

SUMMARY OF FINANCIAL RESULTS (REIT) For the Eighth Fiscal Period Ended Nov. 30, 2016

Jan. 17, 2017

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

Name of Asset Manager: Prologis REIT Management K.K.
 Representative: Masahiro Sakashita, President and CEO
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Scheduled Date of Filing of Securities Report: Feb. 24, 2017

Scheduled Date for Commencement of Distributions Payments: Feb. 15, 2017

Supplementary Materials for Financial Results: Yes • No

Investors & Analysts Meeting: Yes • No

1. Financial Results for the Fiscal Period ended Nov. 30, 2016 (Eighth Fiscal Period) (June 1, 2016 to Nov. 30, 2016)

(Values are rounded down to the nearest million yen)

(1) Operating Results

(Percentages indicates percentage change from the previous period)

Period ended	Operating revenues		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nov. 30, 2016	15,639	5.2	7,712	5.8	6,780	8.8	6,780	8.4
May 31, 2016	14,866	3.7	7,288	5.0	6,235	4.1	6,255	4.5

Period ended	Profit per unit	Return on unit holders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
	Yen	%	%	%
Nov. 30, 2016	3,680	2.6	1.5	43.4
May 31, 2016	3,518	2.5	1.4	41.9

(2) Distributions

Period ended	Distributions per unit (including SCD)	Distributions per unit (excluding SCD)	SCD per unit	Total of distributions (including SCD)	Total of distributions (excluding SCD)	Total of SCD	Payout ratio	Ratio of distributions to net assets
	Yen	Yen	Yen	Millions of yen	Millions of yen	Millions of yen		
Nov. 30, 2016	4,195	3,681	514	7,726	6,780	946	100.0	2.6
May 31, 2016	4,006	3,396	610	7,378	6,255	1,123	100.0	2.4

* “SCD” indicates “Surplus Cash Distributions”.

(Note 1) Total of SCD are the refund of investment, which falls under the distributions through the reduction in unit holders' capital for tax purposes.

(Note 2) The ratios of net asset value attributable to a reduction in unit holders' paid-in capital for the fiscal periods ended Nov. 30, 2016 and May 31, 2016, are 0.004 and 0.005, respectively. The payment of SCD is deemed a return of capital. This calculation methodology is pursuant to Article 23, Paragraph 1, Item 3 of the Act on Special Measures Concerning Taxation.

(Note 3) As new investment units were issued during both fiscal periods and accordingly there were changes of outstanding investment units, the following formula was used to calculate payout ratio:

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

(3) Financial Position

	Total assets	Net assets	Ratio of unit holders' equity to total assets	Net asset per unit
Period ended	Millions of yen	Millions of yen	%	Yen
Nov. 30, 2016	459,990	264,637	57.5	143,672
May 31, 2016	459,519	265,236	57.7	143,997

(4) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the fiscal period
Period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Nov. 30, 2016	13,740	(964)	(7,379)	26,092
May 31, 2016	6,963	(41,893)	32,648	20,696

2. Earnings Forecasts for the Fiscal Period ending May 31, 2017 (Ninth Fiscal Period) (from Dec. 1, 2016, to May 31, 2017) and Nov. 30, 2017 (Tenth Fiscal Period) (from June 1, 2017, to Nov. 30, 2017)

(Percentages indicate change from the previous period)

Period ending	Operating revenues		Operating income		Ordinary income		Profit		Distributions per unit (including SCD)	Distributions per unit (excluding SCD)	SCD
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen	Yen
May 31, 2017	16,563	5.9	7,981	3.5	6,886	1.5	6,885	1.5	4,150	3,612	538
Nov. 30, 2017	16,692	0.8	7,927	(0.7)	6,907	0.3	6,906	0.3	4,165	3,623	542

(Reference) Forecasted Profit per unit for the fiscal period ending May 31, 2017: 3,624 yen
Forecasted Profit per unit for the fiscal period ending Nov. 30, 2017: 3,622 yen

3. Other

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

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

(2) Number of Investment Units Issued and Outstanding

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

As of Nov. 30, 2016 1,841,950 units
As of May 31, 2016 1,841,950 units

Number of treasury units at end of period:

As of Nov. 30, 2016 0 units
As of May 31, 2016 0 units

* The Implementation Status of Statutory Audit

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

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

The forward-looking statements in this material are based on information currently available to us and on certain assumptions that we believe are reasonable. Actual operating performance may differ substantially due to various factors. Furthermore, those statements shall not be deemed a guarantee or any commitment of the amount of future distributions and surplus cash distributions. Please refer to "Assumptions for fiscal periods ending May 31, 2017 (Ninth Fiscal Period) (from Dec. 1, 2016, to May 31, 2017) and Nov. 30, 2017 (Tenth Fiscal Period) (from June 1, 2017, to Nov. 30, 2017)" on page 10 for assumptions regarding forward-looking statements.

1. Organizational Structure of Investment Corporation

No significant changes have occurred to the organizational structure of the investment corporation since the most recent securities report (filed Aug. 30, 2016); therefore, their descriptions are not included here.

2. Management Policies and Results of Operations

(1) Management Policies

No significant changes have occurred to investment policies, investment targets and distribution policies since the most recent securities report (filed Aug. 30, 2016), the securities registration statement (filed Dec. 5, 2016) and the extraordinary report (filed Dec. 5, 2016) and, therefore, their descriptions are not included here.

(2) Results of Operations

(I) Overview of the Eighth Fiscal Period ended Nov. 30, 2016

(i) Major Operational Results of NPR

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

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

NPR acquired 12 properties (aggregate acquisition price: 173,020 million yen) on Feb. 15, 2013, following its listing, and acquired additional 21 properties in total (aggregate acquisition price: 274,170 million yen) during the second, third, fourth and seventh fiscal periods. As a result, NPR owned 33 properties (aggregate acquisition price: 447,190 million yen) as of the end of the reporting fiscal period.

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

(ii) Operational Results of the Eighth Fiscal Period ended Nov. 30, 2016

During the reporting fiscal period, the outlook of overall Japanese macro-economy continued to appear uncertain, while the capital market and financial market were greatly affected by the series of global political events. Such series of events included the United Kingdom’s referendum held in June 2016 to determine its withdrawal from the European Union, followed by increased political instability of certain European countries, and the outcome of the U.S. presidential election held in November 2016. Currently, we are witnessing the rising U.S. interest rates, yen depreciation, and rally of Japanese stock market, especially represented by financial and export related sectors. In the meantime, we suspect that such uncertainty of the outlook for the global economy will continue. Under such circumstances, Japanese domestic consumption and capital investment are demonstrating mixed outlook. The consumer spending is showing signs of recovery as the status of employment and household income continues to improve. As for corporate spending, especially as a result of significant Japanese yen appreciation after the announcement of the Bank of Japan’s negative interest rate policy at the end of January 2016, Japanese exporters continue to take a cautious stance on capital expenditures.

The J-REIT market demonstrated solid performances after the announcement of the negative interest rate policy at the end of January 2016 from the Bank of Japan. However, after the U.S. presidential election held in November 2016, the J-REIT market has somewhat softened. However, Japanese domestic institutional investors such as commercial banks and mutual funds continued to maintain their focus on J-REIT dividend yields and their investment stance toward J-REITs continues to be positive due to the ongoing low Japanese interest rates as a result of the Bank of Japan’s monetary policy. On the other hand, global institutional investors are taking a neutral stance on J-REIT investment while they are trying to discern the potential magnitude of the Bank of Japan’s monetary easing and long-term outlook of the Japanese economy. In total, we believe the J-REIT market will continue to be affected by various

factors, including the positive facts that J-REIT dividend yield continues to be attractive in the global monetary easing environment and J-REITs financial and operational performances are deemed defensive, being remote from the uncertainty of global macro-economy, and some negative possibility that the rising global interest rates may disseminate into Japan, which will likely significantly affect the J-REIT market.

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

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

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

As of the end of the reporting fiscal period, NPR owned 33 properties (aggregate acquisition price: 447,190 million yen), all of which were developed by the Prologis Group. The portfolio's total leasable area was 2,158,512.69 square meters and the occupancy rate remained high, at 97.2 percent as of the end of the reporting fiscal period.

(iii) Overview of Financing

(a) Borrowings

The ending balance of NPR's interest-bearing debt was 176,800 million yen, out of which investment corporation bonds accounted for 5 billion yen as of the end of the reporting fiscal period. NPR's loan-to-value ratio (the ratio of aggregate balance of interest-bearing debt, including bank loans and the outstanding balance of long-term and short-term investment corporation bonds to NPR's total assets, hereinafter "LTV") was 38.4 percent as of the end of the reporting fiscal period.

(b) Credit Rating

NPR's credit ratings as of the end of the reporting fiscal period (Nov. 30, 2016) were as follows:

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

(iv) Overview of Financial Results and Distributions

As a result of these investment activities and financings, NPR generated operating revenues of 15,639 million yen, operating income of 7,712 million yen, ordinary income of 6,780 million yen and profit of 6,780 million yen for the reporting fiscal period. NPR's distributions for the same period were 3,681 yen per unit, which included NPR's profit distributions in deductible expenses in accordance with the Section 1 of Article 67-15 of the Act on Special Taxation Measures Law (a customary practice of J-REITs). The distribution amount was determined to distribute all unappropriated retained earnings for the reporting period, excluding fractions less than one yen.

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

For the reporting fiscal period, NPR made Regular Surplus Cash Distributions of 946 million yen, equivalent to 28.5 percent of NPR's depreciation expense of 3,326 million yen for the reporting fiscal period. Consequently, the total amount of SCD per unit for the reporting fiscal period was determined at 514 yen (*3).

- (*1) Going forward, NPR intends to distribute regular surplus cash distributions on a regular basis in an amount no higher than 60 percent of its depreciation expense for an applicable fiscal period, while pursuing other uses of capital such as maintenance expenses, capital expenditures, repayment of borrowings and funding of new acquisitions. In the meantime, NPR intends to regularly distribute approximately 30 percent of depreciation expense for an applicable fiscal period.
- (*2) NPR intends to maintain the maximum amount of total SCD, which is the sum of the Regular Surplus Cash Distributions and the One-time Surplus Cash Distributions, in an amount no higher than 40 percent of its depreciation expense for an applicable fiscal period.
- (*3) NPR estimates that the amount of anticipated semi-annual average of emergency or short-term repair and maintenance expenses and medium- to long-term repair and maintenance expenses is 268 million yen. This assessment was conducted in the engineering report for each property prepared by Earth-Appraisal Co., Ltd. NPR determines the amount of SCD, and distributes SCD, while focusing on maintaining its financial stability in addition to factors such as the current economic and real estate market environment, NPR's LTV and potential impacts on NPR's credit rating. Please note that the amount of SCD will be deducted from the balance of NPR's unit holders' equity upon payment.

(II). Outlook for Next Fiscal Period

(i) Future Management Policies and Issues

(a) Basic Policies

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

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

(b) External Growth Strategies

Pursuant to the sponsor support agreement, NPR was granted exclusive negotiation rights from the Prologis Group for three properties (Prologis Park Ichikawa 3, Prologis Park Higashimatsuyama and Prologis Park Koga 2). The Prologis Group will continue to develop new assets of approximately 40 to 60 billion yen every year in Japan. NPR is entitled to receive exclusive negotiation rights for logistics facilities that will be developed, owned or operated by the Prologis Group once these facilities achieve stabilization to the extent that those facilities qualify for NPR's investment criteria. All acquisitions are subject to the related party transaction guidelines of the Asset Manager to ensure appropriate terms and conditions of transactions.

Properties with Exclusive Negotiation Rights

Property name	Location	Exclusive Negotiation Rights Granted Date	GFA
Prologis Park Narita 1-D	Narita, Chiba	Dec. 12, 2014	28,192 m ²
Prologis Park Yoshimi	Hiki, Saitama	Dec. 14, 2015	102,593 m ²
Prologis Park Narashino 5	Narashino, Chiba	Dec. 14, 2015	58,960 m ²
Prologis Park Chiba New Town	Inzai, Chiba	Dec. 14, 2015	109,981 m ²
Prologis Park Ibaraki	Ibaraki, Osaka	Dec. 14, 2015	160,721 m ²

Property name	Location	Exclusive Negotiation Rights Granted Date	GFA
Prologis Park Koga 2	Koga, Ibaraki	Dec. 5, 2016	21,914㎡
Prologis Park Ichikawa 3	Ichikawa, Chiba	Dec. 5, 2016	64,406㎡
Prologis Park Higashimatsuyama	Higashimatsuyama, Saitama	Dec. 5, 2016	71,347㎡

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

(c) Internal Growth Strategies

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

With the staggered lease maturities and a diversified tenant base, NPR is able to gradually increase profitability as leases are renewed and re-tenanted in an improving market environment while we mitigate tenant credit concentration risks and lease-up risks at lease maturities. Fundamentally, the total size of current stock of the Class-A logistics facilities in Japan is still significantly small in light of anticipated tenant demand and, as a result, we have observed gradual rent growth in the past couple of years. At the same time, the in place rents being paid by NPR's tenants currently appear below market, on average. Therefore, we believe we are able to effectively grow rents upon renewals and re-tenanting, and increase rental revenues over time. In the past few years, we observed a number of new entrants into the modern logistics real estate market and the supply of large modern logistics facilities is increasing. Due to the new supply, the vacancy rates of large scale multi-tenant logistics facilities is temporarily rising, but we believe that we would be able to minimize potential impact from such supply on our existing portfolio by closely monitoring the status of the supply/demand balance and leveraging the collaboration between the Asset Manager and the Prologis Group to conduct organized proactive leasing activities.

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

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

(d) Financing Strategies

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

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

(ii) Significant Subsequent Events

(a) Issuance of New Investment Units

NPR issued new investment units with terms and conditions described below based on a resolution made by the board of directors on Dec. 5, 2016 and Dec. 12, 2016. Subsequently, the payments were completed on Dec. 19, 2016 and Jan. 16, 2017, respectively, for the issuance of new investment units through the public offering and third-party allotment. Consequently, as of today, the total balance of unit holders' capital is 271,707 million yen and the total number of investment units issued and outstanding is 1,906,350.

Issuance of New Investment Units through the Public Offering

Number of units issued and outstanding	61,330 units
Issue price	222,460 yen per unit
Total net proceeds	13,643,471,800 yen
Issue value	215,082 yen per unit
Total issue value	13,190,979,060 yen
Payment date	Dec. 19, 2016

Issuance of New Investment Units through the Third-Party Allotment

Number of units issued	3,070 units
Issue price	215,082 yen per unit
Total net proceeds	660,301,740 yen
Payment date	Jan. 16, 2017

(b) Borrowings

On Dec. 7, 2016, NPR obtained bank loans (the "Bridge Loans"), which were based on a resolution made by the board of directors on Dec. 5, 2016, to acquire properties described in the following "(c) Acquisition of Assets". In addition, on Dec. 20, 2016, NPR obtained bank loans (the "Borrowings") in order to prepay the Bridge Loans.

Details of the Bridge Loans

Category	Lender	Borrowing Amount	Interest Rate	Borrowing Date	Repayment Date	Repayment Method	Collateral
Long-term	Sumitomo Mitsui Banking Corporation	19,040 million yen	Base interest rate (JBA 1-month Japanese yen TIBOR) +0.20%	Dec. 7, 2016	Dec. 7, 2018	Paid in full upon maturity	Unsecured and non-guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	8,160 million yen					

Details of the Borrowings

Category	Lender	Borrowing Amount	Interest Rate	Borrowing Date	Repayment Date	Repayment Method	Collateral
Long-term (Note 3)	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 1)	4,000 million yen	Base interest rate (JBA 3-month Japanese yen TIBOR) +0.28%	Dec. 20, 2016	Dec. 20, 2024	Paid in full upon maturity	Unsecured and non-guaranteed
Long-term (Note 4)	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 2)	9,400 billion yen	Base interest rate (JBA 3-month Japanese yen TIBOR) +0.40%		Dec. 18, 2026		

Notes:

- The syndicate of lenders consists of 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. and The Iyo Bank, Ltd.
- The syndicate of lenders consists of 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. and The Iyo Bank, Ltd.

3. NPR has executed the interest rate swap agreement to hedge the risks of interest rate volatility by converting the floating interest rates payable to fixed interest rates for the Borrowing on Dec. 16, 2016.

1. Counterparty	Nomura Securities Co., Ltd.
2. Notional Amount	4,000 million yen
3. Interest Rate	Fixed Interest Rate: 0.248% Floating Interest Rate: JBA 3-month Japanese yen TIBOR
4. Trade Date	Dec. 16, 2016
5. Effective Date	Dec. 20, 2016
6. Termination Date	Dec. 20, 2024
7. Interest Payment Date	The interest payment is set forth on Feb. 28, 2017 for the first time, subsequently on the last day of every Feb., May, Aug., and Nov., and the Termination Date, respectively (an interest payment date on a non-business day is moved to the following business day or the immediately preceding business day in case the following business day falls in the following month).

*The subject interest rate swap agreement has, in effect, fixed the interest rate at 0.528%.

4. NPR has executed the interest rate swap agreement to hedge the risks of interest rate volatility by converting the floating interest rates payable to fixed interest rates for the Borrowing on Dec. 16, 2016.

1. Counterparty	Sumitomo Mitsui Trust Bank, Limited
2. Notional Amount	9,400 million yen
3. Interest Rate	Fixed Interest Rate: 0.3167% Floating Interest Rate: JBA 3-month Japanese yen TIBOR
4. Trade Date	Dec. 16, 2016
5. Effective Date	Dec. 20, 2016
6. Termination Date	Dec. 18, 2026
7. Interest Payment Date	The interest payment is set forth on Feb. 28, 2017 for the first time, subsequently on the last day of every Feb., May, Aug., and Nov., and the Termination Date, respectively (an interest payment date on a non-business day is moved to the following business day or the immediately preceding business day in case the following business day falls in the following month).

*The subject interest rate swap agreement has, in effect, fixed the interest rate at 0.7167%.

(c) Acquisition of Assets

NPR, according to its basic investment guidelines defined in its article of incorporation, which were based on a resolution made by the board of directors on Dec. 5, 2016, acquired properties described below on Dec. 7, 2016, with Bridge Loans (described above “(b) Borrowings”) and cash on hand.

Property name		Prologis Park Narita 3
Location		125-3, Iwayama, Shibayama, Sambu, Chiba 125-3, Nekida, Aza, Iwayama, Shibayama, Sambu, Chiba
Class of assets		Real estate trust beneficiary interests
Acquisition date		Dec. 7, 2016
Acquisition price		9,240 million yen
Land	Ownership form	Proprietary (Note)
	Land area	47,599.00 m ²
Building	Ownership form	Proprietary
	Gross floor area	57,118.24 m ²
	Date of construction	May 23, 2008
	Purpose	Warehouse/Office

	Structure/No. of stories	RC, 7-story building
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Note: In addition to the above, the trustee leases, some parts of land (the area of which is 0.75m² (0.25m² x 3)) from the owner of the adjacent land in order to set up signs calling for attention.

Property name		Prologis Park Koga 1
Location		8-15, Kitatone, Koga, Ibaraki 8-15, Kitatone, Koga, Ibaraki
Class of assets		Real estate trust beneficiary interests
Acquisition date		Dec. 7, 2016
Acquisition price		7,680 million yen
Land	Ownership form	Proprietary
	Land area	25,235.67 m ²
Building	Ownership form	Proprietary
	Gross floor area	34,091.82 m ²
	Date of construction	Oct. 13, 2016
	Purpose	Warehouse/Office
Structure/No. of stories		SRC, 4-story building

Property name		Prologis Park Kobe 2
Location		11-4, Mitsugaoka 4-chome, Nishi-ku, Kobe, Hyogo 11-4, Mitsugaoka 4-chome, Nishi-ku, Kobe, Hyogo
Class of assets		Real estate trust beneficiary interests
Acquisition date		Dec. 7, 2016
Acquisition price		13,700 million yen
Land	Ownership form	Proprietary
	Land area	34,613.16 m ²
Building	Ownership form	Proprietary
	Gross floor area	62,230.43 m ²
	Date of construction	Oct. 12, 2016
	Purpose	Warehouse/Office
Structure/No. of stories		SRC, 4-story building

(ii) Earnings Forecast

	Operating revenues (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Profit (Millions of yen)	Distributions per unit (including surplus cash distributions)	Distributions per unit (excluding surplus cash distributions)	Surplus cash distributions per unit
Period ending May 31, 2017 (9th period)	16,563	7,981	6,886	6,885	4,150	3,612	538
Period ending Nov. 30, 2017 (10th period)	16,692	7,927	6,907	6,906	4,165	3,623	542

(Note)

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

Assumptions for the fiscal periods ending May 31, 2017 (ninth fiscal period) (from Dec. 1, 2016, to May 31, 2017) and Nov. 30, 2017 (tenth fiscal period) (from June 1, 2017, to Nov. 30, 2017)

Item	Assumption
Accounting period	<ul style="list-style-type: none"> Fiscal period ending May 31, 2017 (ninth fiscal period) (from Dec. 1, 2016, to May 31, 2017) (182 days) Fiscal period ending Nov. 30, 2017 (tenth fiscal period) (from June 1, 2017, to Nov. 30, 2017) (183 days)
Portfolio of Investment Assets Held	<ul style="list-style-type: none"> It is assumed that there will be no material change in the operational status of the 33 properties NPR owned as of Nov. 30, 2016, as well as 3 properties (Prologis Park Narita 3, Prologis Park Koga 1 and Prologis Park Kobe 2 (the “three new properties”) acquired on Dec. 7, 2016, up until Nov. 30, 2017. Such changes include acquisitions of new properties and dispositions of properties held. The actual results may change due to acquisitions of new properties or dispositions of existing properties, etc.
Operating revenues	<ul style="list-style-type: none"> Operating rental revenues are estimated, by taking into account factors such as market trends and competitiveness of NPR’s properties, to be 16,563 million yen and 16,692 million yen for the periods ending May 31, 2017, and Nov. 30, 2017, respectively. The expected average occupancy rates are estimated to be 97.8 percent and 97.8 percent for the periods ending May 31, 2017, and Nov. 30, 2017, respectively. For operating rental revenues, it is assumed that tenants will pay rents without delinquency or withholding.
Operating expenses	<ul style="list-style-type: none"> Expenses except depreciation are calculated by taking into account variable factors such as seasonal events and are assumed to be 3,446 million yen and 3,614 million yen for the periods ending May 31, 2017, and Nov. 30, 2017, respectively. Depreciation expenses, including ancillary costs associated with property acquisitions, are calculated using the straight-line method and are assumed to be 3,604 million yen and 3,626 million yen for the periods ending May 31, 2017, and Nov. 30, 2017, respectively. Upon acquisitions of properties, real estate taxes (fixed asset taxes) are generally included in the purchase prices of properties on a pro-rated basis of a calendar year and start to be expensed from the next calendar year. Accordingly, property tax and city planning tax for the three new properties will be expensed starting from the fiscal period ending May 31, 2017. The total amount of property tax and city planning tax included in the purchase price of the four properties acquired in Mar. 2016 (Prologis Park Kitamoto, Prologis Park Joso, Prologis Park Osaka 5 and Prologis Park Sendai Izumi, collectively, the “Properties Acquired in Mar. 2016”) is assumed to be 21 million yen (equivalent to expenses for 31 days). The total amount of property tax and city planning tax included in the purchase price of the three new properties is assumed to be 19 million yen (equivalent to expenses for 25 days). With respect to building repair expenses, the amount assumed to be necessary for each property is calculated based on the repair and maintenance plans of the Asset Manager. However, actual repair expenses may be substantially different from the expected amount due to certain unanticipated factors.
Non-operating expenses	<ul style="list-style-type: none"> We assume that we will recognize 8 million yen and 6 million yen for the periods ending May 31, 2017, and Nov. 30, 2017, as amortization of organization expenses. As for interest expenses and other debt-related costs, 988 million yen and 1,000 million yen are expected for each of the periods ending May 31, 2017, and Nov. 30, 2017, respectively. The debt-related amortization, which is included in debt-related expenses, is expected to be 144 million yen and 147 million yen for each of the periods ending May 31, 2017, and Nov. 30, 2017.
Borrowings and bonds	<ul style="list-style-type: none"> The balance of NPR’s interest-bearing liabilities outstanding as of the date hereof is 190,200 million yen, including the balance of investment corporation bonds. Among such debts, there is an outstanding balance of investment corporation bonds in the amount of 5 billion yen, and the remainder is loans from financial institutions. We assume that we will fully refinance a 7 billion yen short-term loan that is due on Mar. 3, 2017 and 2 billion yen long-term loan that is due on June 13, 2017. We assume there will be no bonds due

	prior to the end of the fiscal period ending Nov. 30, 2017.
Investment units	<ul style="list-style-type: none"> It is assumed that the number of investment units currently issued and outstanding will not change. Currently, there are 1,906,350 units issued and outstanding.
Distributions per unit (excluding surplus cash distributions (SCD))	<ul style="list-style-type: none"> Distributions per unit (excluding SCD) are calculated based on the premises of the distribution policy in the articles of incorporation of NPR that all profit shall be distributed. Distributions per unit (excluding SCD) may change considerably due to various factors including changes in operational environment arising from any additional acquisitions or dispositions of properties, changes in rent revenues attributable to tenant moves, occurrence of unexpected repairs, changes in interest rates and issues of new investment units in the future.
Surplus cash distributions (SCD) per unit	<ul style="list-style-type: none"> SCD per unit is calculated based on the premises of the fund distribution policy contained in the articles of incorporation of NPR. It is assumed that SCD in the periods ending May 31, 2017, and Nov. 30, 2017 will be equal to 28.5 percent of depreciation expenses for each of the fiscal periods, which are assumed to be 1,025 million yen and 1,033 million yen, respectively. The amount of depreciation expenses may vary as a result of changes in the amount of total assets under management, ancillary costs, capital expenditures, the allocation of purchase price to each asset item, estimated depreciable life, etc. SCD, which will be based on the amount of depreciation expenses, may vary accordingly. NPR intends to pay SCD only to the extent that it can maintain appropriate levels of financial soundness and stability after considering alternatives of cash uses such as repairs and capital expenditures, repayment of borrowings and property acquisition opportunities. The maximum payable SCD amount is 60 percent of depreciation expenses during the applicable fiscal period. In the event such as occurrence of material damages on NPR's assets, etc. when NPR needs to allocate its cash to emergency capital expenditures, the amount of SCD per unit may vary. For now, NPR intends to pay SCD at an amount equivalent to approximately 30 percent of the depreciation expense for the relevant fiscal period. To determine the amount of SCD, NPR also considers the payout ratio of total distribution amount relative to adjusted funds from operations ("AFFO"). NPR defines AFFO as funds from operations ("FFO") minus capital expenditures plus amortization of capitalized finance costs. FFO is defined as the sum of profit and non-cash expenses. For calculations, please refer to the following formulas: $\text{FFO} = \text{profit} + \text{depreciation} + \text{property-related amortization} + \text{loss on sale of real estate} - \text{gain on sale of real estate}$ $\text{AFFO} = \text{FFO} - \text{capital expenditure} + \text{amortization of capitalized finance costs}$ Capital expenditures are assumed to be 626 million yen and 641 million yen in the periods ending May 31, 2017, and Nov. 30, 2017, respectively. NPR does not plan to pay SCD in case such payment would cause the Distribution LTV, as defined below, to exceed 60 percent. $\text{Distribution LTV}(\%) = A / B \times 100$ $A = \text{interest-bearing debt (including borrowings held in trust and investment corporation bonds) at the end of the fiscal period} + \text{balance of tenant leasehold deposits released at the end of the fiscal period}$ $B = \text{total appraisal real estate value at the end of the fiscal period} + \text{the amount of cash deposits at the end of the fiscal period} - \text{the total amount distributions (including SCD)}$
Others	<ul style="list-style-type: none"> It is assumed that any revision that will have an impact on the forecast information above will be made with respect to applicable laws and regulations, tax codes, accounting standards, listing rules and rules of the Investment Trusts Association, Japan, etc. It is assumed that any unexpected material change will not take place in the macroeconomic environment and real estate market conditions, etc.

3. Financial Statements

(1) Balance Sheet

(Unit: Thousands of yen)

	As of May 31, 2016	As of Nov. 30, 2016
ASSETS		
Current assets:		
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
Fixed assets:		
Property and equipment		
Buildings	7,549,209	7,549,209
Less: accumulated depreciation	(599,521)	(689,982)
Buildings, net	6,949,687	6,859,227
Structures	249,739	249,739
Less: accumulated depreciation	(61,901)	(71,186)
Structures, net	187,837	178,552
Tools, furniture and fixtures	5,434	5,434
Less: accumulated depreciation	(1,682)	(1,934)
Tools, furniture and fixtures, net	3,752	3,499
Land	3,834,204	3,834,204
Buildings in trust	254,388,011	254,967,756
Less: accumulated depreciation	(15,898,486)	(18,944,644)
Buildings in trust, net	238,489,524	236,023,112
Structures in trust	5,119,786	5,141,764
Less: accumulated depreciation	(730,809)	(886,141)
Structures in trust, net	4,388,976	4,255,622
Machinery and equipment in trust	11,267	11,267
Less: accumulated depreciation	(924)	(1,256)
Machinery and equipment in trust, net	10,342	10,010
Tools, furniture and fixtures in trust	478,782	491,978
Less: accumulated depreciation	(121,190)	(145,372)
Tools, furniture and fixtures in trust, net	357,591	346,605
Other tangible assets in trust	35	35
Less: accumulated depreciation	(26)	(31)
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

	(Unit: Thousands of yen)	
	As of May 31, 2016	As of Nov. 30, 2016
Total fixed assets	435,951,727	433,111,157
Deferred assets:		
Organization expenses	23,077	14,932
Investment corporation bond issuance costs	21,834	19,961
Total deferred assets	44,911	34,893
Total assets	459,519,060	459,990,746
LIABILITIES		
Current liabilities:		
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
Non-current liabilities:		
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
Total liabilities	194,282,579	195,352,992
NET ASSETS		
Unit holders' equity		
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 (*2)	*2 265,236,480	*2 264,637,754
Total liabilities and net assets	459,519,060	459,990,746

(2) Statement of Income

	(Unit: Thousands of yen)	
	For the period from Dec. 1, 2015 to May 31, 2016	For the period from June 1, 2016 to Nov. 30, 2016
Operating revenues:		
Operating rental revenues	* ¹ 13,849,474	* ¹ 14,452,576
Other rental revenues	* ¹ 1,017,058	* ¹ 1,187,237
Total operating revenues	<u>14,866,532</u>	<u>15,639,813</u>
Operating expenses:		
Expenses related to property rental business (* ¹)	* ¹ 6,189,427	* ¹ 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	<u>7,577,744</u>	<u>7,927,193</u>
Operating income	<u>7,288,788</u>	<u>7,712,620</u>
Non-operating income:		
Interest income	2,101	93
Reversal of distributions payable	-	2,288
Interest on refund of consumption taxes	-	4,775
Refund of real estate taxes	-	7,153
Gain on donation of fixed assets	7,013	-
Others	-	739
Total non-operating income	<u>9,115</u>	<u>15,050</u>
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	<u>1,062,647</u>	<u>946,703</u>
Ordinary income	<u>6,235,256</u>	<u>6,780,967</u>
Extraordinary income:		
Subsidy income	* ² 20,720	-
Total extraordinary income	<u>20,720</u>	<u>-</u>
Income before income taxes	<u>6,255,976</u>	<u>6,780,967</u>
Incomes taxes – current	821	843
Incomes taxes – deferred	13	(1)
Total income taxes	<u>835</u>	<u>842</u>
Profit	<u>6,255,141</u>	<u>6,780,125</u>
Retained earnings brought forward	1,556	1,435
Unappropriated retained earnings (undisposed loss)	6,256,697	6,781,561

(3) Statement of Unit Holders' Equity

Previous Period (from Dec. 1, 2015 to May 31, 2016)

(Units: Thousands of yen)

	Unit holders' equity						Total unit holders' equity	Total net assets
	Unit holders' capital			Surplus				
	Unit holders' capital, gross	Deduction of unit holders' capital	Unit holders' capital	Unappropriated retained earnings (undisposed loss)	Total surplus			
Balance at the beginning of the period	238,527,550	(3,608,828)	234,918,722	5,988,220	5,988,220	240,906,942	240,906,942	
Change during the period								
Issuance of new investments	24,897,012		24,897,012			24,897,012	24,897,012	
Surplus cash distributions		(835,952)	(835,952)			(835,952)	(835,952)	
Dividends from surplus				(5,986,664)	(5,986,664)	(5,986,664)	(5,986,664)	
Profit				6,255,141	6,255,141	6,255,141	6,255,141	
Total change during the period	24,897,012	(835,952)	24,061,060	268,477	268,477	24,329,537	24,329,537	
Balance at the end of the period	*1263,424,563	(4,444,780)	258,979,782	6,256,697	6,256,697	265,236,480	265,236,480	

The Reporting Period (from June 1, 2016 to Nov. 30, 2016)

(Units: Thousands of yen)

	Unit holders' equity						Total unit holders' equity	Total net assets
	Unit holders' capital			Surplus				
	Unit holders' capital, gross	Deduction of unit holders' capital	Unit holders' capital	Unappropriated retained earnings (undisposed loss)	Total surplus			
Balance at the beginning of the period	263,424,563	(4,444,780)	258,979,782	6,256,697	6,256,697	265,236,480	265,236,480	
Change during the period								
Surplus cash distributions		(1,123,589)	(1,123,589)			(1,123,589)	(1,123,589)	
Dividends from surplus				(6,255,262)	(6,255,262)	(6,255,262)	(6,255,262)	
Profit				6,780,125	6,780,125	6,780,125	6,780,125	
Total change during the period	-	(1,123,589)	(1,123,589)	524,863	524,863	(598,726)	(598,726)	
Balance at the end of the period	*1263,424,563	(5,568,369)	257,856,193	6,781,561	6,781,561	264,637,754	264,637,754	

(4) Statement of Cash Distribution

(Unit: Yen)

	For the period from Dec. 1, 2015 to May 31, 2016	For the period from June 1, 2016 to Nov. 30, 2016
I Unappropriated retained earnings (undisposed loss)	6,256,697,961	6,781,561,108
II Distributions in excess of retained earnings		
Deduction from unit holders' capital	1,123,589,500	946,762,300
III Distributions	7,378,851,700	7,726,980,250
(Distributions per unit)	(4,006)	(4,195)
Of which, distributions of retained earnings	6,255,262,200	6,780,217,950
(Of which, distributions of retained earnings per unit)	(3,396)	(3,681)
Of which, distributions in excess of retained earnings	1,123,589,500	946,762,300
(Of which, distributions in excess of retained earnings per unit)	(610)	(514)
IV Retained earnings carried forward	1,435,761	1,343,158
Calculation method of distribution amount	<p>Pursuant to the "Policy on the Distribution of Funds" as defined in Article 39, Paragraph 1 of Article 2 of incorporation of NPR, the amount of distributions shall be the amount that does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act.</p> <p>Based on the policy, NPR declared the distribution amount of 6,255,262,200 yen which was the amount equivalent to the maximum integral multiples of number of investment units issued and outstanding (1,841,950 investment units) as of the reporting fiscal period.</p> <p>In addition, based on the distribution policy as defined in Article 39, Paragraph 2 of the article 88 of incorporation, NPR shall make Surplus Cash Distributions (SCD), defined as distributions in excess of retained earnings, as a return of unit holders' capital, each fiscal period on a continuous basis. Furthermore, NPR is per permitted to distribute One-time Surplus Cash Distributions for the purpose of maintaining stable distributions per unit in the event that its distributions per unit is expected to temporarily dilute by a certain degree as a result of financing actions.</p> <p>Accordingly, NPR declared SCD of 891,503,800 yen, as a return of unit</p>	<p>Pursuant to the "Policy on the Distribution of Funds" as defined in Article 39, Paragraph 1 of Article 2 of incorporation of NPR, the amount of distributions shall be the amount that does not exceed the amount of profits but exceeds 90% of the distributable profit as defined in Article 67-15 of the Special Taxation Measures Act.</p> <p>Based on the policy, NPR declared the distribution amount of 6,780,217,950 yen which was the amount equivalent to the maximum integral multiples of number of investment units issued and outstanding (1,841,950 investment units) as of the reporting fiscal period.</p> <p>In addition, based on the distribution policy as defined in Article 39, Paragraph 2 of the article 88 of incorporation, NPR shall make Surplus Cash Distributions (SCD), defined as distributions in excess of retained earnings, as a return of unit holders' capital, each fiscal period on a continuous basis. Furthermore, NPR is per permitted to distribute One-time Surplus Cash Distributions for the purpose of maintaining stable distributions per unit in the event that its distributions per unit is expected to temporarily dilute by a certain degree as a result of financing actions.</p> <p>Accordingly, NPR declared SCD of 946,762,300 yen, as a return of unit</p>

	<p>holders' capital, which was the amount equivalent to approximately 28.5% of depreciation expense of 3,129,190,780 yen for the period. In addition, NPR made One-time Surplus Cash Distributions of 232,085,700 yen based on an assessment of temporary earnings dilution of 126 yen per unit as a result of financing actions.</p>	<p>holders' capital, which was the amount equivalent to approximately 28.5% of depreciation expense of 3,326,361,230 yen for the period.</p>
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(Note) NPR is permitted to distribute cash in excess of the amount of retained earnings if the amount of the accounting profit is smaller than 90% of its distributable retained earnings on a tax basis to the extent that such distribution amount does not exceed the amount of NPR's depreciation for the same fiscal period, and if NPR determines that such excess distribution amount is appropriate. Also, NPR is permitted to distribute cash in any amount to the extent that such amount is determined by NPR's board of directors and if the amount of distributions does not satisfy certain conditions of special tax treatment which NPR shall be eligible to otherwise. Please note that the amount of SCD shall be subtracted from the balance of unit holders' paid-in capital upon payment.

(5) Statement of Cash Flows

(Units: Thousands of yen)

	For the period from Dec. 1, 2015 to May 31, 2016	For the period from June 1, 2016 to Nov. 30, 2016
Cash flows from operating activities:		
Income before income taxes	6,255,976	6,780,967
Depreciation	3,129,190	3,326,361
Amortization of organization expenses	8,145	8,145
Amortization of investment corporation bond issuance costs	1,910	1,912
Investment unit issuance expenses	27,098	-
Interest income	(2,101)	(93)
Interest expense	800,660	794,095
Decrease (Increase) in operating accounts receivable	(15,763)	(82,374)
Decrease (Increase) in consumption taxes refund receivables	(2,127,110)	2,127,110
Decrease (Increase) in prepaid expenses	(69,116)	29,292
Decrease (Increase) in long-term prepaid expenses	(165,428)	134,023
Increase (Decrease) in operating accounts payable	(359,476)	349,960
Increase (Decrease) in accounts payable-other	18,963	(7,695)
Increase (Decrease) in accrued expenses	68,781	95,083
Increase (decrease) in accrued consumption taxes	(269,146)	930,723
Increase (Decrease) in advances received	193,636	60,774
Others, net	266,584	(12,926)
Subtotal	7,762,803	14,535,360
Interest received	2,101	93
Interest paid	(800,647)	(794,190)
Income taxes paid	(1,037)	(514)
Net cash used in operating activities	6,963,219	13,740,748
Cash flows from investing activities:		
Purchases of property and equipment	(5,220)	-
Purchases of property and equipment in trust	(42,993,804)	(671,809)
Purchases of intangible assets in trust	(1,599)	(550)
Proceeds from tenant leasehold and security deposits in trust	1,279,367	224,866
Repayments from tenant leasehold and security deposits in trust	(172,707)	(517,491)
Net cash used in investing activities	(41,893,964)	(964,984)
Cash flows from financing activities:		
Proceeds from long-term loans payable	7,000,000	-
Proceeds from short-term loans payable	61,900,000	-
Repayments of long-term loans payable	(54,300,000)	-
Proceeds from issuance of new investment units	24,869,914	-
Payment of distributions of retained earnings	(5,985,948)	(6,255,755)
Payment of distributions in excess of retained earnings	(835,869)	(1,123,620)
Net cash provided by financing activities	32,648,096	(7,379,375)
Net increase (decrease) in cash and cash equivalents	(2,282,648)	5,396,388
Cash and cash equivalents at the beginning of period	22,979,146	20,696,498
Cash and cash equivalents at the end of period	*1 20,696,498	*1 26,092,886

(6) Notes Concerning Going Concerns Assumption

None

(7) Notes Concerning Significant Accounting Policies

<p>1. Method of depreciation of non-current assets</p>	<p>(1) Property and equipment (including trust assets) The straight-line method is used. The useful lives of major property and equipment are as follows.</p> <table border="0" style="width: 100%;"> <tr> <td style="padding-left: 20px;">Buildings</td> <td style="text-align: right;">3-66 years</td> </tr> <tr> <td style="padding-left: 20px;">Structures</td> <td style="text-align: right;">2-60 years</td> </tr> <tr> <td style="padding-left: 20px;">Machinery and equipment</td> <td style="text-align: right;">17 years</td> </tr> <tr> <td style="padding-left: 20px;">Tools, furniture and fixtures</td> <td style="text-align: right;">2-18 years</td> </tr> </table> <p>(2) Intangible assets (including trust assets) The straight-line method is used.</p>	Buildings	3-66 years	Structures	2-60 years	Machinery and equipment	17 years	Tools, furniture and fixtures	2-18 years
Buildings	3-66 years								
Structures	2-60 years								
Machinery and equipment	17 years								
Tools, furniture and fixtures	2-18 years								
<p>2. Accounting method of deferred charges</p>	<p>(1) Investment unit issuance expenses The full amount of investment unit issuance expenses is recorded as expense at the time of expenditure.</p> <p>(2) Organization expenses All organization expenses are amortized over five years using straight-line method.</p> <p>(3) Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized over the remaining life of the bonds using straight-line method.</p>								
<p>3. Revenue and expense recognition</p>	<p>Accounting treatment of property taxes and other taxes With respect to property taxes, city planning taxes and depreciable asset taxes, of the tax amount assessed and determined, the amount corresponding to the relevant fiscal period is accounted for as rental expenses. Of the amounts paid for the acquisitions of real estate properties or beneficiary right in trust of real estate, the amount equivalent to property taxes is capitalized as part of the acquisition cost of the relevant property instead of being charged as an expense. Capitalized property taxes amounted to 211,359 thousand yen for the fiscal period ended May 31, 2016, and not applicable for the fiscal period ended Nov. 30, 2016.</p>								
<p>4. Hedge accounting</p>	<p>(1) Hedge accounting method For interest rate swaps, special accounting treatment is adopted.</p> <p>(2) Hedge instruments and hedged items Hedge instruments – interest rate swaps Hedged items – interests on loans payable</p> <p>(3) Hedging policy NPR uses interest rate swaps for the purpose of hedging risks defined in the articles of incorporation based on its risk management policies.</p> <p>(4) Hedge effectiveness test Assessment of the hedge effectiveness has been omitted since all interest rate swaps meet the specific matching criteria under the special accounting treatment.</p>								
<p>5. Cash and cash equivalents as stated in the Statement of Cash Flows</p>	<p>Cash and cash equivalents consist of cash on hand and cash in trust, floating deposits, deposits in trust and short-term investments that are very liquid and realizable with a maturity of three months or less when purchased and that are subject to insignificant risks of changes in value.</p>								
<p>6. Other significant matters which constitute the basis for preparation of financial statements</p>	<p>(1) Accounting treatment of trust beneficiary interests of real estate As to trust beneficiary interests of real estate, all accounts of assets and liabilities within assets in trust, as well as all income generated and expenses incurred from assets in trust, are recorded in the relevant balance sheets and income statement accounts. Of which, the following significant trust assets are shown separately on the balance sheet.</p> <ul style="list-style-type: none"> (a) Cash and deposits in trust (b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust (c) Construction in progress in trust (d) Tenant leasehold and security deposits in trust <p>(2) Accounting treatment of consumption taxes Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.</p>								

(8) Notes to Financial Statements

(Notes to Balance Sheet)

*1. Commitment line agreement

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

	As of May 31, 2016	As of Nov. 30, 2016
Total amount of committed line of credit	8,000,000 thousand yen	8,000,000 thousand yen
Borrowings drawn down	-thousand yen	-thousand yen
Balance of unused committed line of credit	8,000,000 thousand yen	8,000,000 thousand yen

As of May 31, 2016

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

As of Nov. 30, 2016

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

(Notes to Statement of Income)

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

	(Units: Thousands of yen)	
	For the period from Dec. 1, 2015 to May 31, 2016	For the period from June 1, 2016 to Nov. 30, 2016
(1) Property-related revenues		
Rental revenues		
Rental revenues	12,989,562	13,520,769
Common area charges	859,912	931,806
Total	13,849,474	14,452,576
Other rental revenues		
Received utilities cost	834,397	979,780
Others	182,661	207,457
Total	1,017,058	1,187,237
Total property-related revenues	14,866,532	15,639,813
(2) Property-related expenses		
Rental expenses		
Subcontract expenses	786,734	817,330
Utilities cost	814,386	864,989
Taxes and dues	1,255,014	1,254,977
Non-life insurance premium	24,941	25,945
Repair and maintenance	161,659	142,018
Depreciation	3,129,190	3,326,361
Custodian fee	14,730	15,730
Other expenses	2,769	2,569
Total rental expenses	6,189,427	6,449,921
(3) Operating income from property leasing ((1)-(2))	8,677,105	9,189,891

*2. Subsidy income in the reporting period refers to the location incentive ordinance of the City of Tosu.

(Notes to Statement of Unit Holders' Equity)

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

	For the period from Dec. 1, 2015 to May 31, 2016	For the period from June 1, 2016 to Nov. 30, 2016
Number of investment units authorized	10,000,000 units	10,000,000 units
Number of investment units issued and outstanding	1,841,950 units	1,841,950 units

(Notes to Statement of Cash Flow)

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

	For the period from Dec. 1, 2015 to May 31, 2016	For the period from June 1, 2016 to Nov. 30, 2016
Cash and deposits	17,394,480 thousand yen	22,486,471 thousand yen
Cash and deposits in trust	3,302,017 thousand yen	3,606,415 thousand yen
Cash and cash equivalents	20,696,498 thousand yen	26,092,886 thousand yen

(Notes Related to Lease Contracts)

Operating lease transactions (as lessor)

Unearned rental revenue

	As of May 31, 2016	As of Nov. 30, 2016
Due within one year	26,277,434 thousand yen	24,543,293 thousand yen
Due after one year	82,788,757 thousand yen	76,886,551 thousand yen
Total	109,066,192 thousand yen	101,429,845 thousand yen

(Notes Related to Financial Instruments)

1. Status of financial instruments

(1) Policy for Financial Instruments

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

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

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

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

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

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

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

(3) Supplemental Explanation Regarding Fair Values of Financial Instruments

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

2. Estimated Fair Value of Financial Instruments

As of May 31, 2016

The book value, the fair value and the difference between the values as of May 31, 2016, are as follows. Financial instruments for which fair value is difficult to estimate are excluded from the following table. ^(Note 2)

(Unit: Thousands of yen)

	Book value	Fair value	Difference
(1) Cash and deposits	17,394,480	17,394,480	-
(2) Cash and deposits in trust	3,302,017	3,302,017	-
Total assets	20,696,498	20,696,498	-
(3) Short-term loans payable	7,000,000	7,000,000	-
(5) Investment corporation bonds payable	5,000,000	5,162,300	162,300
(6) Long-term loans payable	164,800,000	167,870,392	3,070,392
Total liabilities	176,800,000	180,032,692	3,232,692
(7) Derivative transactions	-	-	-

As of Nov. 30, 2016

The book value, the fair value and the difference between the values as of Nov. 30, 2016, are as follows. Financial instruments for which fair value is difficult to estimate are excluded from the following table. ^(Note 2)

(Unit: Thousands of yen)

	Book value	Fair value	Difference
(1) Cash and deposits	22,486,471	22,486,471	-
(2) Cash and deposits in trust	3,606,415	3,606,415	-
Total assets	26,092,886	26,092,886	-
(3) Short-term loans payable	7,000,000	7,000,000	-
(4) Current portion of long-term loans payable	2,000,000	2,002,152	2,152
(5) Investment corporation bonds payable	5,000,000	5,118,200	118,200
(6) Long-term loans payable	162,800,000	165,565,073	2,765,073
Total liabilities	176,800,000	179,685,425	2,885,425
(7) Derivative transactions	-	-	-

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

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

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

(3) Short-term loans payable

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

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

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

(5) Investment corporation bonds payable

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

(7) Derivative transactions

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

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

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

(Units: Thousands of yen)

	As of May 31, 2016	As of Nov. 30, 2016
Tenant leasehold and security deposits	247,773	247,773
Tenant leasehold and security deposits in trust	11,403,825	11,341,892

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

As of May 31, 2016

(Units: Thousands of yen)

	Due within one year
Cash and deposits	17,394,480
Cash and deposits in trust	3,302,017

As of Nov. 30, 2016

(Units: Thousands of yen)

	Due within one year
Cash and deposits	22,486,471
Cash and deposits in trust	3,606,415

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

As of May 31, 2016

(Unit: Thousands of yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds payable	-	-	-	2,000,000	-	3,000,000
Long-term loans payable	-	25,300,000	6,400,000	48,300,000	7,300,000	77,500,000
Total	-	25,300,000	6,400,000	50,300,000	7,300,000	80,500,000

As of Nov. 30, 2016

(Unit: Thousands of yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds payable	-	-	2,000,000	-	-	3,000,000
Long-term loans payable	2,000,000	23,300,000	31,400,000	23,300,000	27,300,000	57,500,000
Total	2,000,000	23,300,000	33,400,000	23,300,000	27,300,000	60,500,000

(Notes Related to Investment Securities)

For the periods ended May 31, 2016, and Nov. 30, 2016

None

(Notes Related to Derivative Transactions)

1. Derivative transactions for which hedge accounting is not applied

For the periods ended May 31, 2016, and Nov. 30, 2016

None

2. Derivative transactions for which hedge accounting is applied

The contract and notional amount as of May 31, 2016, sorted by hedge accounting method is as follows:

(Units: Thousands of yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
			Total	Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term loans payable	163,800,000	163,800,000	(Note)	(Note)

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

The contract and notional amount as of Nov. 30, 2016, sorted by hedge accounting method is as follows:

(Units: Thousands of yen)

Hedge accounting method	Type of derivative transaction	Primary hedged item	Contract amount and other		Fair value	Fair value measurement
			Total	Due after one year		
Special treatment for interest rate swaps	Interest rate swaps Receive floating / Pay fix	Long-term loans payable	163,800,000	161,800,000	(Note)	(Note)

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

(Notes Related to Related Party Transactions)

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

For the periods from Dec. 1, 2015, to May 31, 2016, and June 1, 2016, to Nov. 30, 2016

None

2. Transactions and Account Balances with Affiliates

For the periods from Dec. 1, 2015, to May 31, 2016, and June 1, 2016, to Nov. 30, 2016

None

3. Transactions and Account Balances with Companies under Common Control

For the period from Dec. 1, 2015 to May 31, 2016

Relationship	Name of the company	Address	Stated capital (Thousands of yen)	Type of business	% of voting rights owned	Relation		Type of transaction	Transaction amount (Thousands of yen)	Account	Balance (Thousands of yen)
						Common board member	Business relationship				
Subsidiary of an affiliate	Prologis REIT Master Lease GK	Chiyoda-ku, Tokyo	2,100	Real estate business	-	-	Lessee	Lease of properties in trust	14,265,380	Operating accounts receivable	377,440
										Advances received	2,500,964
								Proceeds of tenant leasehold and security deposits in trust	1,279,367	Tenant leasehold and security deposits in trust	11,419,777
								Repayments of tenant leasehold and security deposits in trust			
Subsidiary of an affiliate	Kitamoto Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	12,600,000	-	-
Subsidiary of an affiliate	Joso Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	7,120,000	-	-
Subsidiary of an affiliate	Tateyama Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	17,600,000	-	-
Subsidiary of an affiliate	Zao Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	4,820,000	-	-
Subsidiary of an affiliate	Prologis REIT Management K.K.	Chiyoda-ku, Tokyo	100,000	Investment management business	-	Executive Director of NPR and President & CEO of the Asset Manager	Asset Manager	Payment of asset management fee	1,495,492	Accrued expenses	1,387,575

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

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

(Note 3) With respect to 29 of the 33 properties held by NPR, NPR leases space to Prologis REIT Master Lease GK based on a pass-through type master lease agreement, and Prologis REIT Master Lease GK subleases the space to tenants.

(Note 4) Kitamoto Special Purpose Company changed its trade name to Tsukuba Special Purpose Company on March 15, 2016.

(Note 5) Joso Special Purpose Company changed its trade name to Norikura Special Purpose Company on June 1, 2016.

For the period from June 1, 2016 to Nov. 30, 2016

Relationship	Name of the company	Address	Stated capital (Thousands of yen)	Type of business	% of voting rights owned	Relation		Type of transaction	Transaction amount (Thousands of yen)	Account	Balance (Thousands of yen)
						Common board member	Business relationship				
Subsidiary of an affiliate	Prologis REIT Master Lease GK	Chiyoda-ku, Tokyo	2,100	Real estate business	-	-	Lessee	Lease of properties in trust	15,023,098	Operating accounts receivable	460,287
										Advances received	2,560,864
								Proceeds of tenant leasehold and security deposits in trust	257,092	Tenant leasehold and security deposits in trust	11,127,152
								Repayments of tenant leasehold and security deposits in trust			
Subsidiary of an affiliate	Prologis REIT Management K.K.	Chiyoda-ku, Tokyo	100,000	Investment management business	-	Executive Director of NPR and President & CEO of the Asset Manager	Asset Manager	Payment of asset management fee	1,371,547	Accrued expenses	1,481,271

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

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

(Note 3) With respect to 29 of the 33 properties held by NPR, NPR leases space to Prologis REIT Master Lease GK based on a pass-through type master lease agreement, and Prologis REIT Master Lease GK subleases the space to tenants.

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

For the periods from Dec. 1, 2015, to May 31, 2016, and June 1, 2016, to Nov. 30, 2016

None

(Notes Related to Retirement Payment)

For the periods from Dec. 1, 2015, to May 31, 2016, and June 1, 2016, to Nov. 30, 2016

None

(Notes Related to Deferred Tax Accounting)

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

(Deferred tax assets)	(Unit: Thousands of yen)	
	As of May 31, 2016	As of Nov. 30, 2016
Enterprise tax payable	10	11
Total deferred tax assets	10	11
Net deferred tax assets	10	11

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

	(Unit: %)	
	As of May 31, 2016	As of Nov. 30, 2016
Statutory tax rate	32.31	31.74
(Adjustments)		
Deductible distributions of retained earnings	(32.31)	(31.73)
Others	0.01	0.00
Effective tax rate	0.01	0.01

(Notes Related to Asset Retirement Obligations)

For the periods from Dec. 1, 2015, to May 31, 2016, and June 1, 2016, to Nov. 30, 2016

None

(Notes Related to Rental Properties)

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

(Unit: Thousands of yen)

	For the period from Dec. 1, 2015 to May 31, 2016	For the period from June 1, 2016 to Nov 30, 2016
Book value		
Balance at the beginning of the period	395,010,605	435,040,993
Change during the period (Note 2)	40,030,387	(2,706,546)
Balance at the end of the period	435,040,993	432,334,447
Fair value at the end of the period	506,620,000	514,970,000

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

(Note 2) The major factor of the increase for the fiscal period ended May 31, 2016, is a result of acquisitions of four properties, Prologis Park Kitamoto, Prologis Park Joso, Prologis Park Osaka 5 and Prologis Park Sendai Izumi for a total of 42,647,349 thousand yen, and the major factor of the decrease for the fiscal period ended May 31, 2016, is depreciation of 3,129,190 thousand yen. The major factor of the decrease for the fiscal period ended Nov. 30, 2016, is depreciation of 3,326,361 thousand yen.

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

(Notes Related to Segment and Related Information)

(Segment Information)

1. Overview of operating and reportable segments

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

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

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

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

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

As of Nov. 30, 2016, NPR's properties classified into each segment are as follows:

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

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

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

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

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

As of May 31, 2016

(Unit: Thousands of yen)

	Global markets	Regional markets	Reconciling adjustments	Amount on financial statements
Operating revenues ⁽¹⁾	13,252,169	1,614,363	-	14,866,532
Segment income ⁽²⁾	7,029,713	761,164	(502,089)	7,288,788
Segment assets ⁽²⁾	398,417,609	40,420,157	20,681,293	459,519,060
Other items				
Depreciation	2,731,431	397,759	-	3,129,190
Increase in property and equipment	38,206,909	4,952,668	-	43,159,578

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

(Note 2) Reconciling adjustments to segment income of (502,089) thousand yen include general corporate expenses of 502,089 thousand yen that are not allocated to each reportable segment. General corporate expenses consist mainly of asset management fees, asset custody fees, administrative service fees and directors' compensation and other. Reconciling adjustments to segment assets of 20,681,293 thousand yen include current assets of 19,726,112 thousand yen, investments and other assets of 910,269 thousand yen and deferred assets of 44,911 thousand yen.

As of Nov. 30, 2016

(Unit: Thousands of yen)

	Global markets	Regional markets	Reconciling adjustments	Amount on financial statements
Operating revenues ⁽¹⁾	13,998,543	1,641,270	-	15,639,813
Segment income ⁽²⁾	7,519,091	731,318	(537,789)	7,712,620
Segment assets ⁽²⁾	396,398,103	40,093,589	23,499,052	459,990,746
Other items				
Depreciation	2,899,211	427,149	-	3,326,361
Increase in property and equipment	559,523	60,290	-	619,814

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

(Note 2) Reconciling adjustments to segment income of (537,789) thousand yen include general corporate expenses of 537,789 thousand yen that are not allocated to each reportable segment. General corporate expenses consist mainly of asset management fees, asset custody fees, administrative service fees and directors' compensation and other. Reconciling adjustments to segment assets of 23,499,052 thousand yen include current assets of 22,687,886 thousand yen, investments and other assets of 776,272 thousand yen and deferred assets of 34,893 thousand yen.

(Related Information)

For the period from Dec. 1, 2015, to May 31, 2016

1. Information by products and services

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

2. Information by geographic region

(1) Operating revenues

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

(2) Property and equipment

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

3. Information by major customers

(Unit: Thousands of yen)

Counterparty	Operating revenues	Related segment
Prologis REIT Master Lease GK	14,265,380	Global market, Regional market

(Note 1) With respect to 29 of the 33 properties held by NPR, NPR leases space to Prologis REIT Master Lease GK based on a pass-through type master lease agreement, and Prologis REIT Master Lease GK subleases the space to tenants.

For the period from June 1, 2016, to Nov. 30, 2016

1. Information by products and services

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

2. Information by geographic region

(1) Operating revenues

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

(2) Property and equipment

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

3. Information by major customers

(Unit: Thousands of yen)

Counterparty	Operating revenues	Related segment
Prologis REIT Master Lease GK	15,023,098	Global market, Regional market

(Note 1) With respect to 29 of the 33 properties held by NPR, NPR leases space to Prologis REIT Master Lease GK based on a pass-through type master lease agreement, and Prologis REIT Master Lease GK subleases the space to actual tenants.

(Notes Related to Per Unit Information)

	For the period from Dec. 1, 2015 to May 31, 2016	For the period from June 1, 2016 to Nov. 30, 2016
Net assets per unit	143,997 yen	143,672 yen
Profit per unit	3,518 yen	3,680 yen

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

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

	For the period from Dec. 1, 2015 to May 31, 2016	For the period from June 1, 2016 to Nov. 30, 2016
Profit (Thousands of yen)	6,255,141	6,780,125
Amount not attributable to common unit holders (Thousands of yen)	-	-
Profit attributable to common unit holders (Thousands of yen)	6,255,141	6,780,125
Average number of investment units during the period (unit)	1,777,885	1,841,950

(Notes Related to Material Subsequent Events)

(a) Issuance of New Investment Units

NPR issued new investment units with terms and conditions described below based on a resolution made by the board of directors on Dec. 5, 2016 and Dec. 12, 2016. Subsequently, the payments were completed on Dec. 19, 2016 and Jan. 16, 2017, respectively, for the issuance of new investment units through the public offering and third-party allotment. Consequently, as of today, the total balance of unit holders' capital is 271,707 million yen and the total number of investment units issued and outstanding is 1,906,350.

Issuance of New Investment Units through the Public Offering

Number of units issued and outstanding	61,330 units
Issue price	222,460 yen per unit
Total net proceeds	13,643,471,800 yen
Issue value	215,082 yen per unit
Total issue value	13,190,979,060 yen
Payment date	Dec. 19, 2016

Issuance of New Investment Units through the Third-Party Allotment

Number of units issued	3,070 units
Issue price	215,082 yen per unit
Total net proceeds	660,301,740 yen
Payment date	Jan. 16, 2017

(b) Borrowings

On Dec. 7, 2016, NPR obtained bank loans (the "Bridge Loans"), which were based on a resolution made by the board of directors on Dec. 5, 2016, to acquire properties described in the following "(c) Acquisition of Assets". In addition, on Dec. 20, 2016, NPR obtained bank loans (the "Borrowings") in order to prepay the Bridge Loans.

Details of the Bridge Loans

Category	Lender	Borrowing Amount	Interest Rate	Borrowing Date	Repayment Date	Repayment Method	Collateral
Long-term	Sumitomo Mitsui Banking Corporation	19,040 million yen	Base interest rate (JBA 1-month Japanese yen TIBOR) +0.20%	Dec. 7, 2016	Dec. 7, 2018	Paid in full upon maturity	Unsecured and non-guaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	8,160 million yen					

Details of the Borrowings

Category	Lender	Borrowing Amount	Interest Rate	Borrowing Date	Repayment Date	Repayment Method	Collateral
Long-term (Note 3)	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 1)	4,000 million yen	Base interest rate (JBA 3-month Japanese yen TIBOR) +0.28%	Dec. 20, 2016	Dec. 20, 2024	Paid in full upon maturity	Unsecured and non-guaranteed
Long-term (Note 4)	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 2)	9,400 billion yen	Base interest rate (JBA 3-month Japanese yen TIBOR) +0.40%		Dec. 18, 2026		

Notes:

- The syndicate of lenders consists of 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. and The Iyo Bank, Ltd.

2. The syndicate of lenders consists of 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. and The Iyo Bank, Ltd.
3. NPR has executed the interest rate swap agreement to hedge the risks of interest rate volatility by converting the floating interest rates payable to fixed interest rates for the Borrowing on Dec. 16, 2016.

1. Counterparty	Nomura Securities Co., Ltd.
2. Notional Amount	4,000 million yen
3. Interest Rate	Fixed Interest Rate: 0.248% Floating Interest Rate: JBA 3-month Japanese yen TIBOR
4. Trade Date	Dec. 16, 2016
5. Effective Date	Dec. 20, 2016
6. Termination Date	Dec. 20, 2024
7. Interest Payment Date	The interest payment is set forth on Feb. 28, 2017 for the first time, subsequently on the last day of every Feb., May, Aug., and Nov., and the Termination Date, respectively (an interest payment date on a non-business day is moved to the following business day or the immediately preceding business day in case the following business day falls in the following month).

*The subject interest rate swap agreement shall, in effect, fix the interest rate at 0.528%.

4. NPR has executed the interest rate swap agreement to hedge the risks of interest rate volatility by converting the floating interest rates payable to fixed interest rates for the Borrowing on Dec. 16, 2016.

1. Counterparty	Sumitomo Mitsui Trust Bank, Limited
2. Notional Amount	9,400 million yen
3. Interest Rate	Fixed Interest Rate: 0.3167% Floating Interest Rate: JBA 3-month Japanese yen TIBOR
4. Trade Date	Dec. 16, 2016
5. Effective Date	Dec. 20, 2016
6. Termination Date	Dec. 18, 2026
7. Interest Payment Date	The interest payment is set forth on Feb. 28, 2017 for the first time, subsequently on the last day of every Feb., May, Aug., and Nov., and the Termination Date, respectively (an interest payment date on a non-business day is moved to the following business day or the immediately preceding business day in case the following business day falls in the following month).

*The subject interest rate swap agreement shall, in effect, fix the interest rate at 0.7167%.

(c) Acquisition of Assets

NPR, according to its basic investment guidelines defined in its article of incorporation, which were based on a resolution made by the board of directors on Dec. 5, 2016, acquired properties described below on Dec. 7, 2016, with Bridge Loans (described above “(b) Borrowings”) and cash on hand.

Property name		Prologis Park Narita 3
Location		125-3, Iwayama, Shibayama, Sambu, Chiba 125-3, Nekida, Aza, Iwayama, Shibayama, Sambu, Chiba
Class of assets		Real estate trust beneficiary interests
Acquisition date		Dec. 7, 2016
Acquisition price		9,240 million yen
Land	Ownership form	Proprietary (Note)
	Land area	47,599.00 m ²
Building	Ownership form	Proprietary
	Gross floor area	57,118.24 m ²
	Date of construction	May 23, 2008
	Purpose	Warehouse/Office
	Structure/No. of stories	RC, 7-story building

Note: In addition to the above, the trustee leases, some parts of land (the area of which is 0.75m² (0.25m² x 3)) from the owner of the adjacent land in order to set up signs calling for attention.

Property name		Prologis Park Koga 1
Location		8-15, Kitatone, Koga, Ibaraki 8-15, Kitatone, Koga, Ibaraki
Class of assets		Real estate trust beneficiary interests
Acquisition date		Dec. 7, 2016
Acquisition price		7,680 million yen
Land	Ownership form	Proprietary
	Land area	25,235.67 m ²
Building	Ownership form	Proprietary
	Gross floor area	34,091.82 m ²
	Date of construction	Oct. 13, 2016
	Purpose	Warehouse/Office
	Structure/No. of stories	SRC, 4-story building

Property name		Prologis Park Kobe 2
Location		11-4, Mitsugaoka 4-chome, Nishi-ku, Kobe, Hyogo 11-4, Mitsugaoka 4-chome, Nishi-ku, Kobe, Hyogo
Class of assets		Real estate trust beneficiary interests
Acquisition date		Dec. 7, 2016
Acquisition price		13,700 million yen
Land	Ownership form	Proprietary
	Land area	34,613.16 m ²
Building	Ownership form	Proprietary
	Gross floor area	62,230.43 m ²
	Date of construction	Oct. 12, 2016
	Purpose	Warehouse/Office
	Structure/No. of stories	SRC, 4-story building

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

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

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

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

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

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

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

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

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

- (Note 7) New investment units were issued at a price of 885,730 yen per unit through third-party allotment to raise funds for the payment of expenses associated with the issuance of new investment units and ancillary costs.
- (Note 8) Cash distributions for the fiscal period ended Nov. 2013 in the amount of 2,168 yen per unit as return of capital. It was decided on Jan. 17, 2014, and payment began on Feb. 14, 2014.
- (Note 9) With Mar. 1, 2014 as an effective date, NPR has implemented a 5-to-1 investment unit split.
- (Note 10) Cash distributions for the fiscal period ended May 2014 in the amount of 477 yen per unit as return of capital. It was decided on July 14, 2014, and payment began on Aug. 15, 2014.
- (Note 11) New investment units were issued at a price of 250,096 yen per unit (241,853 yen after deduction of gross spread to underwriters) to raise funds for the repayment of borrowings for the acquisition of new properties.
- (Note 12) New investment units were issued at a price of 241,853 yen per unit through third-party allotment to raise funds for the future acquisition of properties or the repayment of borrowings.
- (Note 13) Cash distributions for the fiscal period ended Nov. 2014 in the amount of 579 yen per unit as return of capital. It was decided on Jan. 19, 2015, and payment began on Feb. 13, 2015.
- (Note 14) Cash distributions for the fiscal period ended May 2015 in the amount of 576 yen per unit as return of capital. It was decided on July 15, 2015 and payment began on Aug. 14, 2015.
- (Note 15) Cash distributions for the fiscal period ended Nov. 2015 in the amount of 483 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on Jan. 19, 2016, and payment began on Feb. 15, 2016.
- (Note 16) New investment units were issued at a price of 231,574 yen per unit (223,894 yen after deduction of gross spread to underwriters) to raise funds for the repayment of borrowings for the acquisition of new properties.
- (Note 17) New investment units were issued at a price of 223,894 yen per unit through third-party allotment to raise funds for the future acquisition of properties or the repayment of borrowings.
- (Note 18) Cash distributions for the fiscal period ended May 2016 in the amount of 610 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on July 14, 2016, and payment began on Aug. 15, 2016.

4. Change of Directors

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

5. Reference Information

(1) Composition of NPR's Assets

Type of asset	Region	Seventh fiscal period (As of Nov. 30, 2015)		Eighth fiscal period (As of May 31, 2016)	
		Retained amount (Millions of yen) (Note 3)	Ratio of total asset (%)	Retained amount (Millions of yen) (Note 3)	Ratio of total asset (%)
Real estate	Global markets (Note 1)				
	Kanto area	-	-	-	-
	Kansai area	4,319	0.9	4,287	0.9
	Regional markets (Note 2)				
	Chubu area	-	-	-	-
	Tohoku area	-	-	-	-
	Kyushu area	6,655	1.4	6,587	1.4
	Total	10,975	2.4	10,875	2.4
Beneficiary right in trust	Global markets (Note 1)				
	Kanto area	240,192	52.3	238,880	51.9
	Kansai area	150,502	32.8	149,503	32.5
	Regional markets (Note 2)				
	Chubu area	18,067	3.9	17,938	3.9
	Tohoku area	15,297	3.3	15,126	3.3
	Kyushu area	-	-	-	-
	Total	424,060	92.3	421,449	91.6
Total of real estate and others		435,035	94.7	432,325	94.0
Deposit and other assets		24,483	5.3	27,665	6.0
Total assets (Note 4)		459,519 (435,035)	100.0 (94.7)	459,990 (432,325)	100.0 (94.0)

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

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

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

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

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

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

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

(2) Overview of the Portfolio

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

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

Property number	Property name	Form of ownership	Acquisition price (Millions of yen) ⁽¹⁾	Book value (Millions of yen) ⁽²⁾	Appraisal value as of the end of the reporting fiscal period (Millions of yen) ⁽³⁾	Return price					Investment rate (%) ⁽⁴⁾
						Direct capitalization method		DCF method			
						Priced based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Priced based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
M-01	Prologis Park Ichikawa 1	Beneficiary right in trust	33,900	32,876	41,000	42,000	4.2	41,000	4.0	4.4	7.58
M-02	Prologis Park Zama 1	Beneficiary right in trust	27,900	26,597	31,900	32,100	4.6	31,900	4.4	4.8	6.24
M-03	Prologis Park Kawajima	Beneficiary right in trust	25,600	24,138	31,700	32,000	4.8	31,700	4.6	5.0	5.72
M-04	Prologis Park Osaka 2	Beneficiary right in trust	25,000	23,753	29,800	29,900	4.7	29,800	4.5	4.8	5.59
M-05	Prologis Park Maishima 3	Beneficiary right in trust	13,500	12,759	15,200	15,400	4.8	15,200	4.6	4.9	3.02
M-06	Prologis Park Kasugai	Beneficiary right in trust	12,500	11,816	16,100	16,300	5.2	16,100	5.0	5.3	2.80
M-07	Prologis Park Kitanagoya	Beneficiary right in trust	6,500	6,122	7,960	8,170	4.9	7,960	4.8	5.1	1.45
M-08	Prologis Park Tagajo	Beneficiary right in trust	5,370	5,002	5,710	5,790	5.4	5,710	5.2	5.6	1.20
M-09	Prologis Park Tokyo-Ohta	Beneficiary right in trust	29,500	29,105	34,900	35,500	4.0	34,900	3.8	4.2	6.60
M-10	Prologis Park Zama 2	Beneficiary right in trust	21,900	21,097	26,400	26,800	4.6	26,400	4.4	4.8	4.90
M-11	Prologis Park Funabashi 5 (Annex)	Beneficiary right in trust	9,500	10,756	13,300	13,500	4.4	13,300	4.2	4.6	2.46
			1,500								
M-12	Prologis Park Narita 1-A&B	Beneficiary right in trust	8,420	8,004	9,640	9,700	5.2	9,580	4.9	5.4	1.88
M-13	Prologis Park Narita 1-C	Beneficiary right in trust	4,810	4,580	5,540	5,540	5.2	5,530	4.9	5.4	1.08
M-14	Prologis Park Amagasaki 1	Beneficiary right in trust	17,600	17,281	20,200	20,300	4.7	20,000	4.4	4.8	3.94
M-15	Prologis Park Amagasaki 2	Beneficiary right in trust	19,200	18,515	21,400	21,400	4.7	21,300	4.4	4.8	4.29
M-16	Prologis Park Tokyo-Shinkiba	Beneficiary right in trust	13,600	13,377	15,600	15,800	4.0	15,600	3.9	4.2	3.04
M-17	Prologis Park Yokohama-Tsurumi	Beneficiary right in trust	13,800	13,329	16,000	16,100	4.5	16,000	4.3	4.6	3.09
M-18	Prologis Park Osaka 4	Beneficiary right in trust	21,000	20,176	23,500	23,400	4.7	23,500	4.5	4.8	4.70
M-19	Prologis Park Iwanuma 1	Beneficiary right in trust	5,670	5,320	6,490	6,590	5.5	6,490	5.4	5.7	1.27

Property number	Property name	Form of ownership	Acquisition price (Millions of yen) ⁽¹⁾	Book value (Millions of yen) ⁽²⁾	Appraisal value as of the end of the reporting fiscal period (Millions of yen) ⁽³⁾	Return price					Investment rate (%) ⁽⁴⁾
						Direct capitalization method		DCF method			
						Priced based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Priced based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
M-20	Prologis Park Kawajima 2	Beneficiary right in trust	8,180	7,948	8,970	8,980	4.9	8,970	4.7	5.1	1.83
M-21	Prologis Park Kitamoto	Beneficiary right in trust	12,600	12,596	13,300	13,300	4.9	13,200	4.6	5.1	2.82
M-22	Prologis Park Joso	Beneficiary right in trust	7,120	7,095	7,250	7,290	4.9	7,250	4.7	5.1	1.59
M-23	Prologis Park Osaka 5	Beneficiary right in trust	17,600	17,673	18,100	18,500	4.7	18,100	4.5	4.9	3.94
B-01	Prologis Park Maishima 4	Beneficiary right in trust	11,500	10,859	13,400	13,300	4.7	13,400	4.5	4.8	2.57
B-02	Prologis Park Takatsuki	Real estate	4,410	4,287	5,050	5,110	4.9	5,050	4.6	5.0	0.99
B-03	Prologis Park Tosu 2	Real estate	3,030	2,909	3,530	3,500	5.1	3,530	4.8	5.2	0.68
B-04	Prologis Park Tosu 4	Real estate	3,810	3,678	4,370	4,440	5.1	4,370	4.8	5.2	0.85
B-05	Prologis Park Narashino 4	Beneficiary right in trust	20,000	19,230	23,000	22,900	4.5	23,000	4.3	4.6	4.47
B-06	Prologis Park Ebina	Beneficiary right in trust	8,250	8,146	9,140	9,140	4.7	9,140	4.5	4.8	1.84
B-07	Prologis Park Kawanishi	Beneficiary right in trust	13,600	13,325	14,500	14,100	4.8	14,500	4.6	5.1	3.04
B-08	Prologis Park Amagasaki 3	Beneficiary right in trust	9,090	8,913	9,910	9,970	4.6	9,840	4.3	4.8	2.03
B-09	Prologis Park Kobe	Beneficiary right in trust	6,410	6,244	7,050	7,090	5.0	7,000	4.8	5.3	1.43
B-10	Prologis Park Sendai Izumi	Beneficiary right in trust	4,820	4,803	5,060	5,060	5.5	5,050	5.1	5.7	1.08
Total			447,190	432,325	514,970	518,970	-	514,370	-	-	100.00

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

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

(Note 3) NPR has retained Jones Lang LaSalle K.K., CBRE K.K. and Japan Real Estate Institute to appraise the properties. "Appraisal value as of the end of the reporting fiscal period" represents the appraisal value as set forth on the relevant study reports by real estate appraisers as of Nov. 30, 2016.

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

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

Property number	Property name	Property age (years) ⁽²⁾	Leasable area(m ²) ⁽³⁾	Leased area(m ²) ⁽⁴⁾	Gross number of tenants ⁽⁵⁾	Occupancy rate (%) ⁽⁶⁾	Annual rent (Millions of yen) ⁽⁷⁾	Security deposit (Millions of yen) ⁽⁸⁾	Average lease contract (years) ⁽⁹⁾	Average remaining lease contract (years) ⁽¹⁰⁾
M-01	Prologis Park Ichikawa 1	8.1	125,014.12	116,275.66	10	93.0	1,977	820	10.0	6.6
M-02	Prologis Park Zama 1	7.6	113,471.12	107,841.04	6	95.0	1,748	541	8.4	3.5
M-03	Prologis Park Kawajima	5.5	144,897.54	144,828.17	7	100.0	1,869	638	4.0	2.5
M-04	Prologis Park Osaka 2	9.6	130,553.85	112,752.29	5	86.4	1,540	570	6.6	1.6
M-05	Prologis Park Maishima 3	8.8	74,874.39	73,384.00	4	98.0	935	332	6.9	3.1
M-06	Prologis Park Kasugai	8.9	91,779.50	89,799.76	7	97.8	1,048	431	2.6	0.6
M-07	Prologis Park Kitanoagoya	7.5	42,751.60	37,641.86	3	88.0	475	150	4.4	1.9
M-08	Prologis Park Tagajo	7.7	39,098.87	30,385.80	3	77.7	333	152	3.3	2.0
M-09	Prologis Park Tokyo-Ohta	11.2	73,325.14	73,138.21	17	99.7	1,694	695	4.1	2.1
M-10	Prologis Park Zama 2	4.4	95,121.43	95,121.43	8	100.0	1,477	636	6.1	3.3
M-11	Prologis Park Funabashi 5 (Annex)	12.0	56,556.95	56,556.95	4	100.0	776	367	7.1	1.7
M-12	Prologis Park Narita 1-A&B	11.8	62,058.81	57,927.64	10	93.3	653	142	2.3	0.7
M-13	Prologis Park Narita 1-C	9.6	32,230.25	32,230.25	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	3.4	2.8
M-14	Prologis Park Amagasaki 1	11.3	91,446.75	91,446.75	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	9.3
M-15	Prologis Park Amagasaki 2	9.7	91,399.12	90,842.89	7	99.4	1,221	492	6.9	1.7
M-16	Prologis Park Tokyo-Shinkiba	9.5	31,022.88	30,707.02	8	99.0	835	401	4.6	2.3
M-17	Prologis Park Yokohama-Tsurumi	8.6	63,973.26	63,598.58	4	99.4	940	414	5.2	2.1
M-18	Prologis Park Osaka 4	4.6	106,135.15	100,913.46	9	95.1	1,343	521	4.5	1.1
M-19	Prologis Park Iwanuma 1	8.2	40,520.44	40,520.44	3	100.0	444	266	5.0	3.3
M-20	Prologis Park Kawajima 2	2.8	42,005.07	42,005.07	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	7.8	5.2
M-21	Prologis Park Kitamoto	2.7	69,432.01	69,432.01	4	100.0	817	247	5.4	3.9
M-22	Prologis Park Joso	2.1	37,165.49	37,165.49	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	5.0	3.3

Property number	Property name	Property age (years) ⁽²⁾	Leasable area(m ²) ⁽³⁾	Leased area(m ²) ⁽⁴⁾	Gross number of tenants ⁽⁵⁾	Occupancy rate (%) ⁽⁶⁾	Annual rent (Millions of yen) ⁽⁷⁾	Security deposit (Millions of yen) ⁽⁸⁾	Average lease contract (years) ⁽⁹⁾	Average remaining lease contract (years) ⁽¹⁰⁾
M-23	Prologis Park Osaka 5	1.9	78,087.30	78,087.30	8	100.0	1,087	389	5.8	4.7
B-01	Prologis Park Maishima 4	6.3	57,234.13	57,234.13	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	12.0	5.8
B-02	Prologis Park Takatsuki	4.9	19,898.05	19,898.05	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	10.2
B-03	Prologis Park Tosu 2	4.4	21,778.87	21,778.87	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	5.7
B-04	Prologis Park Tosu 4	4.9	28,765.31	28,765.31	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.3	10.5
B-05	Prologis Park Narashino 4	3.4	91,529.07	91,529.07	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	6.8
B-06	Prologis Park Ebina	6.7	32,500.08	32,500.08	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	5.7	3.3
B-07	Prologis Park Kawanishi	3.0	75,493.23	75,493.23	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	7.0
B-08	Prologis Park Amagasaki 3	3.2	39,527.85	39,527.85	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	6.8
B-09	Prologis Park Kobe	3.0	32,511.56	32,511.56	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.2	12.3
B-10	Prologis Park Sendai Izumi	1.2	26,353.50	26,353.50	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	20.3	19.3
Total		7.0	2,158,512.69	2,098,193.72	144	97.2	29,134	11,484	7.2	4.0

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

(Note 2) "Property age" of each property is calculated based on the date in the property registration as of Nov. 30, 2016, and is rounded to the nearest first tenth. Although Prologis Park Zama 2 also has an annex, the property age is calculated based only on the main structure of the property, as the annex is relatively small. Also, a convenience store building jointly owned by the owners of Prologis Park 1-A&B and Prologis Park 1-C is excluded.

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

(Note 4) "Leased area" equals to gross floor area of leased space in each property or property in trust as of Nov. 30, 2016, based on the lease agreements and floor plans included in the lease agreements.

(Note 5) "Gross number of tenants" is based on the lease agreements with tenants for warehouses, offices and stores for each property or property in trust as of Nov. 30, 2016. For properties with pass-through master lease agreements, this is the total number of end-tenants.

(Note 6) "Occupancy rate" is as of Nov. 30, 2016, calculated by dividing total leased area for each property by the total leasable area. The total occupancy rate is calculated by dividing the aggregate total leased area for the relevant properties by the aggregate total leasable area for the relevant properties. Figures are rounded to the nearest tenth.

(Note 7) "Annual rent" is based on total annual rent (including common area charges) as of Nov. 30, 2016, as indicated in the relevant lease agreements for all warehouses, offices and stores for each property or property in trust. If the relevant agreements include monthly contracted rent, anticipated annual rent is calculated in accordance with the terms provided in the agreements. Figures are rounded down to the nearest million yen.

(Note 8) "Security deposit" is calculated as the total security deposit as indicated in the relevant lease agreements for all warehouses, offices and stores for each property or property in trust as of Nov. 30, 2016, rounded down to the nearest million yen.

(Note 9) "Average lease contract" is calculated as the weighted average of length of lease contract indicated in the relevant lease agreements for all warehouses, offices and stores for each property or property in trust as of Nov. 30, 2016, by the rent and figures are rounded to the nearest tenth.

(Note 10) "Average remaining lease contract" is calculated as the weighted average of length of remaining lease contract indicated in the relevant lease agreements for all warehouses, offices and stores for each property or property in trust as of Nov. 30, 2016, by the rent and figures are rounded to the nearest tenth.

(Note 11) We have not obtained permission from the tenant of the properties to disclose the information unstated in this table.

(3) Capital Expenditures for Owned Properties

(a) Future Plans for Capital Expenditure

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

Name (Location)	Purpose	Planned period	Estimate construction cost (Millions of yen) ⁽¹⁾		
			Total amount	Paid during the reporting period	Total amount already paid
Prologis Park Tokyo-Ohta (Ota, Tokyo)	Extension work of shared building and repair work of exterior walls	From Dec. 2016 to Nov. 2017	516	6	8
Prologis Park Kawajima, other (Hiki, Saitama, other)	Countermeasure work of BCP	From Dec. 2016 to Nov. 2017	237	-	-
Prologis Park Narita 1-A&B, (Narita, Chiba)	Repair work of exterior walls	From Dec. 2016 to June 2017	189	-	-
Prologis Park Osaka 2, (Osaka, Osaka)	Installment of LED lighting	From Jan. 2017 to Nov. 2017	165	-	-

(Note 1) Figures are rounded down to the nearest million yen.

(b) Capital Expenditure Incurred for the Reported Fiscal Period

The following summarizes the major construction work to NPR's owned properties that resulted in capital expenditures for the reporting fiscal period. NPR conducted construction work worth 615 million yen in the reporting fiscal period which is a sum of capital expenditures of 757 million yen and repair and maintenance expenses of 142 million yen.

Name (Location)	Purpose	Expenditure Period	Amount spent (Millions of yen) ⁽¹⁾
Prologis Park Tokyo-Ohta (Ota, Tokyo)	Repair work of exterior walls and other facilities	From June 2016 to Nov. 2016	134
Prologis Park Kasugai, other (Kasugai, Aichi, other)	Installment of LED lighting	From Aug. 2016 to Nov. 2016	103
Prologis Park Funabashi 5, other (Kasugai, Aichi, other)	Countermeasure work of BCP	From June 2016 to Nov. 2016	95
Others	-	-	281
Total			615

(Note 1) Figures are rounded down to the nearest million yen.

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

None

(4) Information Concerning Major Tenants

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

None

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

None

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

Eighth Fiscal Period from June 1, 2016 to Nov. 30, 2016

(Units: Thousands of yen)

Property number	M-01	M-02	M-03	M-04	M-05
Property name	Prologis Park Ichikawa 1	Prologis Park Zama 1	Prologis Park Kawajima	Prologis Park Osaka 2	Prologis Park Maishima 3
Operating days	183	183	183	183	183
(1) Property related revenues	1,118,871	946,496	1,004,111	891,782	474,911
Property revenues	973,814	870,268	914,236	806,331	440,588
Other property related revenues	145,056	76,228	89,875	85,451	34,322
(2) Total of property related expenses	481,187	366,763	447,750	419,825	244,230
Property taxes	82,524	73,333	70,087	84,047	51,996
Subcontract expenses	73,168	40,247	85,772	53,652	31,922
Utilities cost	99,543	49,048	61,783	56,635	22,261
Non-life insurance premium	1,659	1,452	1,701	1,778	1,000
Repair and maintenance	15,859	5,901	1,164	15,959	12,566
Depreciation	207,771	194,160	226,741	207,251	123,883
Custodian fee	660	500	500	500	600
Other expenses	-	2,119	-	-	-
(3) Operating income from property leasing (= (1)-(2))	637,683	579,732	556,360	471,957	230,680
NOI ((3) + Depreciation)	845,455	773,893	783,102	679,208	354,563

(Units: Thousands of yen)

Property number	M-06	M-07	M-08	M-09	M-10
Property name	Prologis Park Kasugai	Prologis Park Kitanagoya	Prologis Park Tagajo	Prologis Park Tokyo-Ohta	Prologis Park Zama 2
Operating days	183	183	183	183	183
(1) Property related revenues	550,020	233,418	172,336	923,700	804,809
Property revenues	520,383	221,980	161,259	836,286	717,285
Other property related revenues	29,637	11,437	11,076	87,414	87,524
(2) Total of property related expenses	249,886	130,877	103,319	316,728	321,695
Property taxes	57,814	31,060	19,477	58,522	63,925
Subcontract expenses	28,577	28,283	15,205	58,938	41,197
Utilities cost	25,928	10,598	10,535	58,861	57,907
Non-life insurance premium	1,096	462	377	1,046	1,177
Repair and maintenance	12,543	717	1,220	6,889	4,509
Depreciation	123,425	59,254	56,003	131,970	152,478
Custodian fee	500	500	500	500	500
Other expenses	-	-	-	-	-
(3) Operating income from property leasing (= (1)-(2))	300,133	102,540	69,016	606,972	483,114
NOI ((3) + Depreciation)	423,559	161,794	125,019	738,942	635,593

(Units: Thousands of yen)

Property number	M-11	M-12	M-13	M-14	M-15
Property name	Prologis Park Funabashi 5 (include Annex)	Prologis Park Narita 1-A&B	Prologis Park Narita 1-C	Prologis Park Amagasaki 1	Prologis Park Amagasaki 2
Operating days	183	183	183	183	183
(1) Property related revenues	398,818	350,923	219,437	Not disclosed (Note)	703,875
Property revenues	381,360	315,179	192,170		605,437
Other property related revenues	17,457	35,743	27,266		98,437
(2) Total of property related expenses	152,531	153,121	101,073		312,574
Property taxes	33,041	23,589	16,257		57,993
Subcontract expenses	24,807	24,469	13,089		32,626
Utilities cost	12,517	22,108	14,159		74,095
Non-life insurance premium	705	697	391		1,047
Repair and maintenance	5,952	6,545	14,398		9,256
Depreciation	74,507	75,211	42,276		137,055
Custodian fee	999	500	500	499	
Other expenses	-	-	-	-	
(3) Operating income from property leasing (= (1)-(2))	246,286	197,802	118,364	343,878	391,301
NOI ((3) + Depreciation)	320,794	273,014	160,641	456,961	528,356

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

(Units: Thousands of yen)

Property number	M-16	M-17	M-18	M-19	M-20
Property name	Prologis Park Tokyo-Shinkiba	Prologis Park Yokohama-Tsurumi	Prologis Park Osaka 4	Prologis Park Iwanuma 1	Prologis Park Kawajima 2
Operating days	183	183	183	183	183
(1) Property related revenues	455,997	502,668	739,737	287,137	Not disclosed (Note)
Property revenues	412,755	469,938	694,583	220,262	
Other property related revenues	43,242	32,730	45,154	66,874	
(2) Total of property related expenses	149,603	235,173	313,920	170,737	
Property taxes	36,734	51,660	77,701	21,091	
Subcontract expenses	18,941	40,882	33,887	20,218	
Utilities cost	33,012	34,637	31,971	55,522	
Non-life insurance premium	434	766	1,308	436	
Repair and maintenance	401	406	465	7,227	
Depreciation	59,579	106,021	168,087	65,741	
Custodian fee	500	500	500	500	
Other expenses	-	300	-	-	
(3) Operating income from property leasing (= (1)-(2))	306,394	267,495	425,816	116,399	175,276
NOI ((3) + Depreciation)	365,973	373,516	593,904	182,140	241,841

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

(Units: Thousands of yen)

Property number	M-21	M-22	M-23	B-01	B-02
Property name	Prologis Park Kitamoto	Prologis Park Joso	Prologis Park Osaka 5	Prologis Park Maishima 4	Prologis Park Takatsuki
Operating days	183	183	183	183	183
(1) Property related revenues	433,187	Not disclosed (Note)	558,339	Not disclosed (Note)	Not disclosed (Note)
Property revenues	406,438		531,673		
Other property related revenues	26,748		26,666		
(2) Total of property related expenses	149,897		193,104		
Property taxes	-		-		
Subcontract expenses	32,530		30,075		
Utilities cost	15,183		20,628		
Non-life insurance premium	766		1,070		
Repair and maintenance	294		633		
Depreciation	100,643		140,216		
Custodian fee	480	480			
Other expenses	-	-			
(3) Operating income from property leasing (= (1)-(2))	283,289	144,684	365,235	224,456	97,741
NOI ((3) + Depreciation)	383,933	209,060	505,452	319,250	129,632

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

(Units: Thousands of yen)

Property number	B-03	B-04	B-05	B-06	B-07
Property name	Prologis Park Tosu 2	Prologis Park Tosu 4	Prologis Park Narashino 4	Prologis Park Ebina	Prologis Park Kawanishi
Operating days	183	183	183	183	183
(1) Property related revenues	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Property revenues					
Other property related revenues					
(2) Total of property related expenses					
Property taxes					
Subcontract expenses					
Utilities cost					
Non-life insurance premium					
Repair and maintenance					
Depreciation					
Custodian fee					
Other expenses					
(3) Operating income from property leasing (= (1)-(2))	60,582	72,808	392,772	183,329	322,857
NOI ((3) + Depreciation)	92,423	109,074	536,649	221,114	410,410

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

(Units: Thousands of yen)

Property number	B-08	B-09	B-10
Property name	Prologis Park Amagasaki 3	Prologis Park Kobe	Prologis Park Sendai Izumi
Operating days	183	183	183
(1) Property related revenues	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Property revenues			
Other property related revenues			
(2) Total of property related expenses			
Property taxes			
Subcontract expenses			
Utilities cost			
Non-life insurance premium			
Repair and maintenance			
Depreciation			
Custodian fee			
Other expenses			
(3) Operating income from property leasing (= (1)-(2))	175,197	135,811	103,915
NOI ((3) + Depreciation)	234,625	187,814	158,533

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