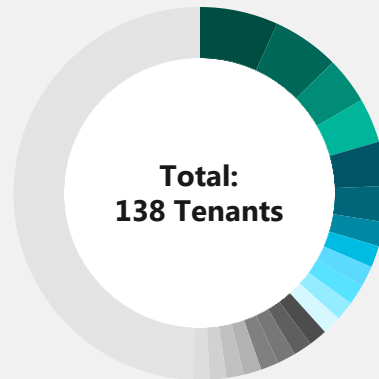




# Earnings Stability from Diversified Portfolio

## Further Tenant Diversification <sup>(1)</sup>

Based on size of leased area



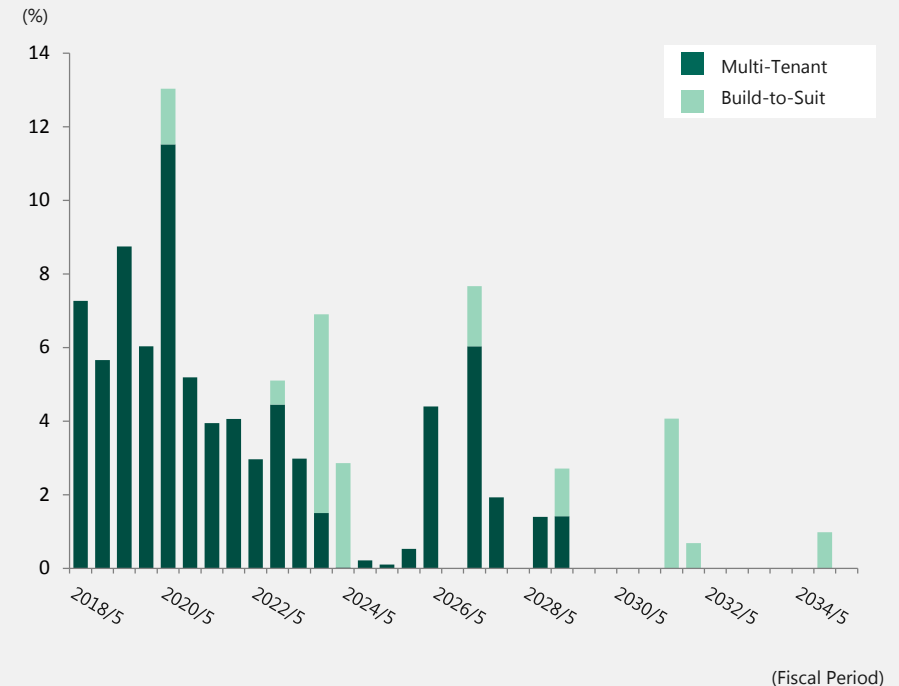
■ Nittsu Panasonic Logistics 6.8%	■ Sagawa Global Logistics 1.6%
■ NITORI 5.8%	■ Mitsubishi Shokuhin 1.6%
■ Suzuken 4.1%	■ Hitachi Transport System South Kanto 1.6%
■ Rakuten 3.9%	■ Nippon Express 1.6%
■ Start Today 3.8%	■ Alpen 1.5%
■ Nipro 3.1%	■ Hitachi Transport System 1.5%
■ Hamakyorex 2.1%	■ Sankyu 1.4%
■ Hitachi Collabonext Transport System 1.9%	■ Takayama 1.4%
■ Sumisho Global Logistics 1.8%	■ Others 49.4%
■ Misumi 1.8%	
■ MonotaRO 1.7%	
■ Japanet Holdings 1.6%	

**Number of Tenants** 138 tenants

**Top 20 Tenants Leased Area (%) <sup>(3)</sup>** 50.6%

## Well-Staggered Lease Expiration Schedule <sup>(2)</sup>

Based on anticipated annual rent



**WALE <sup>(4)</sup>** 4.7 years

**Fixed Term Lease** 100.0%

1. As of Nov. 30, 2017.

2. Includes short-term lease agreements and office space. Excludes lease agreements to which the Act on Land and Building Leases is not applicable.

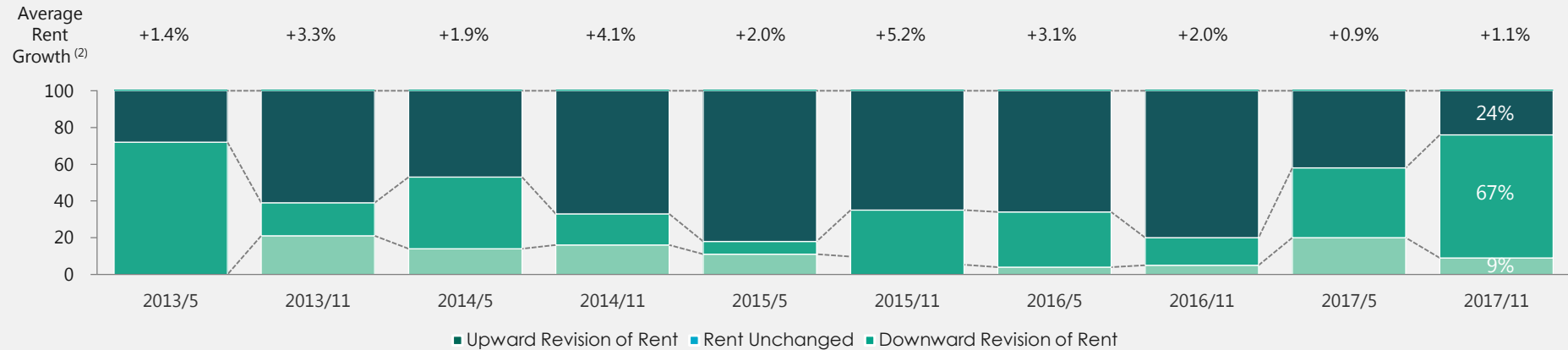
3. Calculated based on the contracted floor area.

4. WALE stands for Weighted Average Lease Expiry. Calculated based on anticipated annual rent.

# Leasing Strategy Achieves Solid Operational Performance

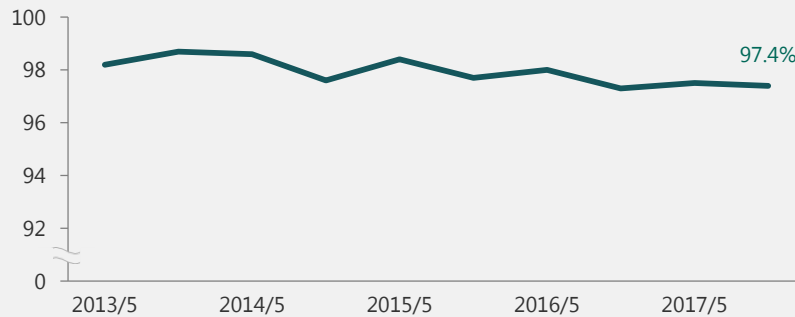
## Average Rent Growth and Rent Revision <sup>(1)</sup>

(% of GFA of Leases)



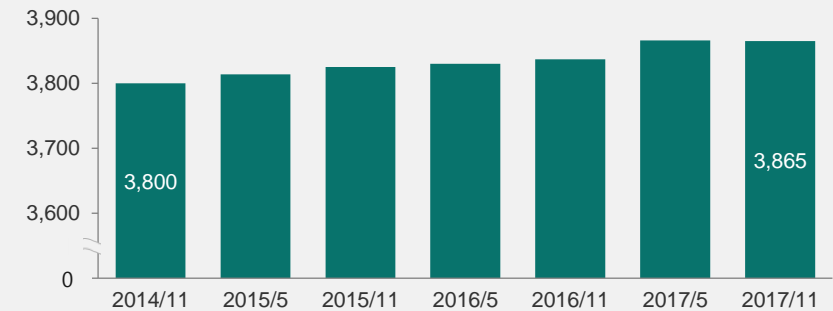
## Average Occupancy

(%)



## Rent per Tsubo – 27 Properties <sup>(3)</sup>

(JPY/Tsubo)



1. The results of leasing activities do not include office and store space, and the percentages shown are based on the size of contracted floor area.

2. Calculated based on monthly nominal rents including common area management charges.

3. Calculated by dividing rental revenue by total leased area (calculated on a monthly basis). Includes 27 properties held as of the end of the 4th FP (excludes Prologis Park Maishima 4 which was disposed on Apr. 17, 2017 and Prologis Park Tagajo which was disposed on Jun. 26, 2017). The 5 properties acquired during the 4th FP are included in calculation for the 4th FP.

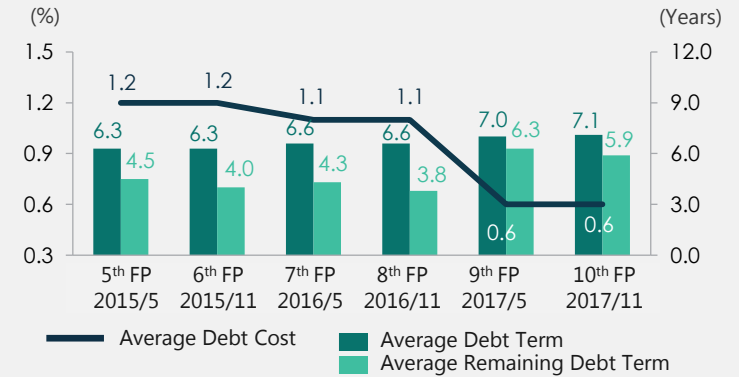


# Financial Structure Positioned for Long-Term Stability and Efficiency

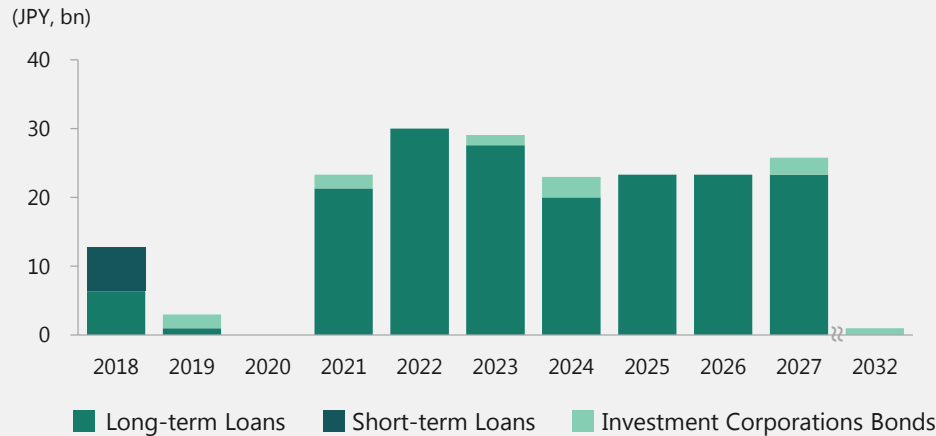
## Debt Metrics

<b>Credit Rating</b>	<b>LTV</b>	<b>Borrowing Capacity <sup>(4)</sup></b>
JCR: AA (Stable)	36.9% <sup>(2)</sup> / 30.4% <sup>(3)</sup>	Approx. JPY 130 bn
<b>Fixed Interest Ratio</b>	<b>Average Debt Cost <sup>(5)</sup></b>	<b>Average Remaining Debt Duration <sup>(6)</sup></b>
96.2%	0.6 %	5.9 years

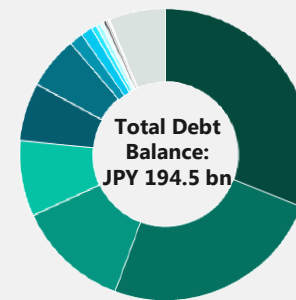
## Average Cost of Debt <sup>(5)</sup>, Term and Remaining Term <sup>(6)</sup>



## Debt Maturity Schedule



## Our Lenders



Sumitomo Mitsui Banking Corporation	30.9%
Bank of Tokyo-Mitsubishi UFJ	24.7%
Sumitomo Mitsui Trust Bank	12.5%
Mizuho Bank	8.4%
Development Bank of Japan	6.4%
Mitsubishi UFJ Trust & Banking Corporation	5.8%
Norinchukin Bank	1.5%
Resona Bank	1.3%
Aozora Bank	0.6%
Fukuoka Bank	0.5%
77 Bank	0.4%
Mizuho Trust & Banking Corporation	0.3%
Iyo Bank	0.2%
Tokio Marine & Nichido Fire Insurance	0.1%
Nippon Life Insurance	0.1%
Bonds	6.2%

1. As of Nov. 30, 2017.
2. The balance of interest bearing debt divided by total assets.
3. The balance of interest bearing debt divided by total assets and unrealized gain on properties.
4. Assuming that we leverage up to 50% of the balance sheet.
5. Includes financing-related costs paid to the financial institutions.
6. Average remaining debt term is calculated with the weighted average based on remaining debt (including bonds) balances.

# Key Takeaways

- **Committed to further DPU and NAV growth through accretive acquisitions and financial strategies**
- **Well-positioned for long-term growth with strong balance sheet**
- **Continued momentum in demand, from the e-commerce and 3PL industries, absorbing new supply at a consistent pace**
- **Remain vigilant in watching market conditions and upcoming supply**

## Section 05

# Environmental, Social and Governance

Prologis Park Zama 1



# An Integrated Approach to Sustainability

## Environmental

- Minimize energy and water consumption and greenhouse gas emissions
- Create renewable energy and storage

## Social

- Improve wellness and productivity
- Increase community involvement and charitable giving

## Economic

- Lower operating costs for our customers
- Contribute to higher occupancy and retention rates
- Enhance asset values
- Improve infrastructure
- Influence the industry, globally



# Focus on Sustainability and Corporate Responsibility

- Development of sustainable distribution facilities to comply with CASBEE
- Commitment to renewable energy and efforts in reducing environmental impact
- Focus on maximizing the energy efficiency of our properties



Prologis Park Kawajima 1, 2



Prologis Park Osaka 4



Prologis Park Ichikawa 1



Prologis Park Narashino 4



# Prologis Group's Commitment to Corporate Responsibility

- CSR Activities
  - Engaged in annual Impact Day from 2013, global volunteer activities
  - Volunteer activities in the submarkets where Prologis develops and manages facilities throughout Japan
- Support for Local Communities / Internship Programs for Junior High School Students, College Students, etc.
- Support for the Logistics Industry
  - Support the museum which is the only logistics museum in Japan
  - Since 2006, Prologis has been sponsoring Waseda University Graduate School of Commerce's "Logistics / SCM Course"
- Host family events for customers and neighborhoods



Impact Day 2017  
(Painting and cleaning at a foster home)



Volunteer activities for the  
Museum of Logistics



Internship programs for  
Junior High School Students  
(Prologis Park Ichikawa 1)



Chair Course by Prologis  
(Waseda University)



# Strong Alignment of Interests and Sound Corporate Governance

## Alignment of Interests

## Implication

### Maintain 15% Prologis<sup>(1)</sup> Investment

- Significant investment from Prologis on a side-by-side basis with other unit holders
- Long-term vehicle for Prologis' highest quality assets
- Fits with Prologis' strategy of growing in a capital efficient manner

### Management Compensation

- Asset Managers key employees' compensation is directly aligned with J-REIT performance

### Related-Party Transaction Protection

- Structured approval process with veto rights. Compliance and investment committee members include an external expert
- Committee determines appropriate price for transactions. Purchase price capped at appraisal value pursuant to the sponsor support agreement

### Performance-Based Asset Management Fees

- 100% performance-based fees (NOI x 7.5% & Net income x 6.0%)
- Direct alignment of interest between Asset Manager and investors

# Prologis Group's Commitment to Corporate Responsibility

## Global Real Estate Sustainability Benchmark (GRESB) Survey



- Recognized as the Asia Sector Leader, ranking the second out of 58 companies globally
- Earned the first in the Japanese listed real estate sector
- Awarded the prestigious "Green Stars" for the third consecutive year

## Dow Jones Sustainability Asia/Pacific Index

- A member of the Dow Jones Sustainability Asia/Pacific Index from September 21, 2015
- The only J-REIT included in the Index as of 2016

- Dow Jones Sustainability Asia/Pacific Index

A benchmark for investors who wish to consider sustainability in structuring their portfolio, based on the idea that businesses that take into consideration sustainability will realize long-term investor value

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM

## MSCI Japan ESG Select Leaders Index

- Included in the MSCI Japan ESG Select Leaders Index on July 3, 2017

- MSCI Japan ESG Select Leaders Index

The index targets companies in the MSCI Japan IMI Top 500 Index with high environmental, social and governance ("ESG") performance relative to their sector peers

## Section 06

# Appendix



*Prologis Park Amagasaki 3*



# Strategic Disposition of Assets

## Disposed Assets

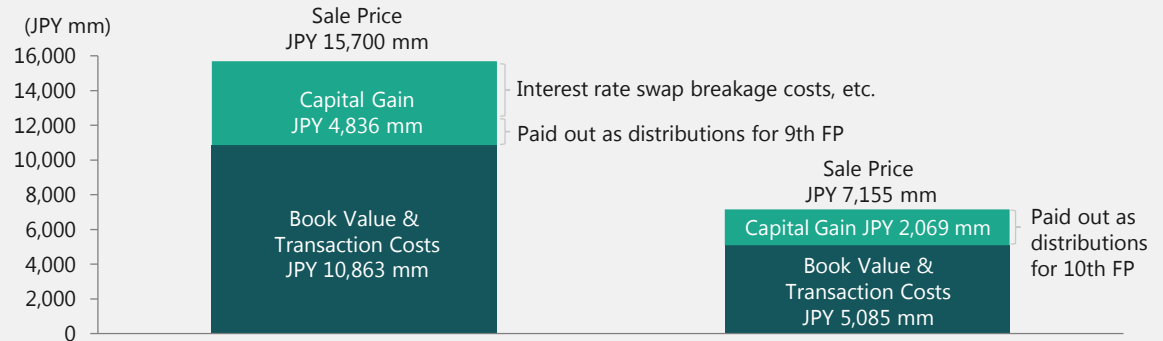
Prologis Park Maishima 4



Prologis Park Tagajo



## Realized Capital Gains



	Prologis Park Maishima 4	Prologis Park Tagajo
Disposition Date	April 17, 2017 (9th FP)	June 26, 2017 (10th FP)
Disposition Value	JPY 15,700 mm	JPY 7,155 mm
Book Value & Transaction Costs	JPY 10,863 mm	JPY 5,085 mm
Capital Gain	JPY 4,836 mm	JPY 2,069 mm
Appraisal Value <sup>(1)</sup>	JPY 13,400 mm	JPY 5,710 mm

## Rationale & Proceeds

Disposed of Prologis Park Maishima 4 and Prologis Park Tagajo with the goal of achieving a strategic portfolio composition

- Aim to rebalance the portfolio and further enhance portfolio competitiveness
- Maximize value at disposition by taking advantage of the scarcity of Class-A logistics facilities

Refinanced debt using capital gains in order to reduce future borrowing costs and to maximize the average remaining debt duration

- Utilization of some capital gains for interest rate swap breakage costs to achieve refinancing of JPY 110.5 bn of loan at a lower rate than previously possible
- Extension of remaining debt duration achieved through refinancing

# 10th Fiscal Period (Ended Nov. 30, 2017) - Balance Sheet

Assets (JPY, thousands)	9th Fiscal Period	10th Fiscal Period
<b>Current assets</b>		
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 receivable	1,171,410	1,540,068
Other current assets	116	28
Total current assets	36,453,874	28,262,768
<b>Fixed assets</b>		
Property and equipment		
Buildings, net	6,769,376	6,681,856
Structures, net	169,267	159,982
Tools, furniture and fixtures, net	3,247	2,995
Land	3,834,204	3,834,204
Buildings in trust, net	250,169,199	278,333,016
Structures in trust, net	4,699,961	5,408,084
Machinery and equipment in trust, net	9,679	9,348
Tools, furniture and fixtures in trust, net	391,169	462,160
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
Total fixed assets	451,260,725	499,304,066
<b>Deferred assets</b>		
Organization expenses	6,787	-
Investment corporation bond issuance costs	18,057	57,272
Total deferred assets	24,845	57,272
<b>Total assets</b>	<b>487,739,445</b>	<b>527,624,107</b>

Liabilities (JPY, thousands)	9th Fiscal Period	10th Fiscal Period
<b>Current liabilities</b>		
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
<b>Non-current liabilities</b>		
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
<b>Total liabilities</b>	<b>208,154,860</b>	<b>214,070,645</b>
<b>Net assets (JPY, thousands)</b>		
<b>Unit holders' equity</b>		
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	279,584,584	313,553,462
<b>Total liabilities and net assets</b>	<b>487,739,445</b>	<b>527,624,107</b>

# 10th Fiscal Period (Ended Nov. 30, 2017) - Statement of Income

JPY, thousands	9th Fiscal Period	10th Fiscal Period
Operating revenues		
Operating rental revenues	15,339,816	15,944,794
Other rental revenues	1,076,683	1,272,775
Gain on sales of real estate properties	4,836,630	2,069,771
Total operating revenues	21,253,130	19,287,342
Operating expenses		
Expenses related to property rental business	6,987,577	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
<b>Operating income</b>	<b>12,918,738</b>	<b>10,333,523</b>
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 expense on loans payable	736,614	395,072
Interest expense on investment corporation bonds	17,424	30,536
Amortization of 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 investment units	57,947	78,659
Others	37,011	18,982
Total non-operating expenses	1,703,872	737,767
<b>Ordinary income</b>	<b>11,215,808</b>	<b>9,601,983</b>
Extraordinary loss		
Interest rate swap breakage costs	2,392,420	-
Total extraordinary loss	2,392,420	-
<b>Income before income taxes</b>	<b>8,823,387</b>	<b>9,601,983</b>
Incomes taxes – current	859	638
Incomes taxes – deferred	(0)	10
Total income taxes	858	649
<b>Net Income</b>	<b>8,822,529</b>	<b>9,601,334</b>
<b>Retained earnings brought forward</b>	<b>1,343</b>	<b>1,284</b>
<b>Unappropriated retained earnings</b>	<b>8,823,872</b>	<b>9,602,618</b>



# Portfolio Details

FP of Acquisition	No.	Property Name	Location	Acquisition Price (JPYmm)	Appraisal Value (JPYmm)	Leasable Area (m <sup>2</sup> )	Share	Age (years)	Appraisal NOI Yield (%) <sup>(2)</sup>	Actual NOI Yield (%) <sup>(3)</sup>	Occupancy Rate	PML	Construction
1 <sup>st</sup> FP	M-01	Prologis Park Ichikawa 1	Ichikawa, Chiba	33,900	43,200	125,123	6.6%	9.1	5.3%	5.3%	100.0%	0.6%	Kajima Corporation
	M-02	Prologis Park Zama 1	Zama, Kanagawa	27,900	33,700	113,471	5.4%	8.6	5.3%	5.6%	98.0%	0.8%	Fujita Corporation
	M-03	Prologis Park Kawajima	Hiki, Saitama	25,600	32,900	144,897	5.0%	6.5	6.1%	6.5%	100.0%	7.5%	Shimizu Corporation
	M-04	Prologis Park Osaka 2	Osaka, Osaka	25,000	31,000	130,553	4.8%	10.6	5.6%	5.8%	95.2%	0.8%	Shimizu Corporation
	M-05	Prologis Park Maishima 3	Osaka, Osaka	13,500	15,300	74,874	2.6%	9.8	5.4%	4.1%	74.9%	8.9%	Shimizu Corporation
	M-06	Prologis Park Kasugai	Kasugai, Aichi	12,500	16,900	91,526	2.4%	9.9	6.8%	6.2%	98.1%	3.9%	Obayashi Corporation
	M-07	Prologis Park Kitanagoya	Kitanagoya, Aichi	6,500	8,700	42,751	1.3%	8.5	6.4%	6.3%	100.0%	7.7%	Nippon Steel Engineering
	B-02	Prologis Park Takatsuki	Takatsuki, Osaka	4,410	5,270	19,898	0.9%	5.9	5.7%	5.8%	100.0%	5.3%	Fujita Corporation
	B-03	Prologis Park Tosu 2	Tosu, Saga	3,030	3,770	21,778	0.6%	5.4	6.0%	6.1%	100.0%	0.5%	Fujita Corporation
	B-04	Prologis Park Tosu 4	Tosu, Saga	3,810	4,660	28,765	0.7%	5.9	6.1%	5.4%	100.0%	0.6%	Obayashi Corporation
Sub-total / Average				156,150	195,400	-	30.2%	8.7	-	-	-	-	
2 <sup>nd</sup> FP	M-09	Prologis Park Tokyo-Ohta	Ota, Tokyo	29,500	36,500	73,145	5.7%	12.2	4.9%	4.9%	99.7%	3.6%	Taisei Corporation
	M-10	Prologis Park Zama 2	Zama, Kanagawa	21,900	28,300	95,121	4.2%	5.4	5.7%	5.7%	100.0%	0.8%	Fujita Corporation
	M-11	Prologis Park Funabashi 5 Annex	Funabashi, Chiba	11,000	13,800	56,556	2.1%	13.0	5.5%	5.5%	100.0%	4.3%	Konoike Construction
	M-12	Prologis Park Narita 1-A&B	Narita, Chiba	8,420	10,200	62,058	1.6%	12.8	6.2%	6.7%	97.5%	3.9%	Shimizu Corporation
	M-13	Prologis Park Narita 1-C	Narita, Chiba	4,810	5,870	32,230	0.9%	10.6	6.2%	6.7%	100.0%	3.9%	The Zenitaka Corporation
	M-14	Prologis Park Amagasaki 1	Amagasaki, Hyogo	17,600	20,600	91,446	3.4%	12.3	5.5%	5.2%	100.0%	4.6%	Taisei Corporation
	M-15	Prologis Park Amagasaki 2	Amagasaki, Hyogo	19,200	21,800	91,399	3.7%	10.7	5.3%	5.4%	99.5%	4.4%	Taisei Corporation
	B-05	Prologis Park Narashino 4	Narashino, Chiba	20,000	24,700	91,529	3.9%	4.4	5.2%	5.3%	100.0%	1.1%	Shimizu Corporation
Sub-total / Average				132,430	161,770	-	25.6%	9.7	-	-	-	-	
3 <sup>rd</sup> FP	M-16	Prologis Park Tokyo-Shinkiba	Koto, Tokyo	13,600	16,800	31,022	2.6%	10.5	4.8%	4.5%	83.0%	5.9%	Obayashi Corporation
	M-17	Prologis Park Yokohama-Tsurumi	Yokohama, Kanagawa	13,800	17,000	63,973	2.7%	9.6	5.3%	5.4%	99.4%	1.1%	Toa Corporation
	M-18	Prologis Park Osaka 4	Osaka, Osaka	21,000	24,500	106,135	4.1%	5.6	5.3%	5.0%	84.8%	2.7%	Maeda Corporation
	M-19	Prologis Park Iwanuma 1	Iwanuma, Miyagi	5,670	7,200	40,520	1.1%	9.2	6.6%	6.9%	100.0%	3.2%	Nishimatsu Construction
	Sub-total / Average				54,070	65,500	-	10.5%	8.2	-	-	-	
4 <sup>th</sup> FP	M-20	Prologis Park Kawajima 2	Hiki, Saitama	8,180	9,500	42,005	1.6%	3.8	5.4%	5.9%	100.0%	9.0%	Nishimatsu Construction
	B-06	Prologis Park Ebina	Ebina, Kanagawa	8,250	10,000	32,500	1.6%	7.7	5.3%	5.1%	100.0%	6.0%	Fujita Corporation
	B-07	Prologis Park Kawanishi	Kawanishi, Hyogo	13,600	14,900	75,493	2.6%	4.0	5.0%	6.0%	100.0%	3.7%	Shimizu Corporation
	B-08	Prologis Park Amagasaki 3	Amagasaki, Hyogo	9,090	10,300	39,527	1.8%	4.2	5.1%	5.1%	100.0%	4.4%	Nishimatsu Construction
	B-09	Prologis Park Kobe	Kobe, Hyogo	6,410	7,330	32,511	1.2%	4.0	5.6%	5.8%	100.0%	0.4%	Taisei Corporation
	Sub-total / Average				45,530	52,030	-	8.8%	4.7	-	-	-	
7 <sup>th</sup> FP	M-21	Prologis Park Kitamoto	Kitamoto, Saitama	12,600	13,800	69,432	2.4%	3.7	5.2%	5.4%	100.0%	3.6%	Taisei Corporation
	M-22	Prologis Park Joso	Joso, Ibaraki	7,120	7,590	37,165	1.4%	3.1	5.1%	5.5%	100.0%	4.5%	Nishimatsu Construction
	M-23	Prologis Park Osaka 5	Osaka, Osaka	17,600	18,500	78,087	3.4%	2.9	4.8%	5.1%	100.0%	3.5%	Fujita Corporation
	B-10	Prologis Park Sendai Izumi	Sendai, Miyagi	4,820	5,180	26,353	0.9%	2.2	5.7%	5.9%	100.0%	1.4%	Nishimatsu Construction
	Sub-total / Average				42,140	45,070	-	8.2%	3.1	-	-	-	
9 <sup>th</sup> FP	M-24	Prologis Park Narita 3	Sambu, Chiba	9,240	9,970	52,982	1.8%	9.5	5.4%	4.8%	88.2%	0.3%	Takenaka Corporation
	B-11	Prologis Park Koga 1	Koga, Ibaraki	7,680	8,400	34,158	1.5%	1.1	5.3%	5.3%	100.0%	0.3%	Fujita Corporation
	B-12	Prologis Park Kobe 2	Kobe, Hyogo	13,700	14,400	62,468	2.7%	1.1	5.1%	5.2%	100.0%	0.3%	Fujita Corporation
	Sub-total / Average				30,620	32,770	-	5.9%	3.7	-	-	-	
10 <sup>th</sup> FP	M-25	Prologis Park Narashino 5	Narashino, Chiba	13,600	13,900	58,159	2.6%	1.7	4.4%	4.7%	100.0%	4.6%	Hazama Ando Corporation
	M-26	Prologis Park Ibaraki	Ibaraki, Osaka	38,300	39,700	154,182	7.4%	1.2	4.5%	4.5%	95.6%	2.1%	Shimizu Corporation
	B-13	Prologis Park Koga 2	Koga, Ibaraki	3,930	4,010	19,699	0.8%	0.6	5.0%	5.0%	100.0%	3.5%	Fujita Corporation
	Sub-total / Average				55,830	57,610	-	10.8%	1.3	-	-	-	
Overall Total / Average (37 properties)				516,770	610,150	2,443,505	100.0%	7.0	5.3%	5.4%	97.3%	1.2%	

# Summary of Latest Appraisals

No.	Property Name	Acquisition Price (JPYmm)	10th Fiscal Period End						9th Fiscal Period End	
			Appraisal Value (JPYmm)		Direct Cap Rate		Book Value (JPYmm)	Unrealized Gain (JPYmm)	Appraisal Value (JPYmm) <sup>(2)</sup>	Direct Cap Rate <sup>(2)</sup>
				Change from 9th FP		Change from 9th FP				
Properties Acquired during the 1st Fiscal Period										
M-01	Prologis Park Ichikawa 1	33,900	43,200	500	4.0	-0.1	32,499	10,700	42,700	4.1
M-02	Prologis Park Zama 1	27,900	33,700	600	4.3	-0.1	26,236	7,463	33,100	4.4
M-03	Prologis Park Kawajima	25,600	32,900	400	4.6	-0.1	23,720	9,179	32,500	4.7
M-04	Prologis Park Osaka 2	25,000	31,000	500	4.5	-0.1	23,449	7,550	30,500	4.6
M-05	Prologis Park Maishima 3	13,500	15,300	100	4.6	-0.1	12,536	2,763	15,200	4.7
M-06	Prologis Park Kasugai	12,500	16,900	400	4.9	-0.1	11,657	5,242	16,500	5.0
M-07	Prologis Park Kitanagoya	6,500	8,700	360	4.6	-0.1	6,051	2,648	8,340	4.7
B-02	Prologis Park Takatsuki	4,410	5,270	110	4.7	-0.1	4,225	1,044	5,160	4.8
B-03	Prologis Park Tosu 2	3,030	3,770	80	4.8	-0.1	2,847	922	3,690	4.9
B-04	Prologis Park Tosu 4	3,810	4,660	90	4.8	-0.1	3,606	1,053	4,570	4.9
Sub-total		156,150	195,400	3,140	-	-	-	-	192,260	-
Properties Acquired during the 2nd Fiscal Period										
M-09	Prologis Park Tokyo-Ohta	29,500	36,500	800	3.8	-0.1	29,110	7,389	35,700	3.9
M-10	Prologis Park Zama 2	21,900	28,300	700	4.3	-0.1	20,820	7,479	27,600	4.4
M-11	Prologis Park Funabashi 5	11,000	13,800	200	4.2	-0.1	10,611	3,188	13,600	4.3
M-12	Prologis Park Narita 1-A&B	8,420	10,200	360	4.9	-0.2	8,072	2,127	9,840	5.1
M-13	Prologis Park Narita 1-C	4,810	5,870	220	4.9	-0.2	4,497	1,372	5,650	5.1
M-14	Prologis Park Amagasaki 1	17,600	20,600	-	4.6	0	17,064	3,535	20,600	4.6
M-15	Prologis Park Amagasaki 2	19,200	21,800	-	4.6	0	18,326	3,473	21,800	4.6
B-05	Prologis Park Narashino 4	20,000	24,700	500	4.2	-0.1	18,948	5,751	24,200	4.3
Sub-total		132,430	161,770	2,780	-	-	-	-	158,990	-
Properties Acquired during the 3rd Fiscal Period										
M-16	Prologis Park Tokyo-Shinkiba	13,600	16,800	300	3.8	-0.1	13,268	3,531	16,500	3.9
M-17	Prologis Park Yokohama-Tsurumi	13,800	17,000	100	4.2	-0.1	13,119	3,880	16,900	4.3
M-18	Prologis Park Osaka 4	21,000	24,500	800	4.5	-0.1	19,856	4,643	23,700	4.6
M-19	Prologis Park Iwanuma 1	5,670	7,200	300	5.1	-0.2	5,190	2,009	6,900	5.3
Sub-total		54,070	65,500	1,500	-	-	-	-	64,000	-
Properties Acquired during the 4th Fiscal Period										
M-20	Prologis Park Kawajima 2	8,180	9,500	300	4.6	-0.2	7,814	1,685	9,200	4.8
B-06	Prologis Park Ebina	8,250	10,000	220	4.3	-0.1	8,076	1,923	9,780	4.4
B-07	Prologis Park Kawanishi	13,600	14,900	300	4.6	-0.1	13,149	1,750	14,600	4.7
B-08	Prologis Park Amagasaki 3	9,090	10,300	100	4.4	-0.1	8,823	1,476	10,200	4.5
B-09	Prologis Park Kobe	6,410	7,330	130	4.8	-0.1	6,143	1,186	7,200	4.9
Sub-total		45,530	52,030	1,050	-	-	-	-	50,980	-
Properties Acquired during the 7th Fiscal Period										
M-21	Prologis Park Kitamoto	12,600	13,800	300	4.7	-0.1	12,396	1,403	13,500	4.8
M-22	Prologis Park Joso	7,120	7,590	120	4.7	-0.1	6,969	620	7,470	4.8
M-23	Prologis Park Osaka 5	17,600	18,500	200	4.5	-0.1	17,399	1,100	18,300	4.6
B-10	Prologis Park Sendai Izumi	4,820	5,180	10	5.2	-0.2	4,694	485	5,170	5.4
Sub-total		42,140	45,070	630	-	-	-	-	44,440	-
Properties Acquired during the 9th Fiscal Period										
M-24	Prologis Park Narita 3	9,240	9,970	510	4.7	-0.2	9,144	825	9,460	4.9
B-11	Prologis Park Koga 1	7,680	8,400	430	4.8	-0.1	7,590	809	7,970	4.9
B-12	Prologis Park Kobe 2	13,700	14,400	300	4.8	-0.1	13,565	834	14,100	4.9
Sub-total		30,620	32,770	1,240	-	-	-	-	31,530	-
Properties Acquired during the 10th Fiscal Period										
M-25	Prologis Narashino 5	13,600	13,900	300	4.3	-0.1	13,648	251	13,600	4.4
M-26	Prologis Ibaraki	38,300	39,700	1,400	4.3	-0.1	38,472	1,227	38,300	4.4
B-13	Prologis Koga 2	3,930	4,010	80	4.8	-0.1	3,935	74	3,930	4.9
Sub-total		55,830	57,610	1,780	-	-	-	-	55,830	-
Overall Total (37 properties)		516,770	610,150	12,120	-	-	-	-	598,030	-

# Strategic Capital Expenditures Enhance Portfolio Value



Prologis Park Tokyo-Ohta (Pre-renovation)



Prologis Park Tokyo-Ohta / public space



Water receiving tank

## Refurbishment

- Maintain and improve the quality and functionality of properties
- Maintenance work of exterior/interiors

## Installation of BCP Facilities

- Further improve BCP functions
- Protect our customers' business operations against potential natural disaster



Prologis Park Tokyo-Ohta (Post-renovation)



Prologis Park Tokyo-Ohta / entrance



Prologis Park Osaka 2

## Energy Saving Initiatives

- Installing LED lighting facilities
- Reduce environmental impact through electricity usage and GHG emission

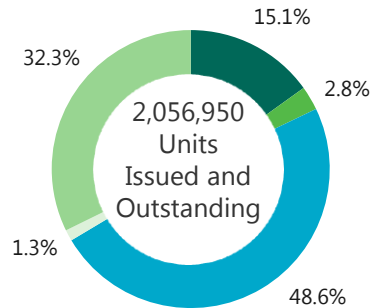


# Debt

	Lenders	Amount (JPY mm)	Interest Rate	Borrowing Date	Maturity Date <sup>(2)</sup>	Collateral
Short-term Borrowings	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ	6,300	JBA 1-month TIBOR +0.17% <sup>(3)</sup>	Aug. 8, 2017	Aug. 8, 2018	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust & Banking Corporation, Aozora Bank, Development Bank of Japan, The Norinchukin Bank, Resona Bank	6,400	0.8101% <sup>(4)</sup>	Dec. 3, 2013	Dec. 3, 2018	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, The Bank of Fukuoka, The 77 Bank, Tokio Marine & Nichido Fire Insurance	1,000	JBA 3-month TIBOR +0.24% <sup>(3)</sup>	Nov. 27, 2014	Nov. 27, 2019	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust and Banking Corporation, Development Bank of Japan	7,300	0.0757% <sup>(4)</sup>	Feb. 15, 2016	Feb. 15, 2021	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust & Banking Corporation, Development Bank of Japan, The Norinchukin Bank, Resona Bank, Aozora Bank	14,000	0.2236% <sup>(4)</sup>	Apr. 28, 2017	Apr. 28, 2021	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust and Banking Corporation, Development Bank of Japan	6,000	0.1726% <sup>(4)</sup>	Feb. 15, 2016	Feb. 15, 2022	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ	14,000	0.5749% <sup>(4)</sup>	Mar. 30, 2015	Mar. 31, 2022	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust & Banking Corporation, Development Bank of Japan, The Norinchukin Bank, Resona Bank, Aozora Bank	10,000	0.262% <sup>(4)</sup>	Apr. 28, 2017	Apr. 28, 2022	
Long-term Borrowings	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust and Banking Corporation, Development Bank of Japan, The Norinchukin Bank, Resona Bank, The Bank of Fukuoka, The 77 Bank, Mizuho Trust & Banking Co., Ltd, Nippon Life Insurance Company	7,600	0.4129% <sup>(4)</sup>	Mar. 15, 2016	Mar. 15, 2023	Unsecured and non- guaranteed
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust and Banking Corporation, Development Bank of Japan	20,000	0.3125% <sup>(4)</sup>	Apr. 28, 2017	Apr. 28, 2023	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust and Banking Corporation, Development Bank of Japan	10,000	0.39% <sup>(4)</sup>	Feb. 15, 2016	Feb. 15, 2024	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ	6,000	0.3725% <sup>(4)</sup>	Apr. 28, 2017	Apr. 30, 2024	
	Sumitomo-Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust & Banking Corporation, Development Bank of Japan, The Norinchukin Bank, Resona Bank, The Bank of Fukuoka, The 77 Bank, Mizuho Trust & Banking Co., Ltd, The Iyo Bank	4,000	0.528% <sup>(4)</sup>	Dec. 20, 2016	Dec. 20, 2024	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust and Banking Corporation, Development Bank of Japan	23,300	0.4369% <sup>(4)</sup>	Apr. 28, 2017	Apr. 28, 2025	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Development Bank of Japan	13,900	0.524% <sup>(4)</sup>	Apr. 28, 2017	Apr. 28, 2026	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust & Banking Corporation, Development Bank of Japan, Resona Bank, The Bank of Fukuoka, The 77 Bank, Mizuho Trust & Banking Co., Ltd, The Iyo Bank	9,400	0.7167% <sup>(4)</sup>	Dec. 20, 2016	Dec. 18, 2026	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust & Banking Corporation	23,300	0.6327% <sup>(4)</sup>	Apr. 28, 2017	Apr. 28, 2027	
	1st Unsecured Investment Corporation Bonds	2,000	0.338%	Nov. 27, 2014	Nov. 27, 2019	
Investment Corporation Bonds	2nd Unsecured Investment Corporation Bonds	3,000	0.93%	Nov. 27, 2014	Nov. 27, 2024	
	3rd Unsecured Investment Corporation Bonds	2,000	0.18%	June 15, 2017	June 15, 2021	
	4th Unsecured Investment Corporation Bonds	1,500	0.28%	June 15, 2017	June 15, 2023	
	5th Unsecured Investment Corporation Bonds	2,500	0.50%	June 15, 2017	June 15, 2027	
	6th Unsecured Investment Corporation Bonds	1,000	0.86%	June 15, 2017	June 15, 2032	
Total		194,500	-	-	-	

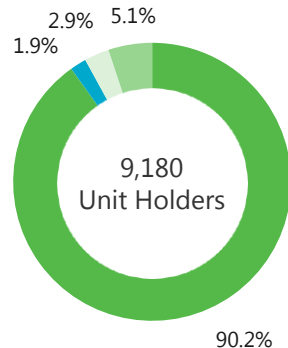
# Unit Holder Composition

## Breakdown by Units



- Prologis Group: 310,240 units
- Financial institutions: 999,214 units
- Domestic individuals and others: 57,017 units
- Domestic entities: 26,193 units
- Foreign entities and individuals: 664,286 units

## Breakdown by Unit Holders



- Domestic individuals and others: 8,277 unit holders
- Financial institutions: 174 unit holders
- Domestic entities: 263 unit holders
- Foreign entities and individuals: 466 unit holders

## Major Unit Holders

	Name	Units Owned	% of Units Issued <sup>(2)</sup>
1	Japan Trustee Services Bank, Ltd. (Trust Acct.)	330,789	16.08%
2	Prologis Property Japan SPC	308,240	14.98%
3	The Master Trust Bank of Japan, Ltd. (Trust Acct.)	261,412	12.70%
4	The Nomura Trust and Banking Company, Ltd. (Trust Acct.)	73,870	3.59%
5	Trust and Custody Services Bank, Ltd. (Securities Investment Trust Acct.)	71,577	3.47%
6	STATE STREET BANK WEST CLIENTS-TREATY 505234	51,527	2.50%
7	STATE STREET BANK AND TRUST COMPANY 505223	37,653	1.83%
8	JP MORGAN CHASE BANK 385628	25,630	1.24%
9	THE BANK OF NEW YORK MELLON SA/NV 10	25,478	1.23%
10	THE BANK OF NEW YORK 133970	24,030	1.16%
Total		1,210,206	58.83%

# Focus on Class-A Logistics Facilities

## Features:

- Gross floor area of approximately 16,500 m<sup>2</sup> (177,605 ft<sup>2</sup>) or more
- Proximity to population clusters and transportation hubs such as expressway interchanges and major airports or seaports
- Large floor area exceeding approximately 5,000 m<sup>2</sup> (53,820 ft<sup>2</sup>) per level with a floor weight capacity of at least 1.5 m<sup>2</sup> (16.1 ft<sup>2</sup>), an effective ceiling height of at least 5.5 m<sup>2</sup> (59.2 ft<sup>2</sup>) and column spacing of at least 10 m (33 ft)
- Spiral ramps or slopes that allow trucks direct access to upper-floor distribution space
- Safety features such as seismic isolation and earthquake-proofing

Spiral Rampways



Large Loading Zones



Wide-Column Spacing



Renewable Energy



Restaurant



Convenience Store



24-Hour Security



Seismic Isolators



# Sponsor Support from the Prologis Group

## Operating Portfolio (1)

Americas	Europe	Asia
U.S. / Canada / Mexico / Brazil	UK / France / Germany / 9 others	Japan / China / Singapore
40.5 million m <sup>2</sup>	17.4 million m <sup>2</sup>	6.0 million m <sup>2</sup>
2,360 facilities	788 facilities	159 facilities

## Largest Market Cap Among Peers (3)

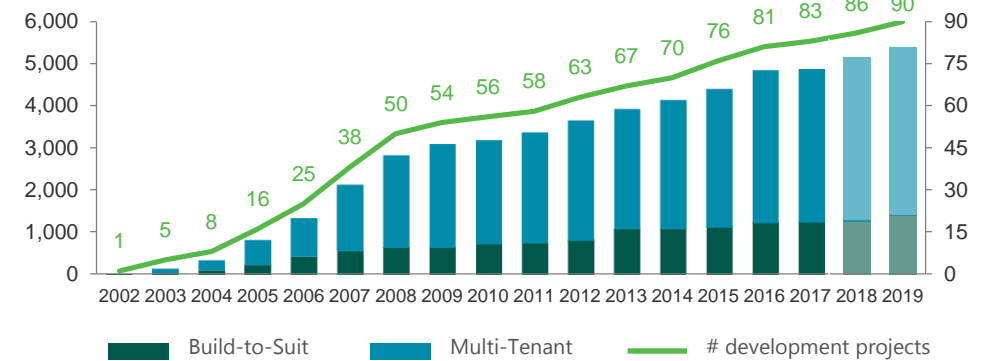
(USD bn)



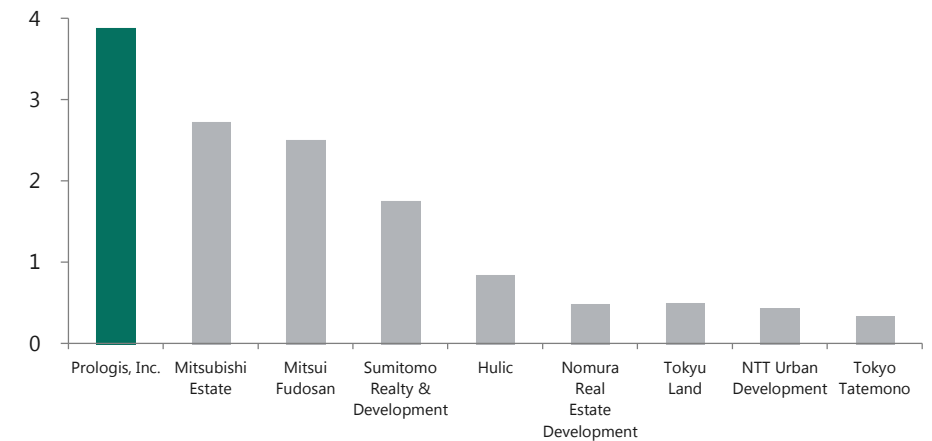
## Proven Development Track Record Since 2002 (2)

Gross floor area, thousand m<sup>2</sup>

# development projects



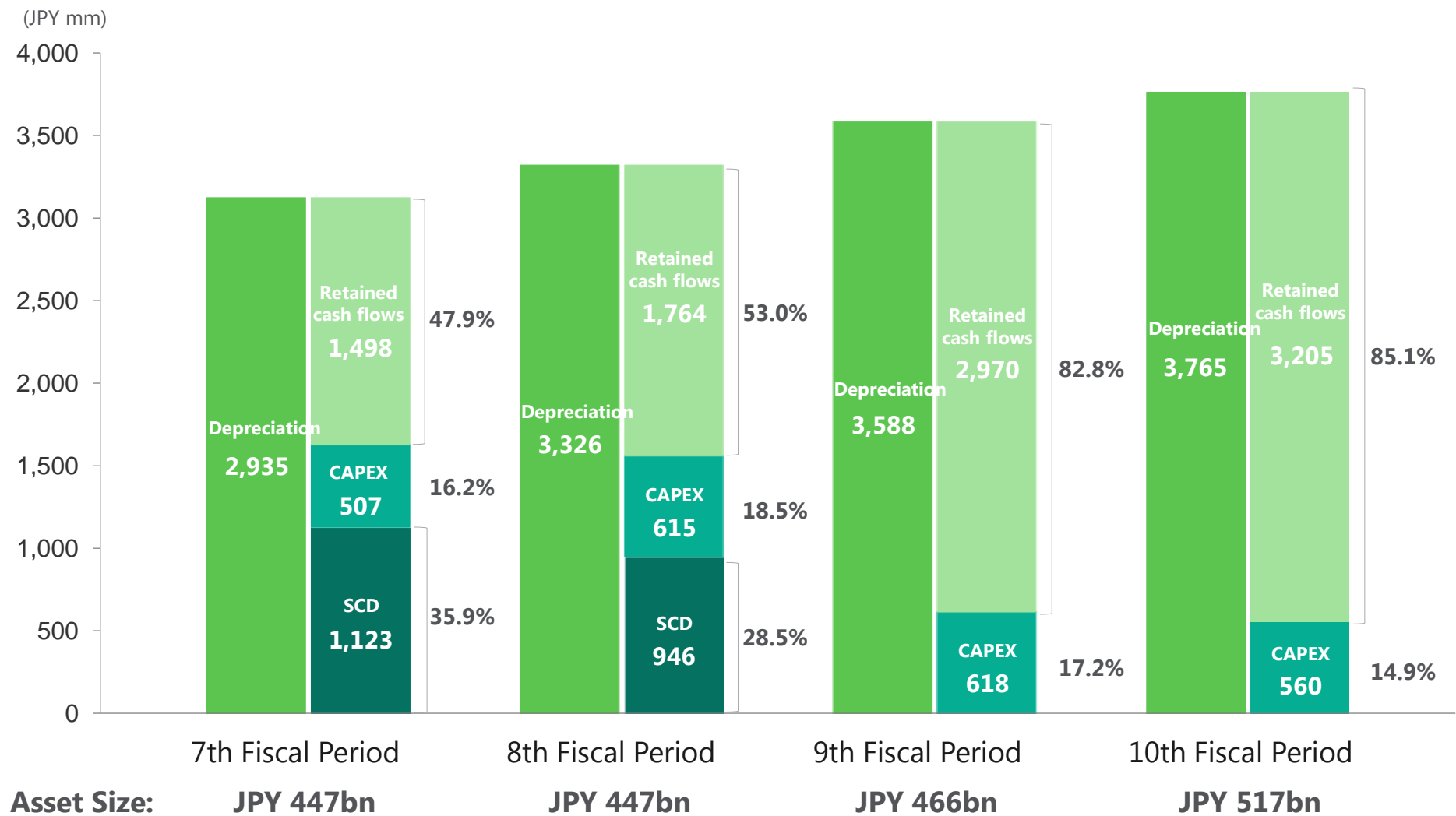
(JPY tr)



Unmatched global platform and more than a decade of experience developing advanced logistics facilities in Japan



# Historical SCD and CAPEX



This presentation includes forward-looking information that reflects the plans and expectations of Nippon Prologis REIT, Inc. and Prologis REIT Management K.K. Such forward-looking information is based on current assumptions and beliefs, and involves known and unknown risks, uncertainties, and other factors. Such risks, uncertainties and other factors may cause the actual results to be materially different from those expressed or implied by such forward-looking information.



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