

JAN 17, 2017

# Nippon Prologis REIT, Inc.

Fiscal Period Ended Nov. 30, 2016  
Unaudited

PROLOGIS REIT MANAGEMENT K.K.



**PROLOGIS**  
Nippon Prologis REIT

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## Section I –NPR Highlights and Updates

# Highlights from the Fiscal Period Ended Nov. 2016 and Recent Follow-on Offering

## Acquired three new properties through 5<sup>th</sup> follow-on offering

- Second follow-on offering in 2016
- Acquired three Class-A properties for JPY 30.6BN<sup>(1)</sup>

## Maintained high occupancy and continued rent growth

- Average occupancy of 97.3% and +2.0% weighted average rent growth
- Continued rent growth for eight consecutive periods

## Maintained strong balance sheet

- Conservative LTV of 39%

## Achieved stable DPU<sup>(2)</sup> growth

- 8<sup>th</sup> period actual: JPY4,195 (vs forecasted JPY 4,156)
- 9<sup>th</sup> period forecast: JPY4,150
- 10<sup>th</sup> period forecast: JPY4,165

1. Acquisition price.

2. Includes surplus cash distributions.

# Completed Successful Follow-on Offering

Total Acquisition Price	Average Property Age	Average Appraisal NOI Yield <sup>(2)</sup>	WALE	Occupancy Rate	Global Markets
JPY 30.6bn	2.5 years	5.1%	11.3 years	97.1%	100.0%



## Prologis Park Narita 3 (Location: Sambu, Chiba)

Acquisition Price	JPY9,240 mn	Occupancy Rate	91.8 %
Building Date	May 2008	WALE	3.9 years
GFA	57,118 sqm	Appraisal NOI Yield	5.3 %



## Prologis Park Koga 1 (Location: Koga, Ibaraki)

Acquisition Price	JPY7,680 mn	Occupancy Rate	100.0 %
Building Date	Oct. 2016	WALE	15.0 years
GFA	34,091 sqm	Appraisal NOI Yield	5.0 %



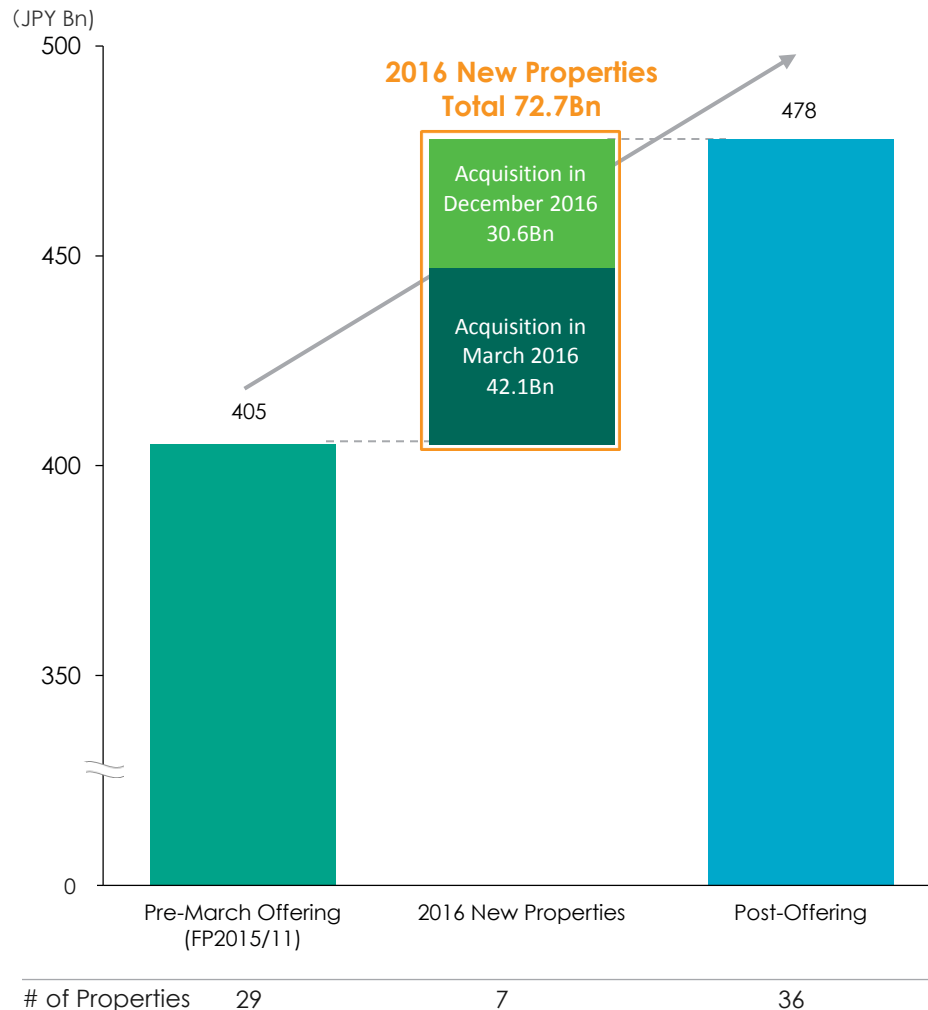
## Prologis Park Kobe 2 (Location: Kobe, Hyogo)

Acquisition Price	JPY13,700 mn	Occupancy Rate	100.0 %
Building Date	Oct. 2016	WALE	15.0 years
GFA	62,230 sqm	Appraisal NOI Yield	5.1 %

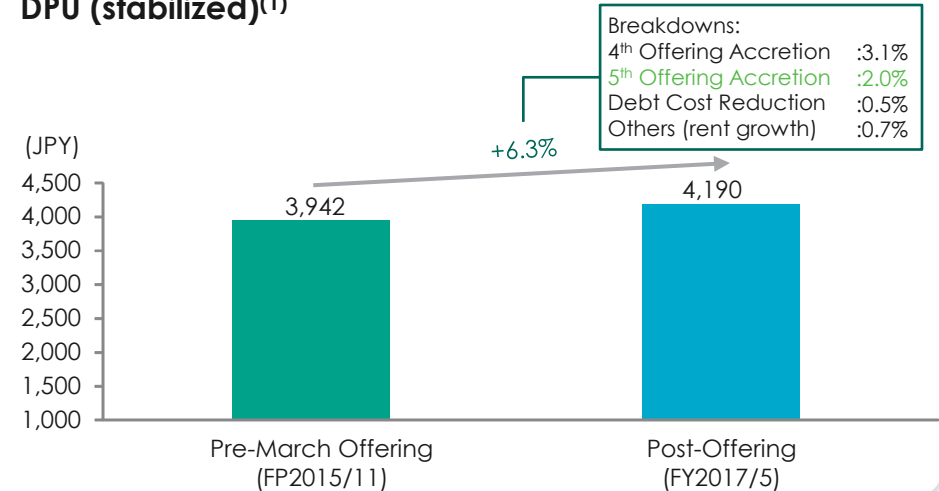
# Delivered Growth and Accretion

## Enhanced Unit Holder Value

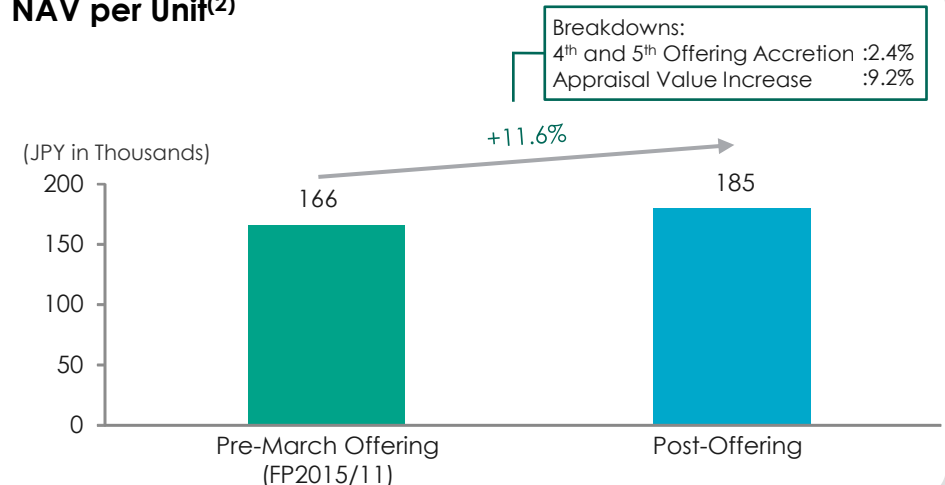
### Asset Size



### DPU (stabilized)<sup>(1)</sup>



### NAV per Unit<sup>(2)</sup>

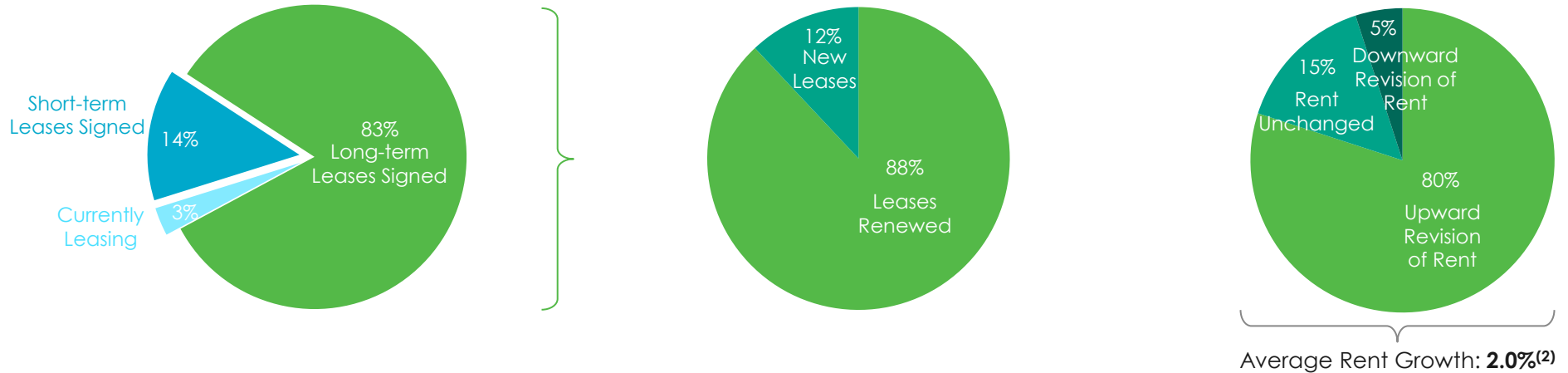


1. Stabilized DPU accretion is calculated by comparing estimated stabilized DPU as of FP2017/5 (post-acquisition and post-offering) with stabilized DPU as of FP2017/5 (pre-acquisition and pre-offering).
2. Appraisal NAV per unit accretion is calculated by comparing "Post-offering" appraisal NAV per unit with appraisal NAV per unit as of Nov. 30, 2016.

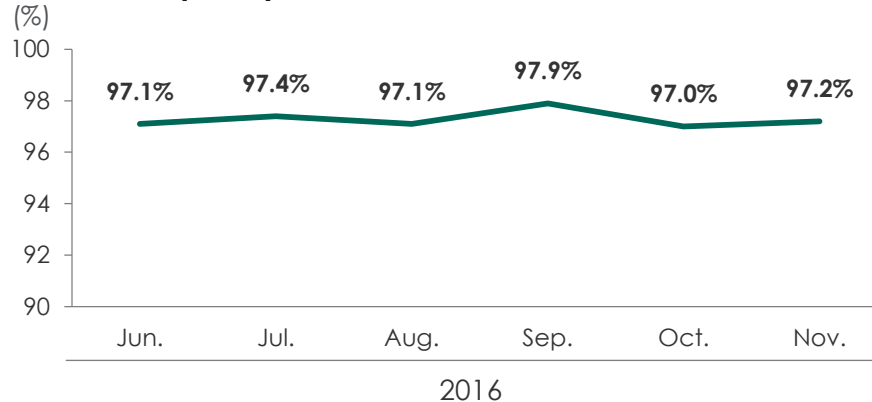
# Achieved Earnings Stability Through Organic Growth

## Leasing Activity<sup>(1)</sup>

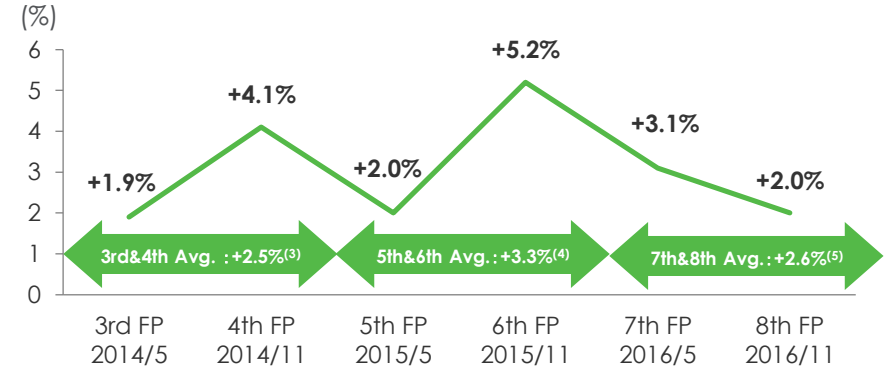
For lease agreements that expired during the 8th Fiscal Period (156,000m<sup>2</sup>) – 7.2% of total leasable area



## Portfolio Occupancy Rate



## Average Rent Growth<sup>(2)</sup>

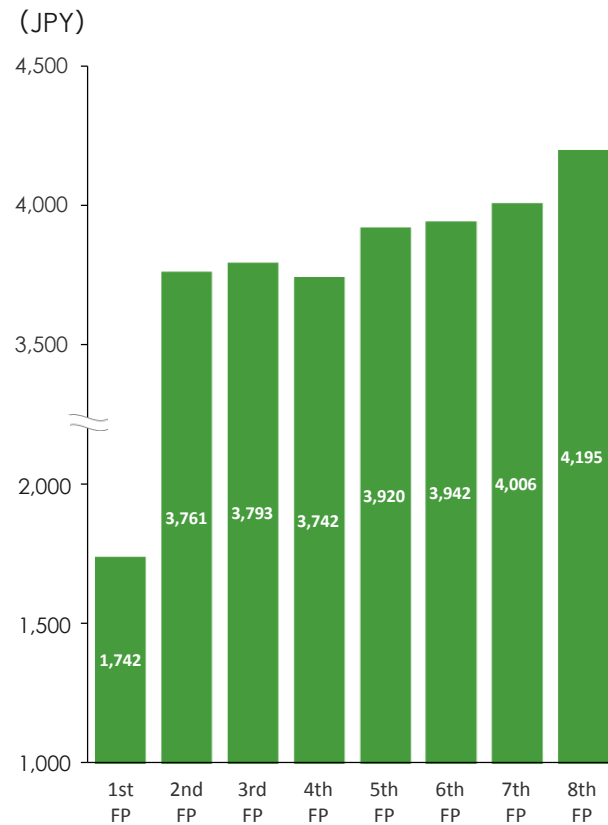


1. As of Dec. 31, 2016. The results of our leasing activities above do not include office space, and the percentages shown are based on the size of contracted floor area. Long-term leases refer to lease terms which are equal to or longer than one year, and short-term leases refer to lease terms which are shorter than one year.
2. Calculated based on monthly nominal rents including common area management charges.

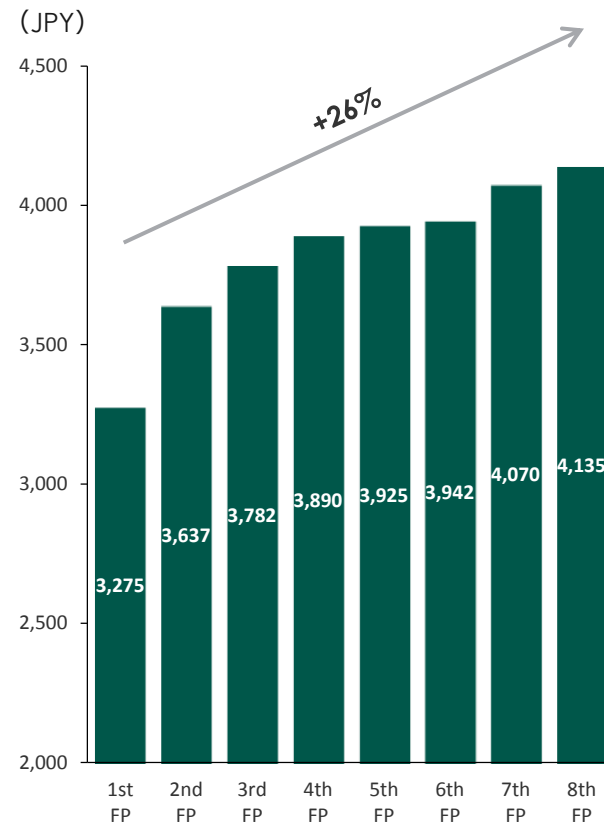
3. As of Dec. 31, 2014.
4. As of Dec. 31, 2015.
5. As of Dec. 31, 2016.

# Enhanced Unit Holder Value

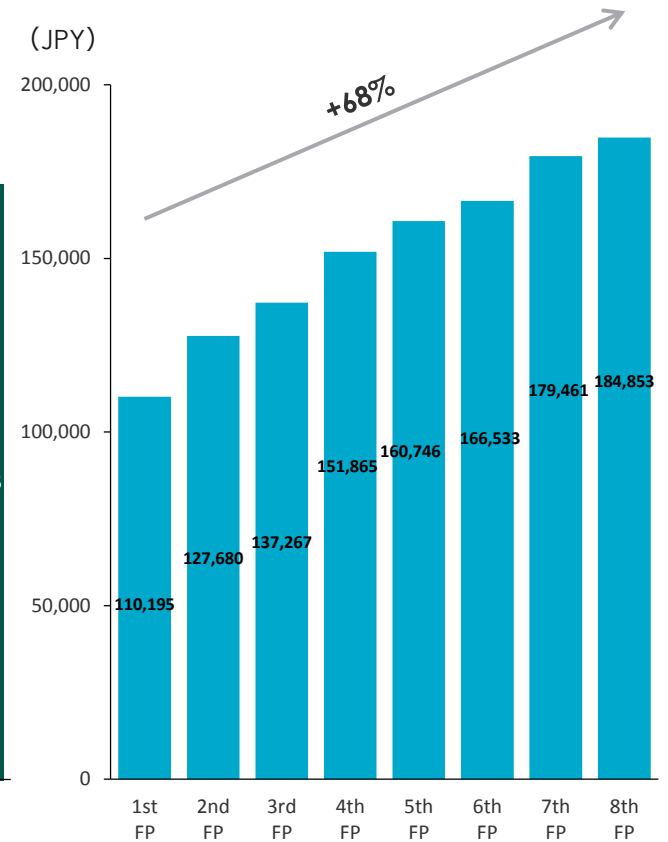
**DPU (actual) <sup>(1)</sup>**



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



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



1. NPR split investment units on a 5-to-1 ratio on Mar. 1, 2014 and figures before unit split are adjusted considering the unit split.

2. Distributions per unit are based on our constructed financial performance model excluding short-term impacts of NPR's various past activities and extraordinary items.

3. NAV per unit is calculated as [net assets – surplus + appraisal based unrealized gain] / total number of investment units issued and outstanding].



## Section II – Financial Results for the Fiscal Period Ended Nov. 2016

# Financial Results for the Fiscal Period Ended Nov. 2016

- Maintained high occupancy
  - Average occupancy rate: 97.3%
  - Period end occupancy rate: 97.2%
- Revenue and income increased as new properties acquired in Mar. 2016 started to fully contribute
- Unrealized gain on properties of JPY 82.6 bn arising from increased appraisal value

	8th Fiscal Period (Ended Nov. 30, 2016)			7th Fiscal Period (Ended May 31, 2016)
	Forecast (as of Jul. 14, 2016) (A)	Actual Results (B)	(B) – (A)	Actual Results
<b>Operating Highlights (JPY, millions)</b>				
Operating Revenues	15,705	<b>15,639</b>	(65)	14,866
Operating Income	7,672	<b>7,712</b>	+39	7,288
Ordinary Income	6,708	<b>6,780</b>	+72	6,235
Net Income	6,707	<b>6,780</b>	+72	6,255
<b>Distributions Per Unit (JPY)</b>				
Distributions Per Unit (total) <sup>(1)</sup>	4,156	<b>4,195</b>	+39	4,006
Distributions Per Unit (excl. SCD)	3,642	<b>3,681</b>	+39	3,396
Surplus Cash Distributions (SCD)	514	<b>514</b>	±0	610
<b>Other Statistics (JPY, millions)</b>				
NOI	12,473	<b>12,516</b>	+43	11,806
LTV (book basis)	38.5%	<b>38.4%</b>	(0.1%)	38.5%
Total Assets	458,849	<b>459,990</b>	+1,141	459,519
Interest-Bearing Debt	176,800	<b>176,800</b>	±0	176,800
CAPEX	640	<b>615</b>	(25)	507
AFFO <sup>(2)</sup>	9,531	<b>9,627</b>	+96	9,013
AFFO Payout Ratio <sup>(3)</sup>	80.3%	<b>80.3%</b>	(0.0%)	81.9%

1. Distributions per unit before unit split are divided by five and rounded down to the nearest yen.

2. AFFO is calculated by deducting capital expenditures from FFO, and adding back financing-related non-cash expenses. FFO is calculated by adding back non-cash expenses to net income.

3. AFFO payout ratio is calculated based on the distribution per unit including Surplus Cash Distributions.



## Section II – Forecasts for the Fiscal Periods Ending May 2017 and Nov. 2017

# Forecasts for the Fiscal Periods Ending May 2017 and Nov. 2017

- Based on operational assumption of 36 properties
- Expected average occupancy rates:  
9th fiscal period: 97.8%  
10th fiscal period: 97.8%
- Revenue and income increasing as new properties acquired in Dec. 2016 start to fully contribute
- Property tax capitalization effect in 9th FP

	8th Fiscal Period (Ended Nov. 30, 2016) (A)	9th Fiscal Period (Ending May 31, 2017)				10th Fiscal Period (Ending Nov. 30, 2017)
		Forecast (as of Jun. 14, 2016)	Forecast (as of Dec. 5, 2016)	Forecast (B)	(B) – (A)	Forecast
Operating Highlights (JPY, millions)						
Operating Revenues	15,639	15,623	16,563	16,563	+924	16,692
Operating Income	7,712	7,593	7,984	7,981	+269	7,927
Ordinary Income	6,780	6,634	6,886	6,886	+105	6,907
Net Income	6,780	6,633	6,885	6,885	+104	6,906
Distributions Per Unit (JPY)						
Distributions Per Unit (total)	4,195	4,117	4,150	4,150	(45)	4,165
Distributions Per Unit (excl. SCD)	3,681	3,601	3,612	3,612	(69)	3,623
Surplus Cash Distributions (SCD)	514	516	538	538	+24	542
Other Statistics (JPY, millions)						
NOI	12,516	12,391	13,117	13,117	+601	13,077
LTV (book basis)	38.4%	38.6%	39.1%	39.0%	+0.6%	39.1%
Total Assets	459,990	457,828	486,194	487,164	+21,173	486,160
Interest-Bearing Debt	176,800	176,800	190,300	190,200	+13,400	190,200
CAPEX	615	576	626	626	+10	641
AFFO <sup>(1)</sup>	9,627	9,534	10,005	10,007	+380	10,039
AFFO Payout Ratio <sup>(2)</sup>	80.3%	79.5%	79.1%	79.1%	(1.2%)	79.1%

1. AFFO is calculated by deducting capital expenditures from FFO, and adding back financing-related non-cash expenses.

FFO is calculated by adding back non-cash expenses to net income.

2. AFFO payout ratio is calculated based on the distribution per unit including Surplus Cash Distributions.



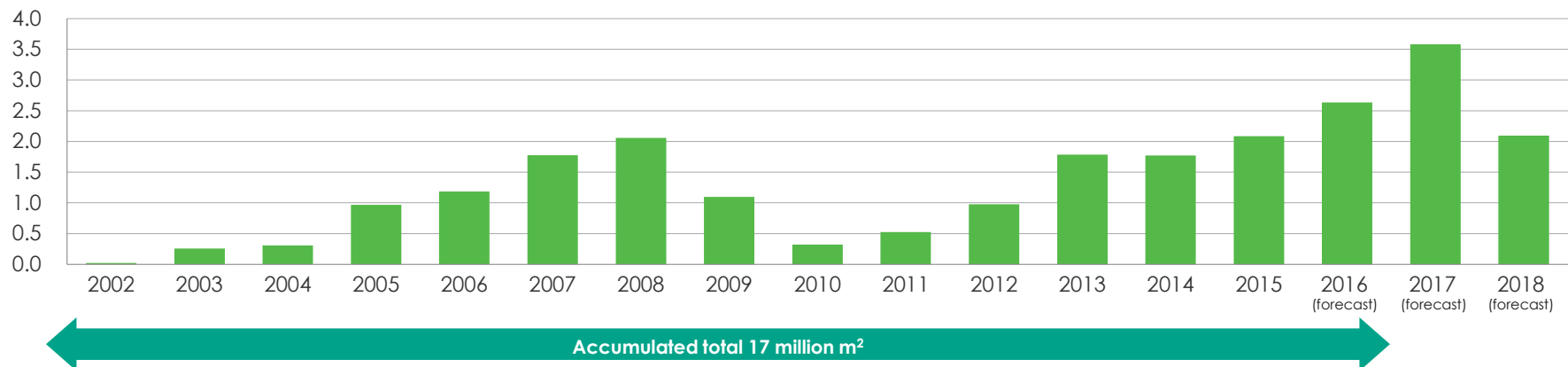
## Section IV – Japan Logistics Real Estate Market

# Stock of High-Quality Logistics Facilities Remains Scarce



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

(MM sqm)

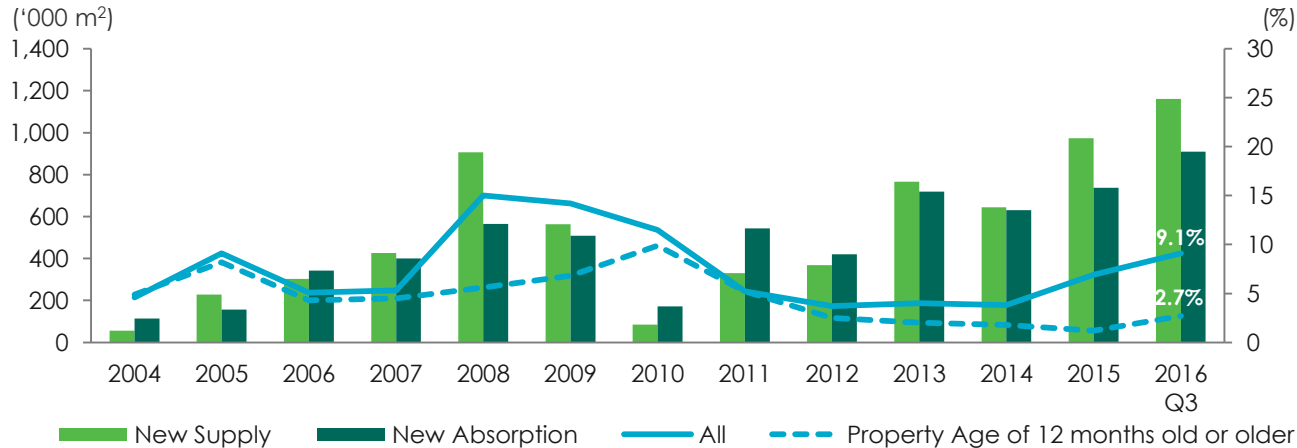


Source: CBRE

1. Based on a survey conducted by CBRE at our and the Asset Manager's request. In calculating the proportion of advanced logistics facilities, the estimated total gross floor area is based on data as of Mar. 31, 2016 and the gross floor area for advanced logistic facilities is based on data as of Sep. 30, 2016.
2. 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 5,000 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 5,000 tsubo or more.

# Vacancy Rates Remain below Average

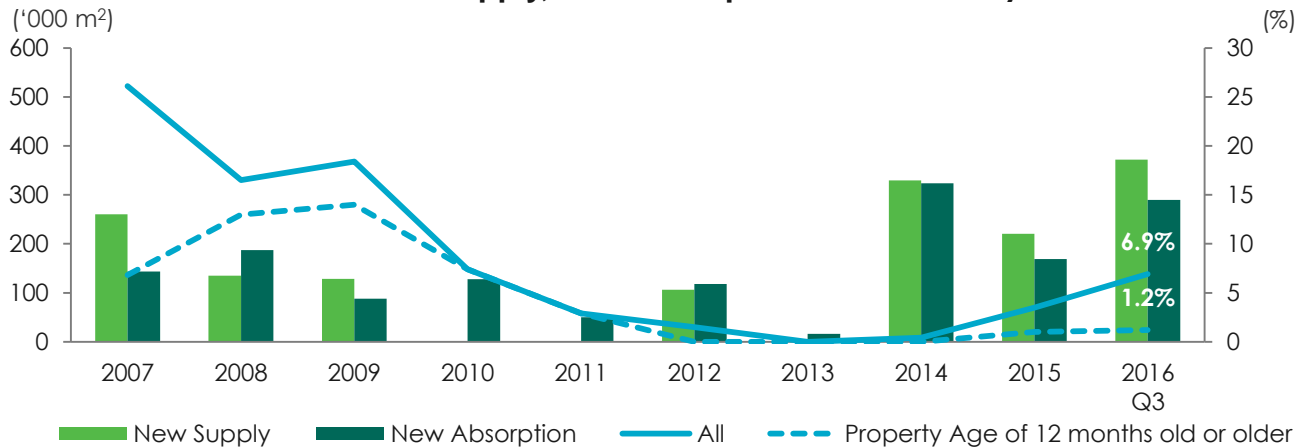
**Greater Tokyo Area: New Supply, New Absorption and Vacancy Rates<sup>(1)</sup>**



## Greater Tokyo Area

- More than 70% of new supply in 2016 has been leased

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



## Greater Osaka Area

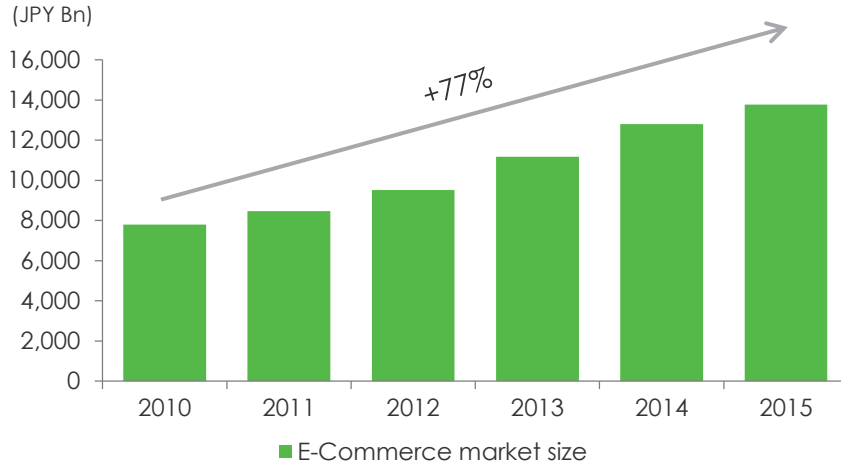
- Approximately 50% of new supply in 2016 has been leased

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.

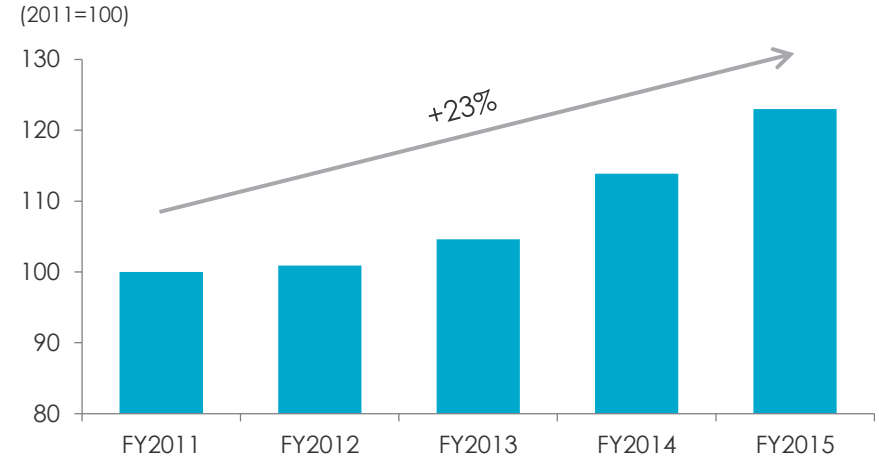
# Increasing Demand for High-Quality Logistics Facilities

## Growing E-Commerce Market



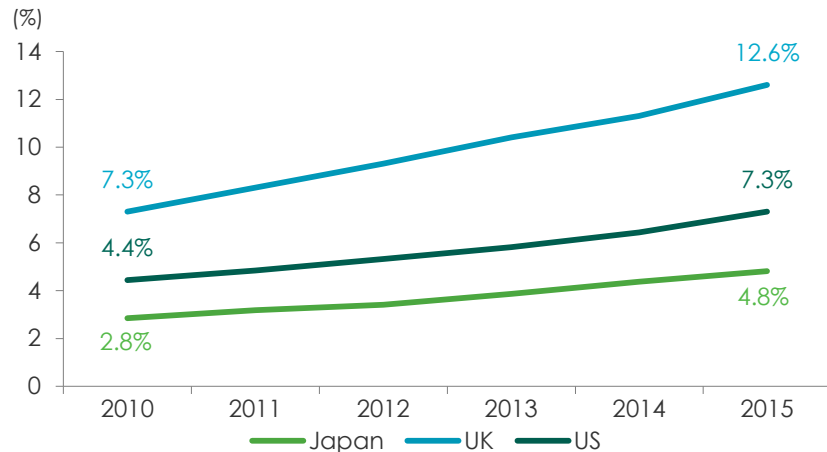
Source: METI

## 3PL Business Industrial Revenue Growth



Source: CBRE

## E-Commerce Penetration Remains Low in Japan



Source: U.S. Census Bureau, Office for National Statistics, 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 V – Strategies and Future Growth

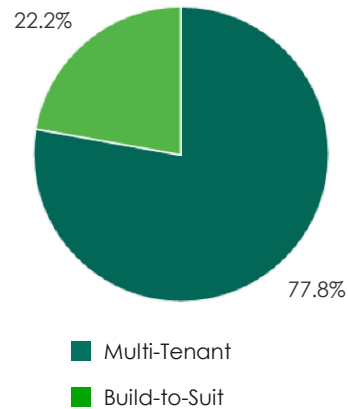
# NPR's Investment Highlights

- Focus on high-quality Class-A logistics facilities
- Strong sponsor support from the Prologis Group
- Earnings stability from a diversified portfolio of Class-A facilities
- Financial strategy focused on long-term stability and efficiency
- Governance structure promotes growth in unit holder value

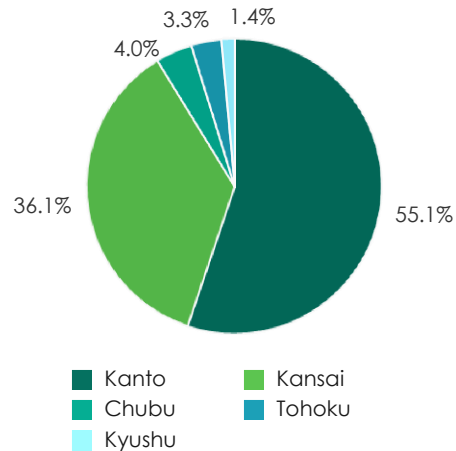


# Best-in-Class Portfolio Focused Strategy

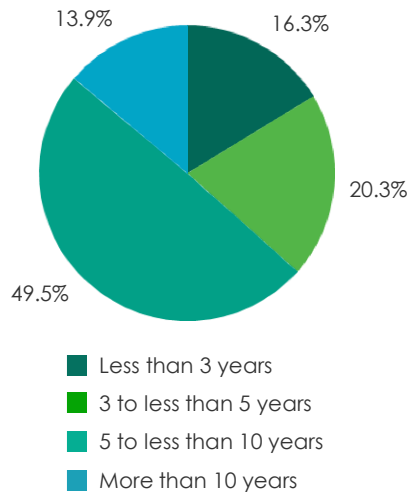
## Property Type



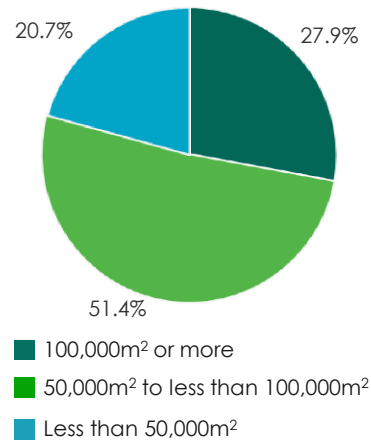
## Area



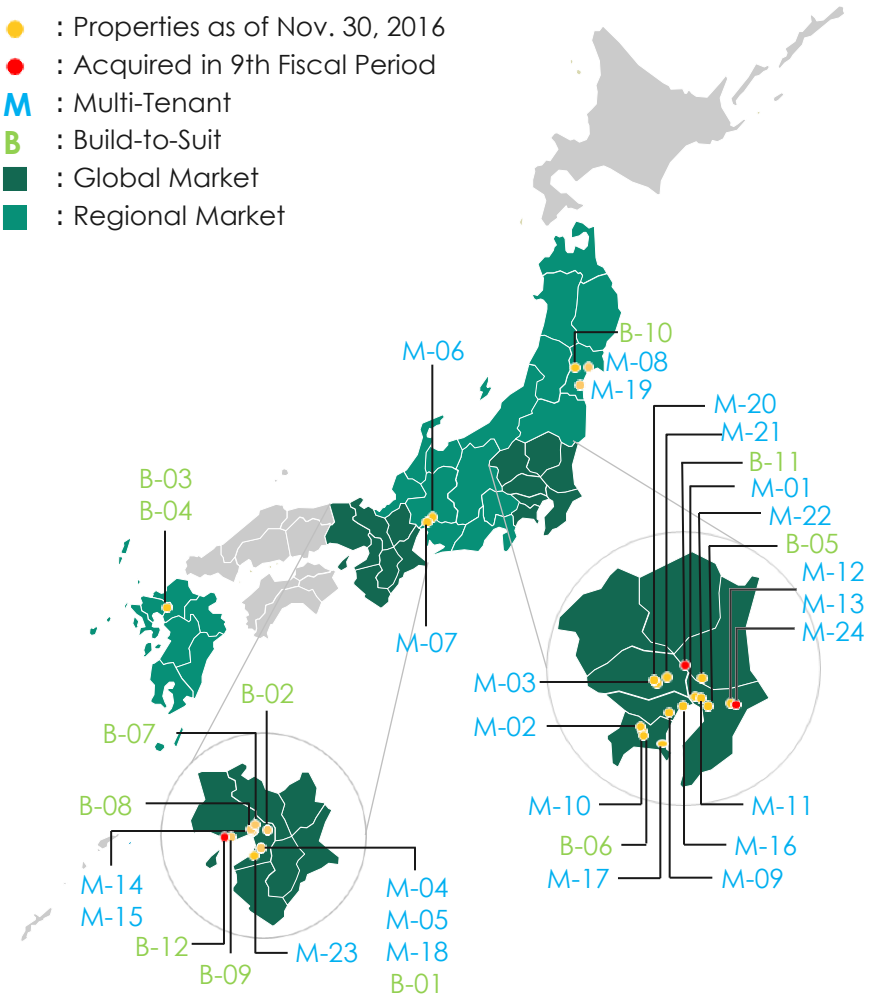
## Property Age



## Leasable Area



- : Properties as of Nov. 30, 2016
- : Acquired in 9th Fiscal Period
- M : Multi-Tenant
- B : Build-to-Suit
- : Global Market
- : Regional Market



# Strong Sponsor Pipeline Fuels External Growth

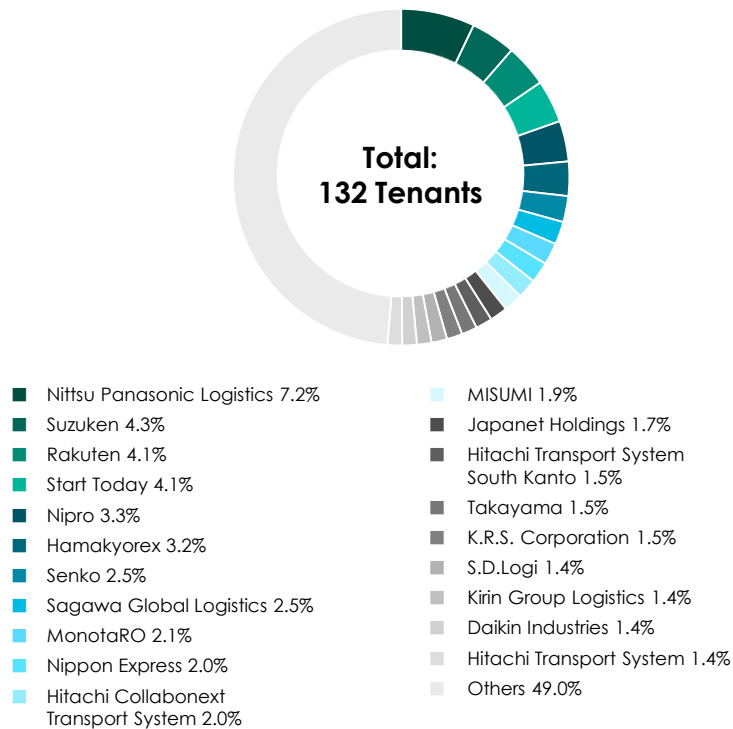
	Status	Region / Area	Property Name	(Expected) Completion Date	Property Type	GFA (sqm)
Exclusive Negotiation Rights granted by the Prologis Group	Completed	Kanto	Prologis Park Narita 1-D	Jan. 2015	Multi-Tenant	28,192
			Prologis Park Yoshimi	Dec. 2015	Multi-Tenant	102,593
			Prologis Park Narashino 5	Mar. 2016	Multi-Tenant	58,960
			Prologis Park Chiba New Town	May 2016	Multi-Tenant	109,981
		Kansai	Prologis Park Ibaraki	Sep. 2016	Multi-Tenant	160,721
	Under Development	Kanto	Prologis Park Ichikawa 3	Dec. 2017	Multi-Tenant	64,406
			Prologis Park Higashimatsuyama	Feb. 2018	Multi-Tenant	71,347
			Prologis Park Koga 2	Apr. 2017	Build-to-Suit	21,914
Planned Assets	Future Development	Kanto	Prologis Park Ebina 2	TBD	TBD	38,000
			Prologis Park Koga 3	TBD	TBD	36,000
			Prologis Park Tsukuba *	TBD	TBD	38,000
		Kansai	Prologis Park Kyotanabe	TBD	TBD	156,000
			Prologis Park Kobe 3 *	TBD	TBD	38,700
			Prologis Park Kobe 4 *	TBD	TBD	26,000
* New Assets Added to Pipeline					Total	950,814

1. As of Jan. 17, 2017. We have no definite contracts to acquire the above properties. This property list should not be deemed a commitment or guarantee of our future acquisitions. The sale of the properties by the Prologis Group is subject to its internal approval.

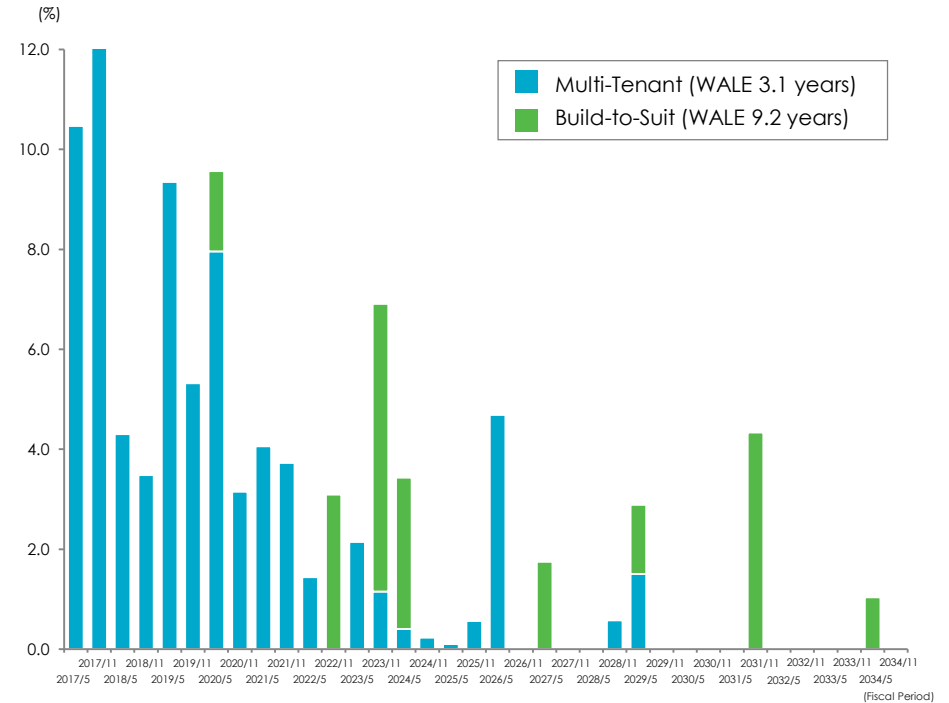
# Earnings Stability from Diversified Portfolio

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

Based on size of leased area



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



**Number of Tenants** 132 tenants

**Top 20 Tenants Leased Area (%)<sup>(3)</sup>** 51.0%

**WALE<sup>(4)</sup>** 4.5 years

**Fixed Term Lease** 100.0%

1. Properties acquired as of the end of the fiscal period ended Nov. 2016 are calculated based on lease agreements commenced as of Nov. 30, 2016.

3 new properties acquired in Dec. 7, 2016 are calculated based on lease agreements contracted as of Nov. 30, 2016.

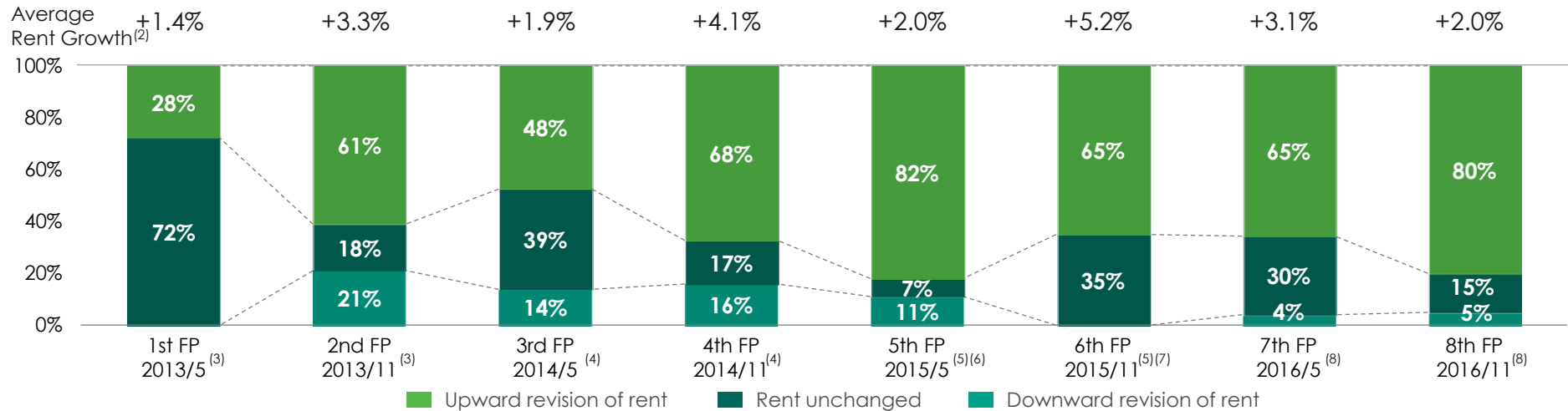
2. Includes short-term lease agreements and office space. Excludes lease agreements to which the Act on Land and Building Leases is not applicable.

3. Calculated based on the contracted floor area.

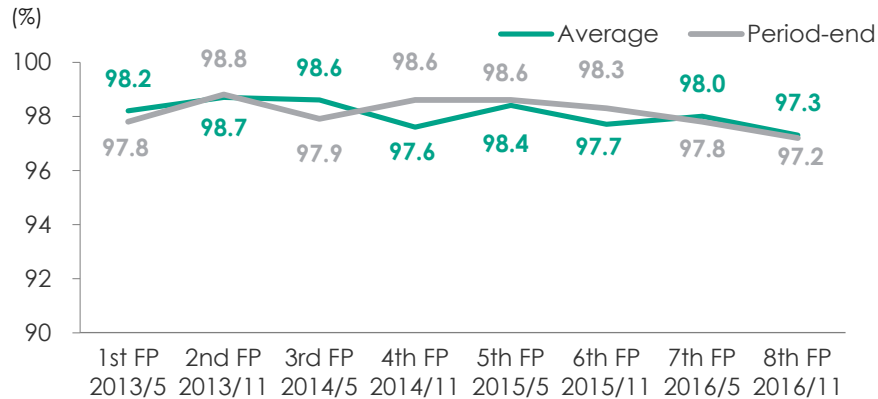
4. WALE stands for Weighted Average Lease Expiry. Calculated based on anticipated annual rent.

# Active Lease Renewal Strategy Achieves Rent Growth

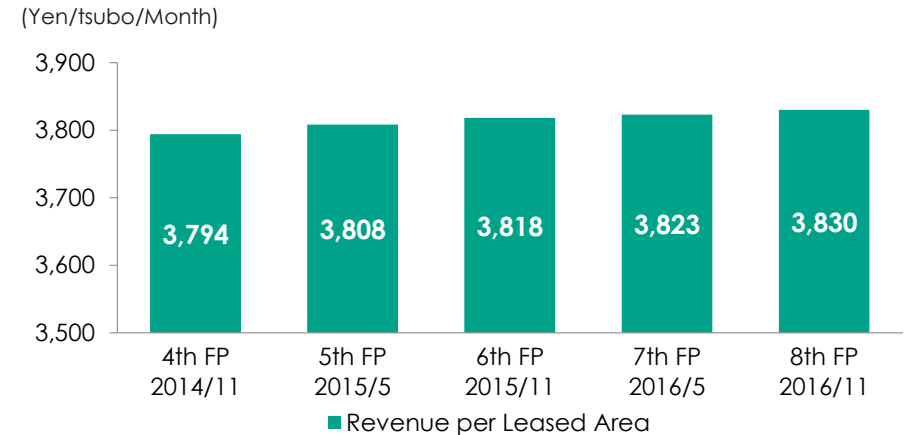
## Historical Rent Revision<sup>(1)</sup>



## Historical Occupancy Rate



## Historical Rent per tsubo<sup>(9)</sup>



1. The results of our leasing activities above do not include office 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. As of Dec. 31, 2013.
4. As of Dec. 31, 2014.
5. As of Dec. 31, 2015.
6. Includes the upward revision rent space of approximately 6,900m<sup>2</sup> which the contract has not yet expired.

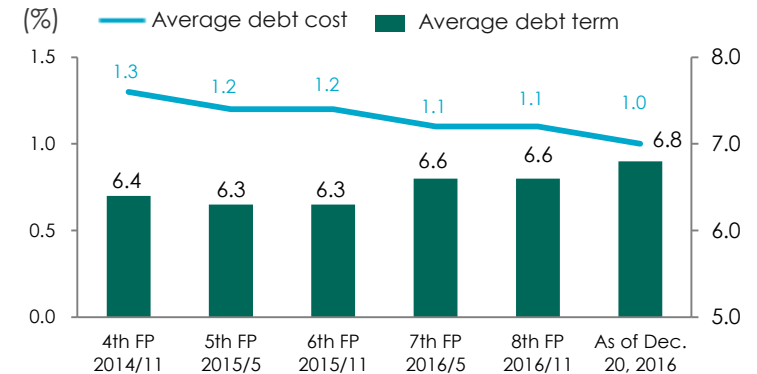
7. Includes the upward revision rent space of approximately 2,300 m<sup>2</sup> which the contract has not yet expired.
8. As of Dec. 31, 2016.
9. Rent per tsubo is calculated by dividing total rental revenue by total leased area in each fiscal period using the monthly data of the 29 properties we owned at the end of the 4th Fiscal Period. The data for the 4th Fiscal Period is calculated assuming that the 5 properties acquired during the 4th Fiscal Period had been owned since the beginning of the period.

# Financial Structure Positioned for Long-Term Stability and Efficiency

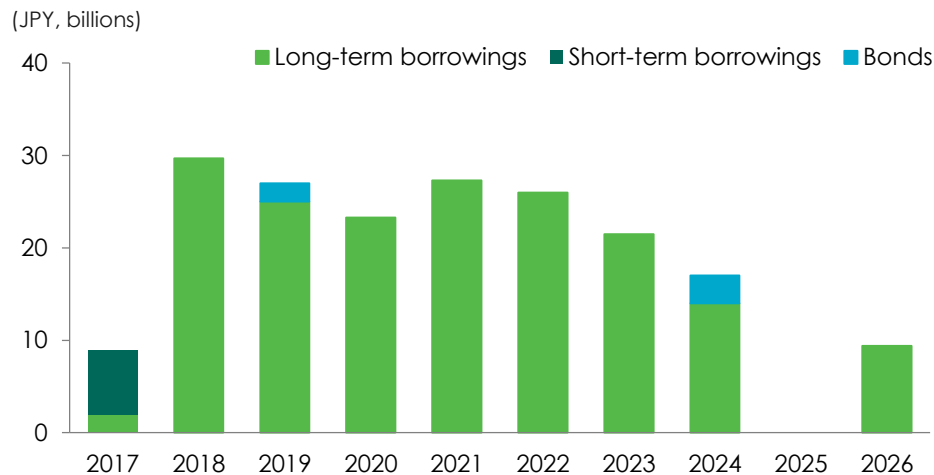
## Financial Highlights

Credit Rating	LTV <sup>(4)</sup>	Borrowing Capacity <sup>(5)</sup>
JCR: AA (Stable)	39.0%	Approx. JPY 100 bn
Long-Term Debt Ratio	Fixed Interest Rate Ratio	Average Remaining Debt Duration <sup>(3)</sup>
96.3%	95.8%	4.2 years

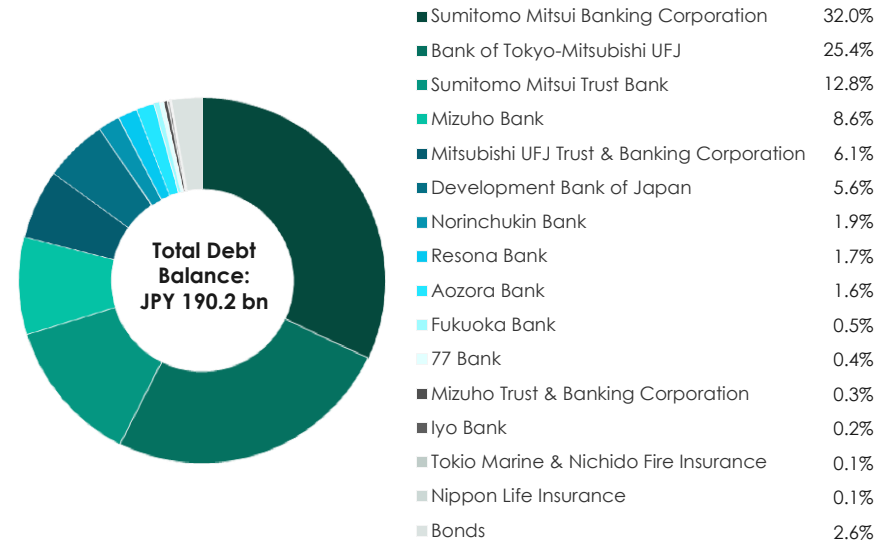
## Average Cost of Debt and Average Debt Term



## Debt Maturity Schedule



## Our Debt Providers



1. As of Dec. 20, 2016.

2. Includes financing-related costs paid to the financial institutions.

3. Average remaining debt term is calculated with the weighted average based on remaining debt (including bonds) balances.

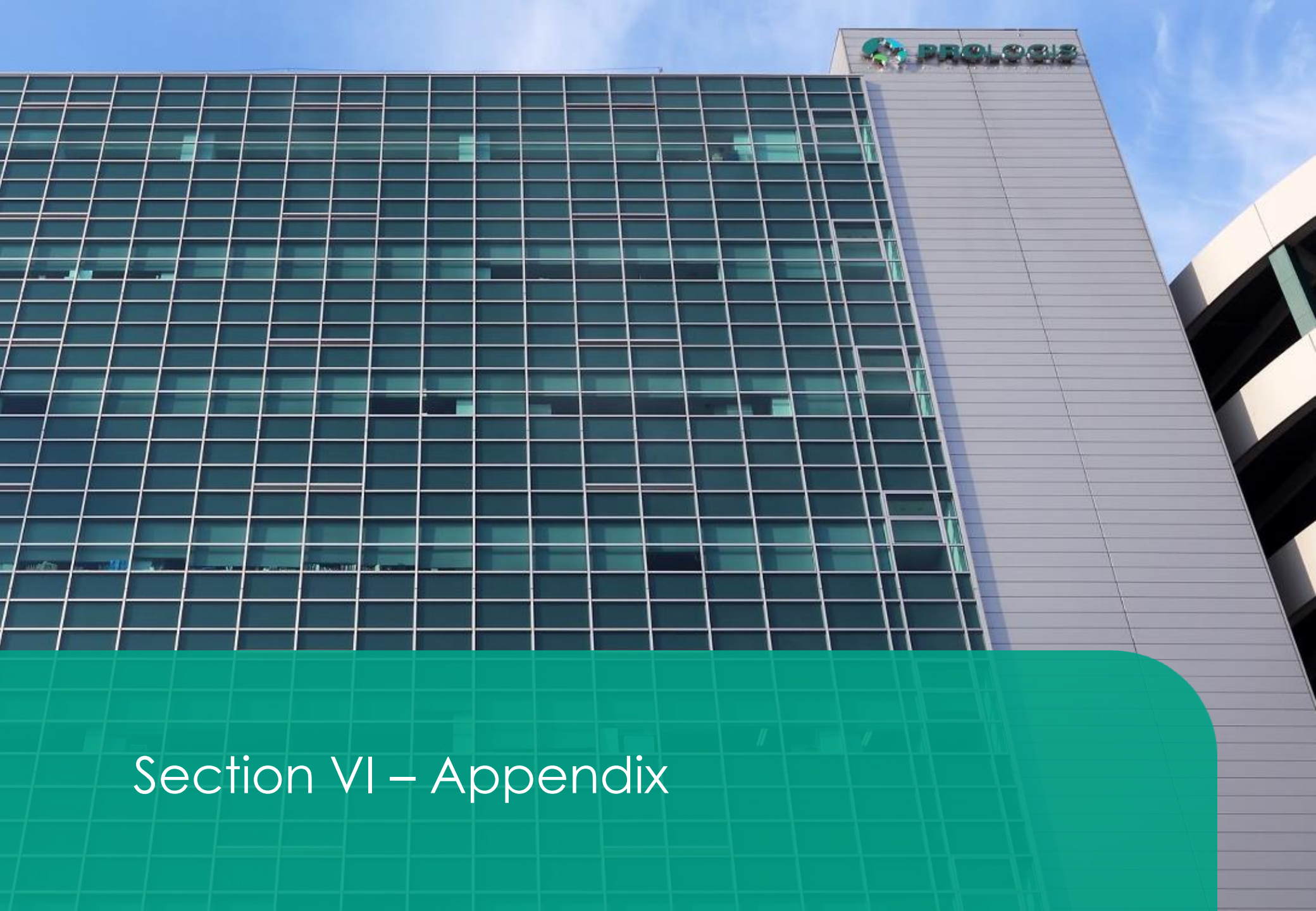
4. The balance of interest bearing debt divided by total assets. Forecasted as of Jan. 17, 2017.

5. Assuming that we leverage up to 50% of the balance sheet.

# Key Takeaways

- Committed to DPU and NAV growth through accretive acquisitions, rent growth and financial discipline
- Positioned for long-term growth with strong balance sheet
- Continued momentum in demand, especially from the e-commerce and 3PL industry, absorbing the new supply at a consistent pace
- Remain vigilant as to market conditions and upcoming supply





## Section VI – Appendix

# 8th Fiscal Period (Ended Nov. 30, 2016) – Balance Sheet

Assets (JPY, thousands)	7th Fiscal Period	8th Fiscal Period
<b>Current assets</b>		
Cash and deposits	17,394,480	22,486,471
Cash and deposits in trust	3,302,017	3,606,415
Operating accounts receivable	387,375	469,750
Prepaid expenses	311,309	282,017
Deferred tax assets	10	11
Consumption taxes receivables	2,127,110	-
Other current assets	116	28
Total current assets	23,522,421	26,844,695
<b>Fixed assets</b>		
Property and equipment		
Buildings, net	6,949,687	6,859,227
Structures, net	187,837	178,552
Tools, furniture and fixtures, net	3,752	3,499
Land	3,834,204	3,834,204
Buildings in trust, net	238,489,524	236,023,112
Structures in trust, net	4,388,976	4,255,622
Machinery and equipment in trust, net	10,342	10,010
Tools, furniture and fixtures in trust, net	357,591	346,605
Other tangible assets in trust, net	8	4
Land in trust	180,810,277	180,810,277
Construction in progress in trust	5,071	9,416
Total property and equipment	435,037,275	432,330,534
Intangible assets		
Other intangible assets	3,718	3,913
Total intangible assets	3,718	3,913
Investments and other assets		
Long-term prepaid expenses	900,333	766,310
Security deposit	10,000	10,000
Other	400	400
Total investments and other assets	910,733	776,710
Total fixed assets	435,951,727	433,111,157
<b>Deferred assets</b>		
Organization expenses	23,077	14,932
Investment corporation bond issuance costs	21,834	19,961
Total deferred assets	44,911	34,893
<b>Total assets</b>	<b>459,519,060</b>	<b>459,990,746</b>

Liabilities (JPY, thousands)	7th Fiscal Period	8th Fiscal Period
<b>Current liabilities</b>		
Operating accounts payable	856,555	1,207,293
Short-term loans payable	7,000,000	7,000,000
Current portion of long-term loans payable	-	2,000,000
Accounts payable	431,428	367,598
Accrued expenses	1,426,504	1,521,492
Accrued consumption taxes	-	930,723
Income taxes payable	499	829
Advances received	2,609,893	2,670,668
Other current liabilities	505,030	260,708
Total current liabilities	12,829,913	15,959,314
<b>Non-current liabilities</b>		
Investment corporation bonds payable	5,000,000	5,000,000
Long-term loans payable	164,800,000	162,800,000
Tenant leasehold and security deposits	247,773	247,773
Tenant leasehold and security deposits in trust	11,403,825	11,341,892
Other non-current liabilities	1,066	4,012
Total non-current liabilities	181,452,665	179,393,678
<b>Total liabilities</b>	<b>194,282,579</b>	<b>195,352,992</b>
<b>Net assets (JPY, thousands)</b>		
<b>Unit holders' equity</b>		
Unit holders' capital		
Unit holders' capital, gross	263,424,563	263,424,563
Deduction of unit holders' capital	(4,444,780)	(5,568,369)
Unit holders' capital	258,979,782	257,856,193
Surplus		
Unappropriated retained earnings (undisposed loss)	6,256,697	6,781,561
Total surplus	6,256,697	6,781,561
Total unit holders' equity	265,236,480	264,637,754
Total net assets	265,236,480	264,637,754
<b>Total liabilities and net assets</b>	<b>459,519,060</b>	<b>459,990,746</b>

# 8th Fiscal Period (Ended Nov. 30, 2016) – Statement of Income

JPY, thousands	7th Fiscal Period	8th Fiscal Period
Operating revenues		
Operating rental revenues	13,849,474	14,452,576
Other rental revenues	1,017,058	1,187,237
Total operating revenues	14,866,532	15,639,813
Operating expenses		
Expenses related to property rental business	6,189,427	6,449,921
Asset management fee	1,284,792	1,371,547
Asset custody fee	37,091	39,074
Directors' compensation	4,800	4,800
Audit fee	15,000	15,000
Other operating expenses	46,633	46,849
Total operating expenses	7,577,744	7,927,193
<b>Operating income</b>	<b>7,288,788</b>	<b>7,712,620</b>
Non-operating income		
Interest income	2,101	93
Reversal of distribution payable	-	2,288
Interest on refund of consumption tax	-	4,775
Refund of real estate taxes	-	7,153
Gain on donation of fixed assets	7,013	-
Others	-	739
Total non-operating income	9,115	15,050
Non-operating expenses		
Interest expenses	783,235	776,859
Interest expenses on investment corporation bonds	17,424	17,235
Amortization of deferred organization expenses	8,145	8,145
Amortization of investment corporation bond issuance costs	1,910	1,912
Borrowing related expenses	147,622	142,531
Investment unit issuance expenses	27,098	-
Offering costs associated with the issuance of investments unit	77,129	-
Others	81	18
Total non-operating expenses	1,062,647	946,703
<b>Ordinary income</b>	<b>6,235,256</b>	<b>6,780,967</b>
Extraordinary income		
Subsidy income	20,720	-
Total extraordinary income	20,720	-
<b>Income before income taxes</b>	<b>6,255,976</b>	<b>6,780,967</b>
Incomes taxes – current	821	843
Incomes taxes – deferred	13	(1)
Total income taxes	835	842
<b>Profit</b>	<b>6,255,141</b>	<b>6,780,125</b>
<b>Retained earnings brought forward</b>	<b>1,556</b>	<b>1,435</b>
<b>Unappropriated retained earnings (undisposed loss)</b>	<b>6,256,697</b>	<b>6,781,561</b>

# Focus on High-Quality Class-A Logistics Facilities

Portfolio Size (acquisition price)

JPY 477.8 bn

Average NOI Yield





































5.4%<sup>(3)</sup> / 5.5%<sup>(4)</sup>

Average Age

6.7 years

Portfolio PML

1.2%<sup>(5)</sup>

IPO Properties			Acquired in 1st FO	Acquired in 2nd FO	Acquired in 3rd FO	Acquired in 4th FO	Acquired in 5th FO
 <b>M-01</b> Prologis Park Ichikawa 1 JPY 33,900 mm	 <b>M-02</b> Prologis Park Zama 1 JPY 27,900 mm	 <b>M-03</b> Prologis Park Kawajima JPY 25,600 mm	 <b>M-09</b> Prologis Park Tokyo-Ohta JPY 29,500 mm	 <b>M-16</b> Prologis Park Tokyo-Shinkiba JPY 13,600 mm	 <b>M-20</b> Prologis Park Kawajima 2 JPY 8,180 mm	 <b>M-21</b> Prologis Park Kitamoto JPY 12,600mm	 <b>M-24</b> Prologis Park Narita3 JPY 9,240mm
 <b>M-04</b> Prologis Park Osaka 2 JPY 25,000 mm	 <b>M-05</b> Prologis Park Maishima 3 JPY 13,500 mm	 <b>M-06</b> Prologis Park Kasugai JPY 12,500 mm	 <b>M-10</b> Prologis Park Zama 2 JPY 21,900 mm	 <b>M-17</b> Prologis Park Yokohama-Tsurumi JPY 13,800 mm	 <b>B-06</b> Prologis Park Ebina JPY 8,250 mm	 <b>M-22</b> Prologis Park Josoe JPY 7,120mm	 <b>B-11</b> Prologis Park Koga1 JPY 7,680mm
 <b>M-07</b> Prologis Park Kitanagoya JPY 6,500 mm	 <b>M-08</b> Prologis Park Tagajo JPY 5,370 mm	 <b>M-11</b> Prologis Park Funabashi 5 JPY 11,000 mm	 <b>M-12</b> Prologis Park Narita 1-A&B JPY 8,420 mm	 <b>M-18</b> Prologis Park Osaka 4 JPY 21,000 mm	 <b>B-07</b> Prologis Park Kawanishi JPY 13,600 mm	 <b>M-23</b> Prologis Park Osaka 5 JPY 17,600mm	 <b>B-12</b> Prologis Park Kobe2 JPY 13,700mm
 <b>B-01</b> Prologis Park Maishima 4 JPY 11,500 mm	 <b>B-02</b> Prologis Park Takatsuki JPY 4,410 mm	 <b>M-13</b> Prologis Park Narita 1-C JPY 4,810 mm	 <b>M-14</b> Prologis Park Amagasaki 1 JPY 17,600 mm	 <b>M-19</b> Prologis Park Iwanuma 1 JPY 5,670 mm	 <b>B-08</b> Prologis Park Amagasaki 3 JPY 9,090 mm	 <b>B-10</b> Prologis Park Sendai Izumi JPY 4,820mm	
 <b>B-03</b> Prologis Park Tosu 2 JPY 3,030 mm	 <b>B-04</b> Prologis Park Tosu 4 JPY 3,810 mm	 <b>M-15</b> Prologis Park Amagasaki 2 JPY 19,200 mm	 <b>B-05</b> Prologis Park Narashino 4 JPY 20,000 mm	 <b>B-09</b> Prologis Park Kobe JPY 6,410 mm			

1. As of Dec. 7, 2016.

2. Values associated with properties are the original acquisition prices.

3. Appraisal NOI divided by total acquisition price (weighted average).

4. Adjusted forecasted NOI for 10th FP divided by total acquisition price (weighted average).

5. As of Oct. 28, 2016.

## NPR Portfolio and Pipeline Properties — Tokyo Metropolitan Area



# NPR Portfolio and Pipeline Properties — Osaka Area



# Portfolio Details

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
M-01	Prologis Park Ichikawa 1	Ichikawa, Chiba	33,900	41,000	125,014	7.1%	8.1	5.3%	5.0%	93.0%	0.6%	Kajima Corporation
M-02	Prologis Park Zama 1	Zama, Kanagawa	27,900	31,900	113,471	5.8%	7.6	5.3%	5.5%	95.0%	0.8%	Fujita Corporation
M-03	Prologis Park Kawajima	Hiki, Saitama	25,600	31,700	144,897	5.4%	5.5	6.0%	6.1%	100.0%	7.5%	Shimizu Corporation
M-04	Prologis Park Osaka 2	Osaka, Osaka	25,000	29,800	130,553	5.2%	9.6	5.7%	5.4%	86.4%	0.8%	Shimizu Corporation
M-05	Prologis Park Maishima 3	Osaka, Osaka	13,500	15,200	74,874	2.8%	8.8	5.6%	5.2%	98.0%	8.9%	Shimizu Corporation
M-06	Prologis Park Kasugai	Kasugai, Aichi	12,500	16,100	91,779	2.6%	8.9	6.8%	6.8%	97.8%	3.9%	Obayashi Corporation
M-07	Prologis Park Kitanaigoya	Kitanaigoya, Aichi	6,500	7,960	42,751	1.4%	7.5	6.2%	5.0%	88.0%	7.7%	Nippon Steel Engineering
M-08	Prologis Park Tagajo	Tagajo, Miyagi	5,370	5,710	39,098	1.1%	7.7	5.9%	4.6%	77.7%	1.6%	The Zenitaka Corporation
B-01	Prologis Park Maishima 4	Osaka, Osaka	11,500	13,400	57,234	2.4%	6.3	5.6%	5.5%	100.0%	3.2%	Shimizu Corporation
B-02	Prologis Park Takatsuki	Takatsuki, Osaka	4,410	5,050	19,898	0.9%	4.9	5.7%	5.9%	100.0%	5.3%	Fujita Corporation
B-03	Prologis Park Tosu 2	Tosu, Saga	3,030	3,530	21,778	0.6%	4.4	6.0%	6.1%	100.0%	0.5%	Fujita Corporation
B-04	Prologis Park Tosu 4	Tosu, Saga	3,810	4,370	28,765	0.8%	4.9	6.1%	5.7%	100.0%	0.6%	Obayashi Corporation
Sub-total / Average			173,020	205,720	-	36.2%	7.6	-	-	-	-	-
M-09	Prologis Park Tokyo-Ohta	Ota, Tokyo	29,500	34,900	73,325	6.2%	11.2	4.9%	5.0%	99.7%	3.6%	Taisei Corporation
M-10	Prologis Park Zama 2	Zama, Kanagawa	21,900	26,400	95,121	4.6%	4.4	5.7%	5.8%	100.0%	0.8%	Fujita Corporation
M-11	Prologis Park Funabashi 5	Funabashi, Chiba	11,000	13,300	56,556	2.3%	12.0	5.6%	5.8%	100.0%	4.3%	Konoike Construction
	Annex										4.0%	Mitsui Construction
M-12	Prologis Park Narita 1-A&B	Narita, Chiba	8,420	9,640	62,058	1.8%	11.8	6.2%	6.5%	93.3%	3.9%	Shimizu Corporation
M-13	Prologis Park Narita 1-C	Narita, Chiba	4,810	5,540	32,230	1.0%	9.6	6.2%	6.7%	100.0%	3.9%	The Zenitaka Corporation
M-14	Prologis Park Amagasaki 1	Amagasaki, Hyogo	17,600	20,200	91,446	3.7%	11.3	5.5%	5.2%	100.0%	4.6%	Taisei Corporation
M-15	Prologis Park Amagasaki 2	Amagasaki, Hyogo	19,200	21,400	91,399	4.0%	9.7	5.3%	5.5%	99.4%	4.4%	Taisei Corporation
B-05	Prologis Park Narashino 4	Narashino, Chiba	20,000	23,000	91,529	4.2%	3.4	5.2%	5.4%	100.0%	1.1%	Shimizu Corporation
Sub-total / Average			132,430	154,380	-	27.7%	8.7	-	-	-	-	-
M-16	Prologis Park Tokyo-Shinkiba	Koto, Tokyo	13,600	15,600	31,022	2.8%	9.5	4.7%	5.4%	99.0%	5.9%	Obayashi Corporation
M-17	Prologis Park Yokohama-Tsurumi	Yokohama, Kanagawa	13,800	16,000	63,973	2.9%	8.6	5.3%	5.4%	99.4%	1.1%	Toa Corporation
M-18	Prologis Park Osaka 4	Osaka, Osaka	21,000	23,500	106,135	4.4%	4.6	5.3%	5.6%	95.1%	2.7%	Maeda Corporation
M-19	Prologis Park Iwanuma 1	Iwanuma, Miyagi	5,670	6,490	40,520	1.2%	8.2	6.5%	6.4%	100.0%	3.2%	Nishimatsu Construction
Sub-total / Average			54,070	61,590	-	11.3%	7.2	-	-	-	-	-
M-20	Prologis Park Kawajima 2	Hiki, Saitama	8,180	8,970	42,005	1.7%	2.8	5.4%	5.9%	100.0%	9.0%	Nishimatsu Construction
B-06	Prologis Park Ebina	Ebina, Kanagawa	8,250	9,140	32,500	1.7%	6.7	5.2%	5.3%	100.0%	6.0%	Fujita Corporation
B-07	Prologis Park Kawanishi	Kawanishi, Hyogo	13,600	14,500	75,493	2.8%	3.0	5.0%	6.0%	100.0%	3.7%	Shimizu Corporation
B-08	Prologis Park Amagasaki 3	Amagasaki, Hyogo	9,090	9,910	39,527	1.9%	3.2	5.1%	5.1%	100.0%	4.4%	Nishimatsu Construction
B-09	Prologis Park Kobe	Kobe, Hyogo	6,410	7,050	32,511	1.3%	3.0	5.6%	5.8%	100.0%	0.4%	Taisei Corporation
Sub-total / Average			45,530	49,570	-	9.5%	3.7	-	-	-	-	-
M-21	Prologis Park Kitamoto	Kitamoto, Saitama	12,600	13,300	69,432	2.6%	2.7	5.2%	5.6%	100.0%	3.6%	Taisei Corporation
M-22	Prologis Park Joso	Joso, Ibaraki	7,120	7,250	37,165	1.5%	2.1	5.1%	5.4%	100.0%	4.5%	Nishimatsu Construction
M-23	Prologis Park Osaka 5	Osaka, Osaka	17,600	18,100	78,087	3.7%	1.9	5.0%	5.0%	100.0%	3.5%	Fujita Corporation
B-10	Prologis Park Sendai Izumi	Sendai, Miyagi	4,820	5,060	26,353	1.0%	1.2	5.9%	5.9%	100.0%	1.4%	Nishimatsu Construction
Sub-total / Average			42,140	43,710	-	8.8%	2.1	-	-	-	-	-
Overall Total / Average (33 properties)			447,190	514,970	-	93.6%	7.0	5.5%	5.5%	97.2%	-	-
M-24	Prologis Park Narita 3	Narita, Chiba	9,240	9,240	52,982	1.9%	8.4	5.3%	-	-	0.3%	Takenaka Corporation
B-11	Prologis Park Koga 1	Koga, Ibaraki	7,680	7,680 <sup>(4)</sup>	34,158	1.6%	0.0	5.0% <sup>(4)</sup>	-	-	0.3%	Fujita Corporation
B-12	Prologis Park Kobe 2	Kobe, Hyogo	13,700	13,700 <sup>(4)</sup>	62,468	2.9%	0.0	5.1% <sup>(4)</sup>	-	-	0.3%	Fujita Corporation
Sub-total / Average			30,620	30,620	-	6.4%	2.5	-	-	-	-	-
Overall Total / Average (36 properties)			477,810	545,590	2,308,122	100.0%	-	5.4%	-	-	1.2% <sup>(5)</sup>	-

1. As of Nov. 30, 2016 except that M-24, B-11 and B-12 are as of Sep. 30, 2016.

2. Appraisal NOI yield is calculated based on the stabilized net operating income assumed by the appraiser for the relevant properties. Average NOI yield is a weighted average based on acquisition prices.

3. Actual NOI yield is calculated based on the annualized actual net operating income

excluding specific factors. Average NOI yield is a weighted average based on acquisition prices.

4. As of Oct. 31, 2016.

5. As of Oct. 28, 2016.

# Summary of Latest Appraisals

No.	Property Name	Acquisition Price (JPYmm)	8th Fiscal Period End				7th Fiscal Period End	
			Appraisal Value (JPYmm)	Direct Cap Rate	Book Value (JPYmm)	Unrealized Gain (JPYmm)	Appraisal Value (JPYmm) <sup>(1)</sup>	Direct Cap Rate <sup>(1)</sup>
Properties Acquired during the 1st Fiscal Period								
M-01	Prologis Park Ichikawa 1	33,900	41,000	4.2%	32,876	8,123	40,100	4.3%
M-02	Prologis Park Zama 1	27,900	31,900	4.6%	26,597	5,302	31,700	4.6%
M-03	Prologis Park Kawajima	25,600	31,700	4.8%	24,138	7,561	30,900	4.9%
M-04	Prologis Park Osaka 2	25,000	29,800	4.7%	23,753	6,046	29,100	4.8%
M-05	Prologis Park Maishima 3	13,500	15,200	4.8%	12,759	2,440	15,100	4.9%
M-06	Prologis Park Kasugai	12,500	16,100	5.2%	11,816	4,283	15,800	5.3%
M-07	Prologis Park Kitanagoya	6,500	7,960	4.9%	6,122	1,837	7,730	5.0%
M-08	Prologis Park Tagajo	5,370	5,710	5.4%	5,002	707	5,580	5.5%
B-01	Prologis Park Maishima 4	11,500	13,400	4.7%	10,859	2,540	13,200	4.8%
B-02	Prologis Park Takatsuki	4,410	5,050	4.9%	4,287	762	4,940	5.0%
B-03	Prologis Park Tosu 2	3,030	3,530	5.1%	2,909	620	3,480	5.2%
B-04	Prologis Park Tosu 4	3,810	4,370	5.1%	3,678	691	4,310	5.2%
Sub-total		173,020	205,720	-	164,801	40,918	201,940	-
Properties Acquired during the 2nd Fiscal Period								
M-09	Prologis Park Tokyo-Ohta	29,500	34,900	4.0%	29,105	5,794	33,900	4.1%
M-10	Prologis Park Zama 2	21,900	26,400	4.6%	21,097	5,302	26,100	4.6%
M-11	Prologis Park Funabashi 5	11,000	13,300	4.4%	10,756	2,543	13,000	4.5%
M-12	Prologis Park Narita 1-A&B	8,420	9,640	5.2%	8,004	1,635	9,500	5.3%
M-13	Prologis Park Narita 1-C	4,810	5,540	5.2%	4,580	959	5,390	5.3%
M-14	Prologis Park Amagasaki 1	17,600	20,200	4.7%	17,281	2,918	20,100	4.7%
M-15	Prologis Park Amagasaki 2	19,200	21,400	4.7%	18,515	2,884	21,300	4.7%
B-05	Prologis Park Narashino 4	20,000	23,000	4.5%	19,230	3,769	22,500	4.6%
Sub-total		132,430	154,380	-	128,570	25,809	151,790	-
Properties Acquired during the 3rd Fiscal Period								
M-16	Prologis Park Tokyo-Shinkiba	13,600	15,600	4.0%	13,377	2,222	15,400	4.1%
M-17	Prologis Park Yokohama-Tsurumi	13,800	16,000	4.5%	13,329	2,670	15,700	4.6%
M-18	Prologis Park Osaka 4	21,000	23,500	4.7%	20,176	3,323	23,400	4.8%
M-19	Prologis Park Iwanuma 1	5,670	6,490	5.5%	5,320	1,169	6,410	5.6%
Sub-total		54,070	61,590	-	52,204	9,385	60,910	-
Properties Acquired during the 4th Fiscal Period								
M-20	Prologis Park Kawajima 2	8,180	8,970	4.9%	7,948	1,021	8,820	5.0%
B-06	Prologis Park Ebina	8,250	9,140	4.7%	8,146	993	9,180	4.7%
B-07	Prologis Park Kawanishi	13,600	14,500	4.8%	13,325	1,174	14,100	4.9%
B-08	Prologis Park Amagasaki 3	9,090	9,910	4.6%	8,913	996	9,850	4.6%
B-09	Prologis Park Kobe	6,410	7,050	5.0%	6,244	805	7,020	5.0%
Sub-total		45,530	49,570	-	44,578	4,991	48,970	-
Properties Acquired during the 7th Fiscal Period								
M-21	Prologis Park Kitamoto	12,600	13,300	4.9%	12,596	703	12,900	5.0%
M-22	Prologis Park Joso	7,120	7,250	4.9%	7,095	154	7,130	5.0%
M-23	Prologis Park Osaka 5	17,600	18,100	4.7%	17,673	426	18,000	4.7%
B-10	Prologis Park Sendai Izumi	4,820	5,060	5.5%	4,803	256	4,980	5.6%
Sub-total		42,140	43,710	-	42,170	1,539	43,010	-
Overall Total (33 properties)		447,190	514,970	-	432,325	82,644	506,620	-
Properties Acquired after the 9th Fiscal Period								
M-24	Prologis Park Narita 3 <sup>(2)</sup>	9,240	9,240	5.0%	-	-	-	-
B-11	Prologis Park Koga 1 <sup>(2)</sup>	7,680	7,680	5.0%	-	-	-	-
B-12	Prologis Park Kobe 2 <sup>(2)</sup>	13,700	13,700	5.0%	-	-	-	-
Sub-total		30,620	30,620	-	-	-	-	-
Overall Total (36 properties)		477,810	545,590	-	-	-	-	-

1. As of May 30, 2016

2. M-24 is as of Sep. 30, 2016 and B-11 and B-12 are as of Oct. 31, 2016

# Prologis Group's Corporate Responsibility Initiatives

## Environmental Stewardship

### Operations

- Lightning upgrades
- HVAC
- Cool roofs
- Daylighting
- Water conservation
- EPC/Energy Star
- Technology pilot projects

### Capital Deployment

- Certified construction
- EPCs
- Embodied carbon pilot
- Adaptive re-use
- ISO 14001
- Renewable Energy

## Social Responsibility

### Community Engagement

- Green Path
- Corporate carbon emissions
- Education and training
- CR Champions
- Charitable activities
- Prologis Foundation
- Volunteering
- Space for Good Program

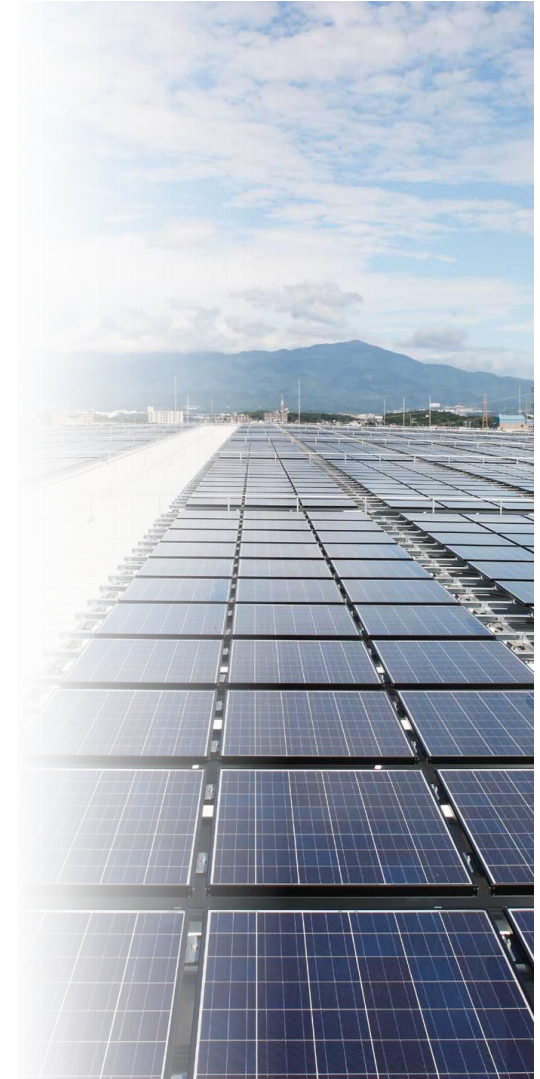
## Governance and Ethics

### Corporate Governance

- Governance practices
- Independent directors
- Business conduct hotline

### Ethics

- Code of business conduct
- Employee training
- Communications



# 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 Narashino4

# Prologis Group's Commitment to Corporate Responsibility

- CSR Activities
  - Engaged in annual Impact Day from 2013, a 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"
- Hold the family event for customers and neighborhoods



Impact Day 2016  
(Kitamoto, Saitama)



Volunteer activities for the Museum of Logistics



Internship programs for Junior High-school Students at Prologis Park Ichikawa 1

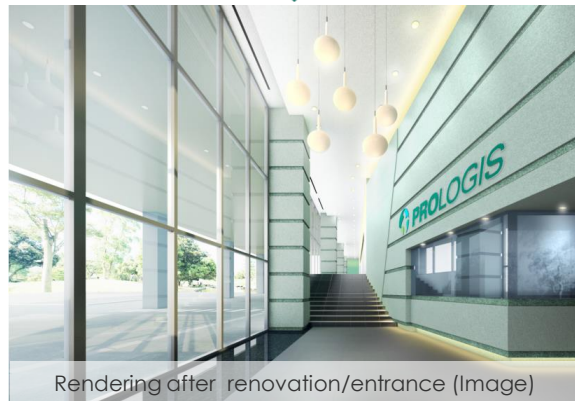


"Family Festa" at Prologis Park Zama 1&2

# Strategic Capital Expenditure to Enhance Portfolio Value

## Refurbishment

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



## Installment of BCP Facilities

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



## 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	7,000	JBA 1-month TIBOR+0.175% <sup>(3)</sup>	Mar. 3, 2016	Mar. 3, 2017	Unsecured and non- guaranteed
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust & Banking Corporation, The Norinchukin Bank, Resona Bank	2,000	0.8435% <sup>(4)</sup>	Jun. 13, 2013	Jun. 13, 2017	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust & Banking Corporation, Aozora Bank	23,300	0.7376% <sup>(4)</sup>	Feb. 15, 2013	Feb. 15, 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, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust & Banking Corporation, Aozora Bank, Development Bank of Japan, The Norinchukin Bank, Resona Bank	24,000	1.18135% <sup>(4)</sup>	Jun. 13, 2013	Jun. 13, 2019	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust & Banking Corporation	23,300	1.0195% <sup>(4)</sup>	Feb. 15, 2013	Feb. 15, 2020	
	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	1.3455% <sup>(4)</sup>	Oct. 1, 2013	Oct. 1, 2021	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ	6,000	1.32075% <sup>(4)</sup>	Feb. 15, 2013	Feb. 15, 2022	
Long-term Borrowings	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Development Bank of Japan	13,900	1.83625% <sup>(4)</sup>	Jun. 13, 2013	Jun. 13, 2023	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, The Bank of Fukuoka, 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	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 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 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, 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, 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	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Trust Bank, Limited, Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation Development, Bank of Japan Inc., The Norinchukin Bank, Resona Bank, Limited, The Bank of Fukuoka, Ltd., The 77 Bank Ltd., Mizuho Trust & Banking Co., Ltd, The Iyo Bank, Ltd.	4,000	0.528% <sup>(4)</sup>	Dec. 20, 2016	Dec. 20, 2024	
Investment Corporation Bonds	Sumitomo-Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Trust Bank, Limited, Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Development Bank of Japan Inc., Resona Bank, Limited, The Bank of Fukuoka, Ltd., The 77 Bank Ltd., Mizuho Trust & Banking Co., Ltd, The Iyo Bank, Ltd.	9,400	0.7167% <sup>(4)</sup>	Dec. 20, 2016	Dec. 18, 2026	
	1st Unsecured Investment Corporation Bonds	2,000	0.338%	Nov. 27, 2014	Nov. 27, 2019	
	2nd Unsecured Investment Corporation Bonds	3,000	0.93%	Nov. 27, 2014	Nov. 27, 2024	
<b>Total</b>		<b>190,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	

1. The above borrowing amounts are as of Dec 20, 2016. We have entered into a commitment line agreement of JPY 8.0 bn with Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ Ltd.
2. The maturity date will be the immediately following business day in case such date falls on a day that is not a business day and the immediate preceding business day in case such date falls in the next calendar month.

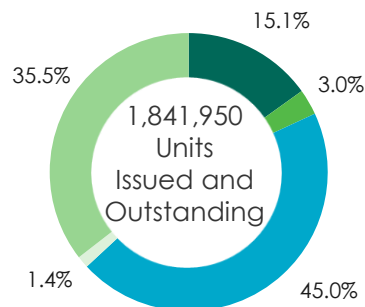
3. The base interest rate refers to the Japanese yen TIBOR (Tokyo Interbank Offered Rate). For the current rate, please refer to the Japanese Bankers Association's website.
4. These borrowings are at floating interest rates. We have entered into interest rate swap agreements to hedge the risks of interest rate volatility. We are showing the interest rates including the effect of the swaps (i.e., fixed interest rates).

# Strong Alignment of Interests and Sound Corporate Governance

Alignment of Interests	Implication
Maintain 15% Prologis <sup>(1)</sup> Investment	<ul style="list-style-type: none"><li>• Significant investment from Prologis on a side-by-side basis with other unit holders</li><li>• Long-term vehicle for Prologis' highest quality assets</li><li>• Fits with Prologis' strategy of growing in a capital efficient manner</li></ul>
Management Compensation	<ul style="list-style-type: none"><li>• Asset Managers key employees' compensation is directly aligned with J-REIT performance</li></ul>
Related-Party Transaction Protection	<ul style="list-style-type: none"><li>• Structured approval process with veto rights. Compliance and investment committee members include an external expert</li><li>• Committee determines appropriate price for transactions. Purchase price capped at appraisal value pursuant to the sponsor support agreement</li></ul>
Performance-Based Asset Management Fees	<ul style="list-style-type: none"><li>• 100% performance-based fees (NOI x 7.5% &amp; Net income x 6.0%)</li><li>• Direct alignment of interest between Asset Manager and investors</li></ul>

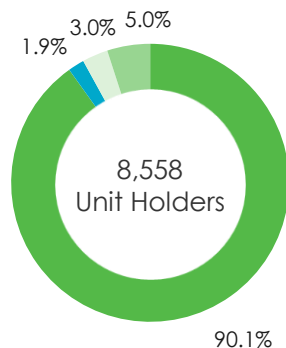
# Unit Holder Composition

## Breakdown by Units



- Prologis Group: 277,990 units
- Financial institutions: 829,089 units
- Foreign entities and individuals: 653,067 units
- Domestic individuals and others: 56,175 units
- Domestic entities: 25,629 units

## Breakdown by Unit Holders



- Domestic individuals and others: 7,712 unit holders
- Financial institutions: 164 unit holders
- Domestic entities: 257 unit holders
- Foreign entities and individuals: 425 unit holders

## Major Unit Holders

	Name	Units Owned	% of Units Issued <sup>(2)</sup>
1	Japan Trustee Services Bank, Ltd. (Trust Acct.)	281,601	15.28%
2	Prologis Property Japan SPC	275,990	14.98%
3	The Master Trust Bank of Japan, Ltd. (Trust Acct.)	168,547	9.15%
4	Trust and Custody Services Bank, Ltd. (Securities Investment Trust Acct.)	124,115	6.73%
5	The Nomura Trust and Banking Company, Ltd. (Trust Acct.)	67,084	3.64%
6	NOMURA BANK (LUXEMBOURG) S. A.	62,542	3.39%
7	STATE STREET BANK WEST CLIENTS-TREATY 505234	43,429	2.35%
8	JP MORGAN CHASE BANK 385628	40,006	2.17%
9	THE BANK OF NEW YORK MELLON SA/NV 10	38,989	2.11%
10	J.P. MORGAN BANK LUXEMBOURG S.A. 380578	24,103	1.30%
Total		1,126,406	61.15%

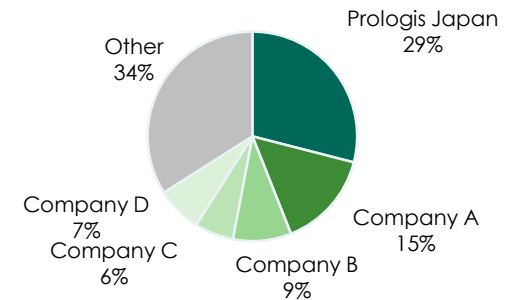
# Sponsor Support from the Prologis Group

## Operating Portfolio<sup>(1)</sup>

Americas	Europe	Asia
U.S. / Canada / Mexico / Brazil	UK / France / Germany / 10 others	Japan / China / Singapore
40.1 million m <sup>2</sup>	16.6 million m <sup>2</sup>	5.2 million m <sup>2</sup>
2,385 facilities	776 facilities	139 facilities

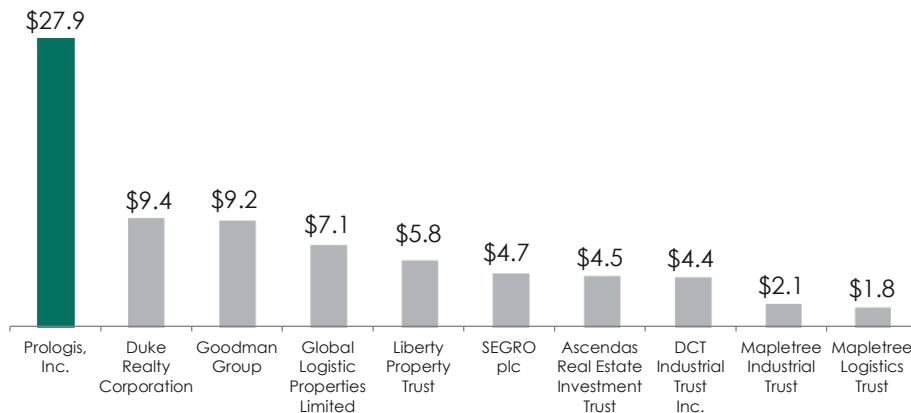
## Breakdown of Advanced Logistics Properties in Japan<sup>(3)</sup>

By developer



## Largest Market Cap Among Peers<sup>(2)</sup>

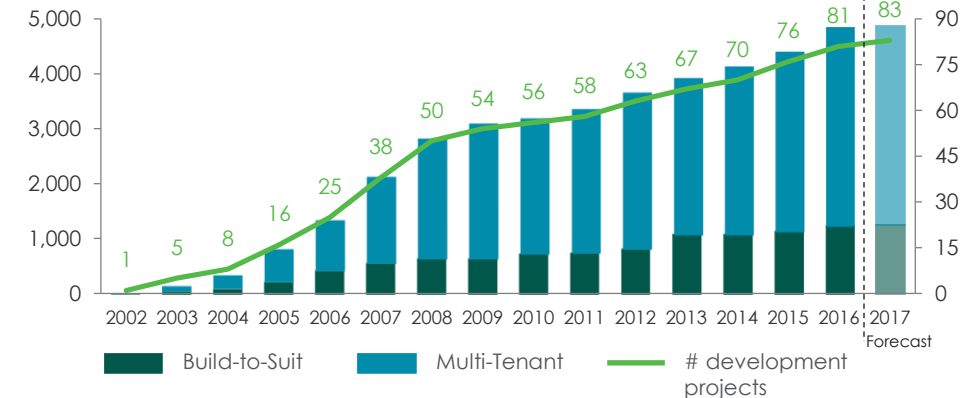
USD, billions



## Proven Development Track Record Since 2002<sup>(4)</sup>

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

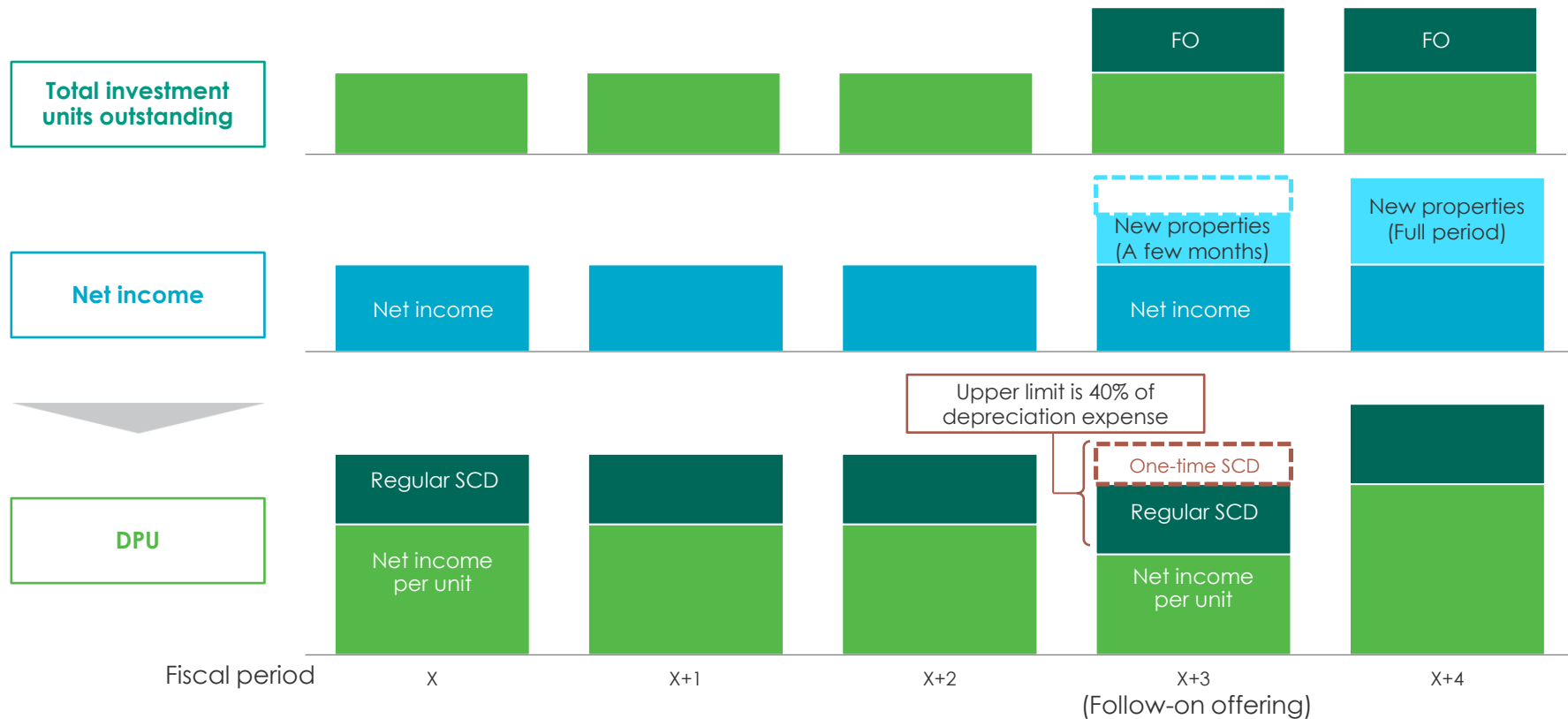
# development projects



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

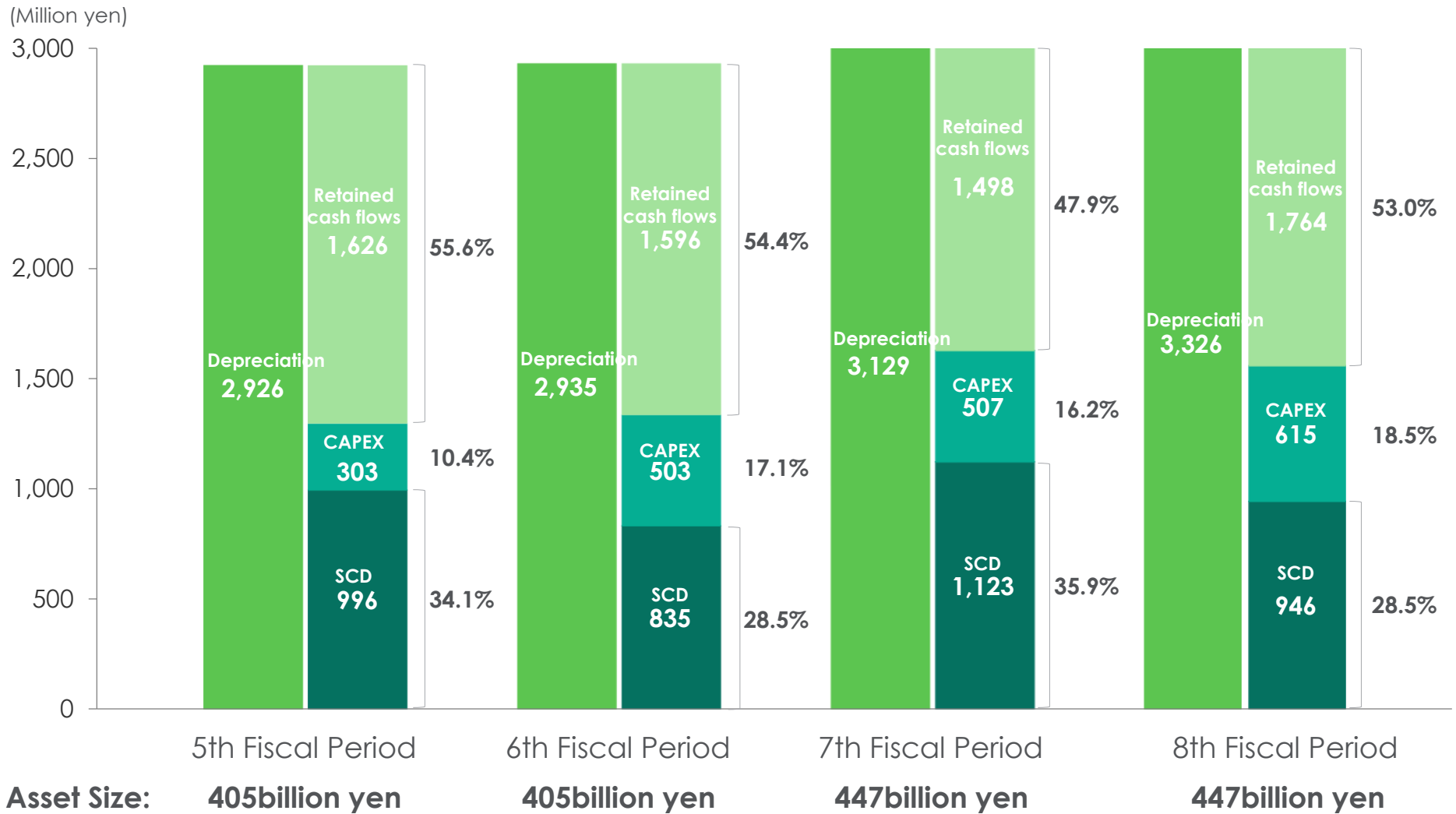
# One-Time Surplus Cash Distributions

- For the time being, we expect to target a level of surplus cash distributions on an ongoing basis at an amount equivalent to approximately 30% of the depreciation expense for the relevant fiscal period
- In addition, we may make one-time surplus cash distributions to maintain the stability of our distributions per unit in the event that distributions per unit are expected to decline to a certain degree due to dilution from an increase in investment units or a substantial increase in costs as a result of our financing activities, such as the issuance of new investment units, including third-party allotments; the issuance of investment corporation bonds; or entering into additional borrowings



One-time SCD to streamline NPR's DPU regardless of offering timing

# 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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