Nippon Prologis REIT, Inc.

Fiscal Period Ended November 30, 2013

Unaudited

PROLOGIS
Nippon Prologis REIT

January 21, 2014

Prologis REIT Management K.K.

Contents

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Section I – Nippon Prologis REIT Overview

Nippon Prologis REIT Overview

The Prologis Group

- World's largest industrial real estate company
- Pioneer in the development of logistics facilities in Japan

2013 Offerings

IPO

Listing date	February 14, 2013
Offering size	JPY 105.3 bn
Acquisition	12 assets / JPY 173.0 bn

First Follow-On Offering

Offering date	June 11, 2013
Offering size	JPY 77.1 bn
Acquisition	8 assets / JPY 132.4 bn

Second Follow-On Offering

Offering date	December 2, 2013
Offering size	JPY 31.0 bn
Acquisition	4 assets / JPY 54.0 bn

Operating Portfolio

Portfolio size	24 properties / JPY 359.5 bn
% Class-A facilities	100%

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Nippon Prologis REIT Overview (Continued)

Investment Unit Split

- Effective date: March 1, 2014
- Split ratio: 5-to-1

Credit Rating

- JCR: AA- (Stable)

Inclusion in Major Indices

- TSE REIT Index (March 2013)
- Russell Global Index (March 2013)
- MSCI Global Standard Indices (June 2013)
- FTSE EPRA/NA REIT Global Real Estate Index Series (June 2013)
- S&P Global BMI Index (June 2013)
- UBS Global Real Estate Index (June 2013)
- Thomson Reuters GPR/APREA Investable 100 Index (June 2013)

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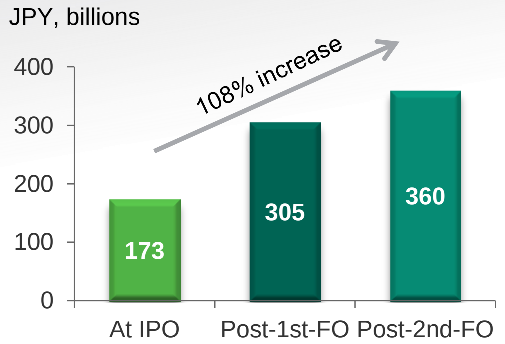
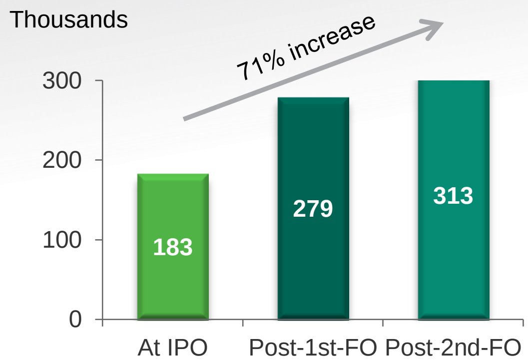
Increase in Investment Unit Value and Liquidity

Portfolio Size (based on acquisition price)



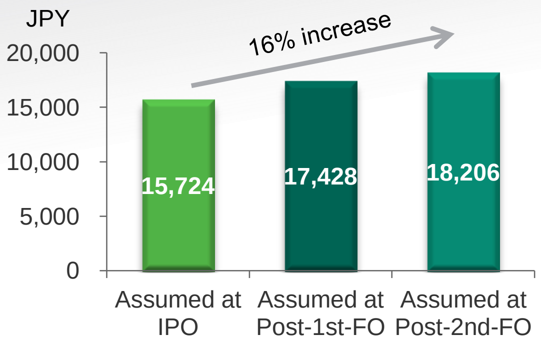
Number of Properties	12	20	24

Number of Units



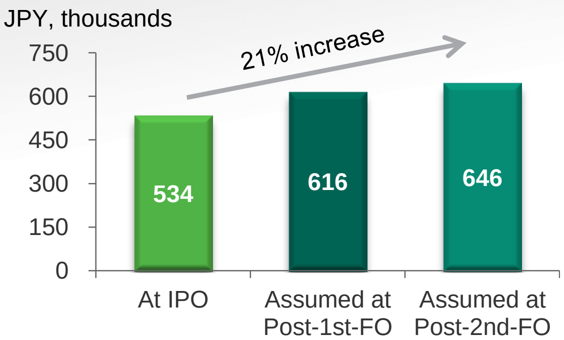
Number of Properties	12	20	24

Distributions Per Unit (based on Constructed Financial Performance Model)(1)



Number of Properties	12	20	24

Appraisal NAV Per Unit (based on appraisal value)(2)



Number of Properties	12	20	24

Note:
1: Distributions per unit based on the constructed financial performance model are the figures calculated at the time of IPO, 1st follow-on offering and 2nd follow-on offering, respectively, excluding short-term impacts of NPR's various then anticipated activities. Please note that these figures are, and will be, different from NPR's actual distributions.
2: NAV per unit is calculated as [net assets – surplus + total proceeds from post-period end offerings + appraisal based unrealized gain] / total number of investment units issued and outstanding]

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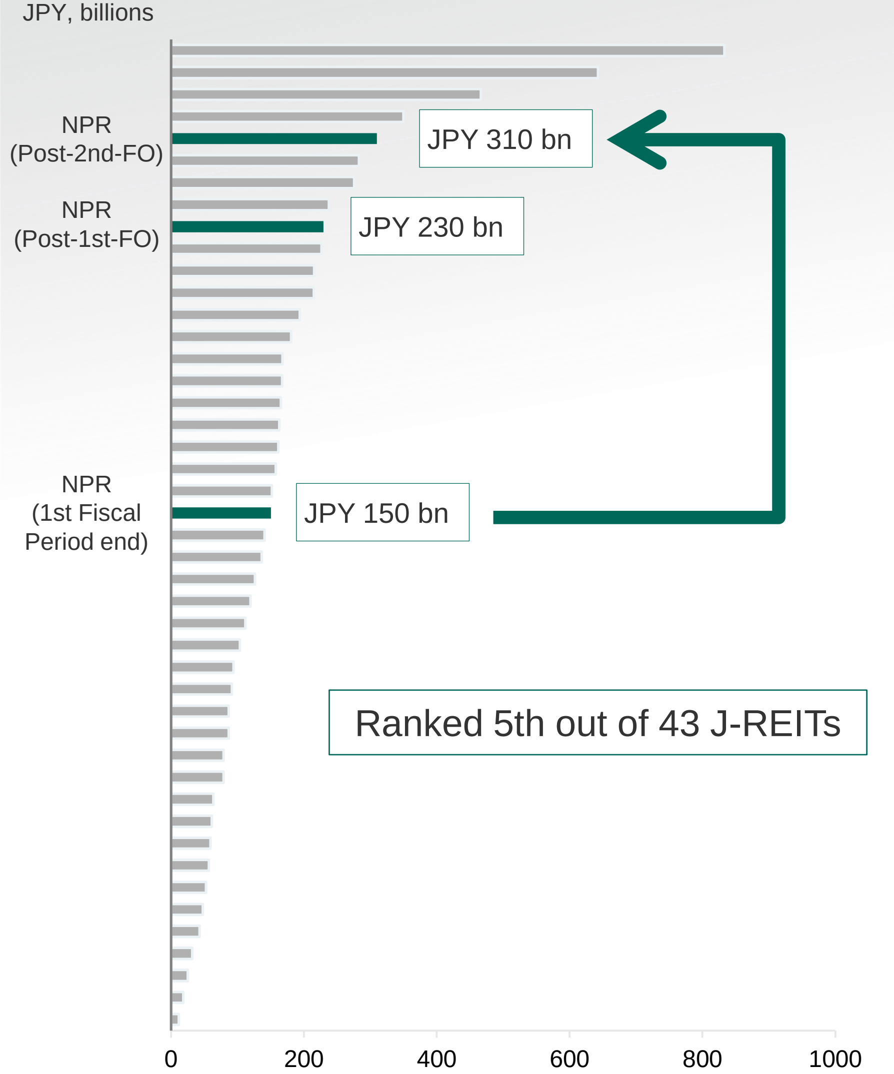
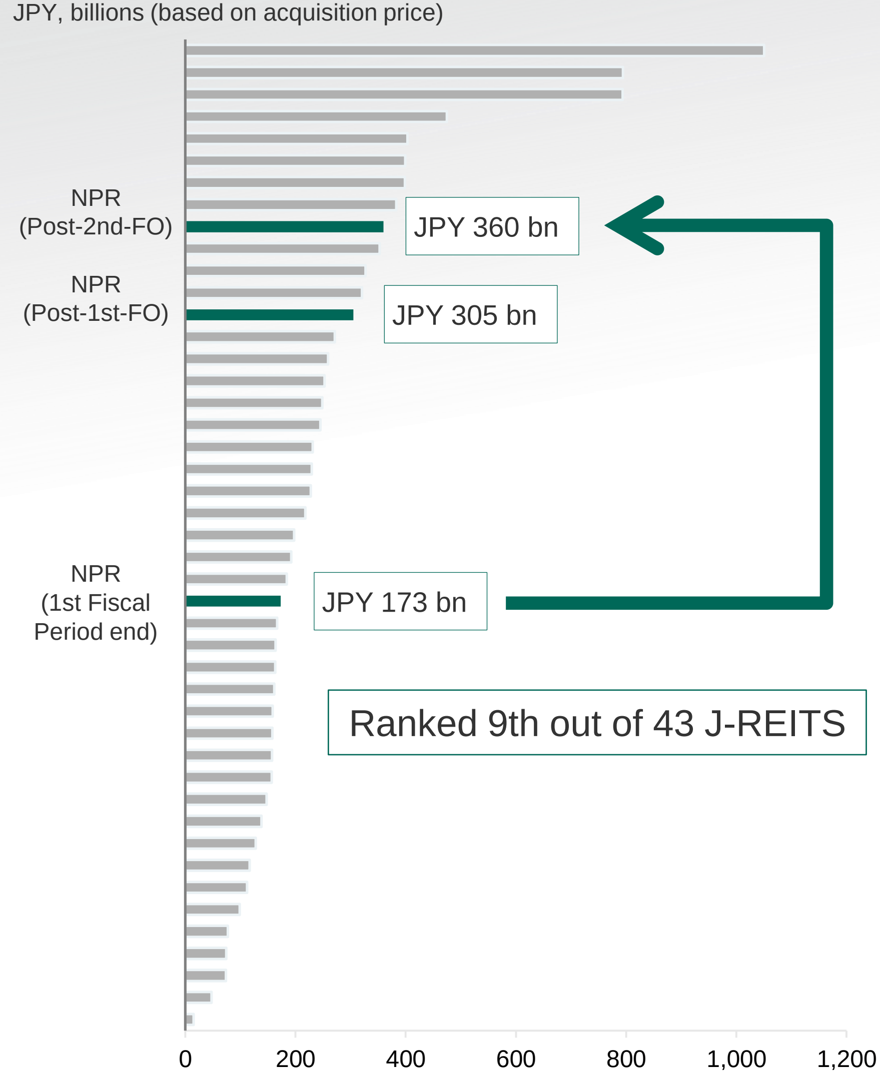
NPR's Market Position

Market Capitalization



Asset Size



Note: Market capitalization of non-NPR J-REITs is calculated based on unit prices and outstanding number of units as of November 30, 2013.
Market capitalization of NPR is calculated based on unit prices and outstanding number of units as of May 31, 2013, June 11, 2013 and December 25, 2013, respectively.
Asset size of NPR is calculated including assets acquired through the 1st and 2nd follow-on offerings.

NPR’s Investment Highlights

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

Strategic Focus on High-Quality Class-A Logistics Facilities

Portfolio Size	**JPY 360 bn**
Average Age	**4.9 years**
Average NOI Yield[2]	**5.5%**
% Developed by Prologis	**100.0%**
% Located in Global Markets[1]	**89.7%**
Occupancy Rate	**98.6%**

1st Fiscal Period (Ended May 31, 2013)

M-01 PP Ichikawa 1
JPY 33,900 mm

M-02 PP Zama 1
JPY 27,900 mm

M-03 PP Kawajima
JPY 25,600 mm

M-04 PP Osaka 2
JPY 25,000 mm

M-05 PP Maishima 3
JPY 13,500 mm

M-06 PP Kasugai
JPY 12,500 mm

M-07 PP Kitanagoya
JPY 6,500 mm

M-08 PP Tagajo
JPY 5,370 mm

B-01 PP Maishima 4
JPY 11,500 mm

B-02 PP Takatsuki
JPY 4,410 mm

B-03 PP Tosu 2
JPY 3,030 mm

B-04 PP Tosu 4
JPY 3,810 mm

2nd Fiscal Period (Ended November 30, 2013)

M-09 PP Tokyo-Ohta
JPY 29,500 mm

M-10 PP Zama 2
JPY 21,900 mm

M-11 PP Funabashi 5
JPY 11,000 mm

M-12 PP Narita 1-A&B
JPY 8,420 mm

M-13 PP Narita 1-C
JPY 4,810 mm

M-14 PP Amagasaki 1
JPY 17,600 mm

M-15 PP Amagasaki 2
JPY 19,200 mm

B-05 PP Narashino 4
JPY 20,000 mm

3rd Fiscal Period (Ending May 31, 2014)

M-16 PP Tokyo-Shinkiba
JPY 13,600 mm

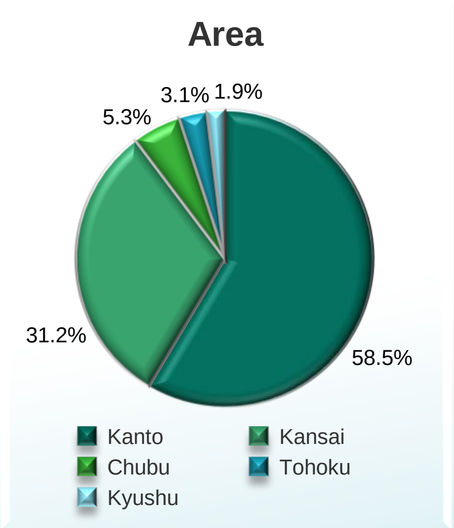
M-17 PP Yokohama-Tsurumi
JPY 13,800 mm

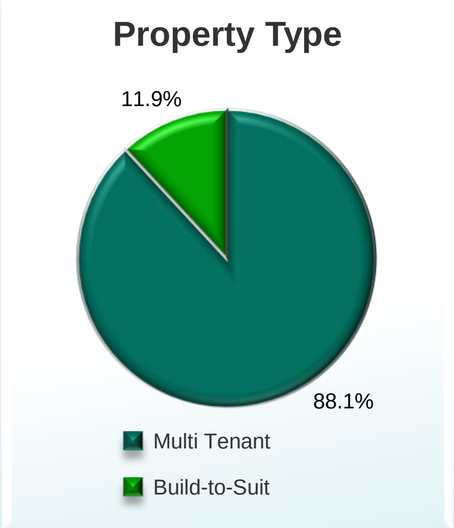
M-18 PP Osaka 4
JPY 21,000 mm

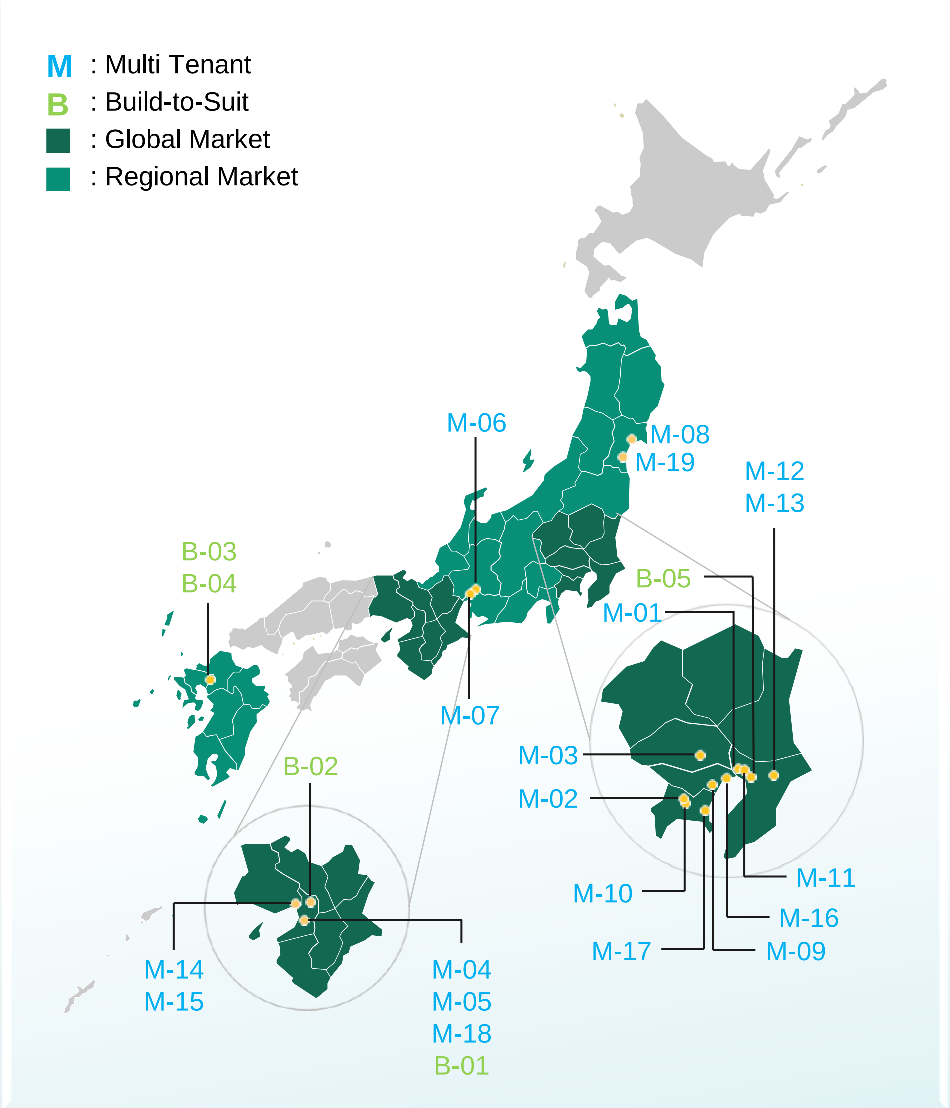
M-19 PP Iwanuma 1
JPY 5,670 mm

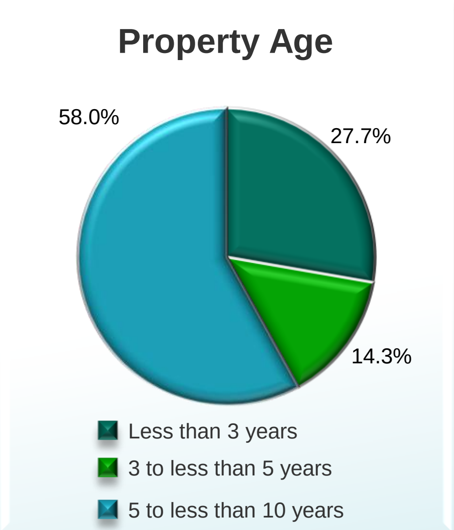
Note: As of November 30, 2013. The above data includes the properties acquired through 2nd follow-on offering.
1. "Global Markets" refer to the Kanto and Kansai areas.
2. NOI yield is calculated based on the stabilized NOI assumed by the appraiser (as of November 30, 2013 for properties acquired during 1st and 2nd fiscal periods, and as of September 30, 2013 for properties acquired during 3rd fiscal period). Average NOI yield is a weighted average based on acquisition prices.

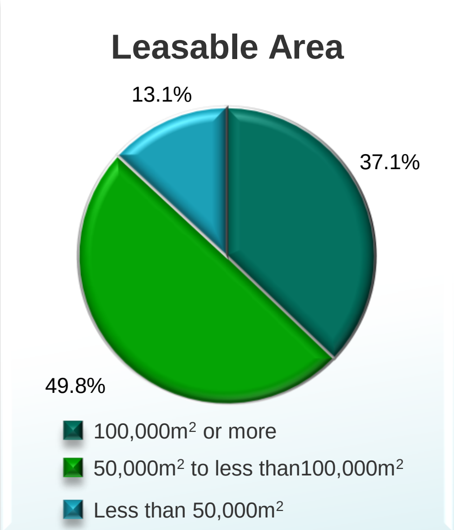
Strategic Focus on High-Quality Class-A Logistics Facilities











Note: Calculation are made on a weighted average basis of acquisition prices.

Strong Pipeline Support from Prologis

Status	Region / Area	Property Name	Pipeline	Year Built	Property Type	GFA (sqm)
Operating /Development Assets ***Exclusive Negotiation Rights granted by the Prologis Group***	Kanto	Prologis Park Kawajima 2	Added in Nov. 2013	2014	Multi Tenant	45,674
		Prologis Park Ebina	Added in Nov. 2013	2010	Build-to-Suit	32,487
	Kansai	Prologis Park Kawanishi	Initial Pipeline	2013	Build-to-Suit	75,026
		Prologis Park Amagasaki 3	Initial Pipeline	2013	Build-to-Suit	39,386
		Prologis Park Kobe	Initial Pipeline	2013	Build-to-Suit	32,043
` **Planned Assets (Under Development / Future Development)**	Kanto	Prologis Park Kitamoto	--	2014	Multi Tenant	73,873
		Prologis Park Narita 1-D	--	2014	Multi Tenant	27,620
		Prologis Park Joso	--	2014	Multi Tenant	38,362
		Prologis Park Ichikawa 3	--	2015	Multi Tenant	60,000
		Prologis Park Koga 1	--	TBD	TBD	62,068
		Prologis Park Koga 2	--	TBD	TBD	55,470
	Kansai	Prologis Park Osaka 5	--	2015	Multi Tenant	95,129
		Prologis Park Ibaraki	--	2016	Multi Tenant	180,287
	Kyushu	Prologis Park Hisayama	--	2015	Multi Tenant	20,968
					Total	838,393

- Prologis expects to develop new assets worth JPY 40-60 billion in Japan each year

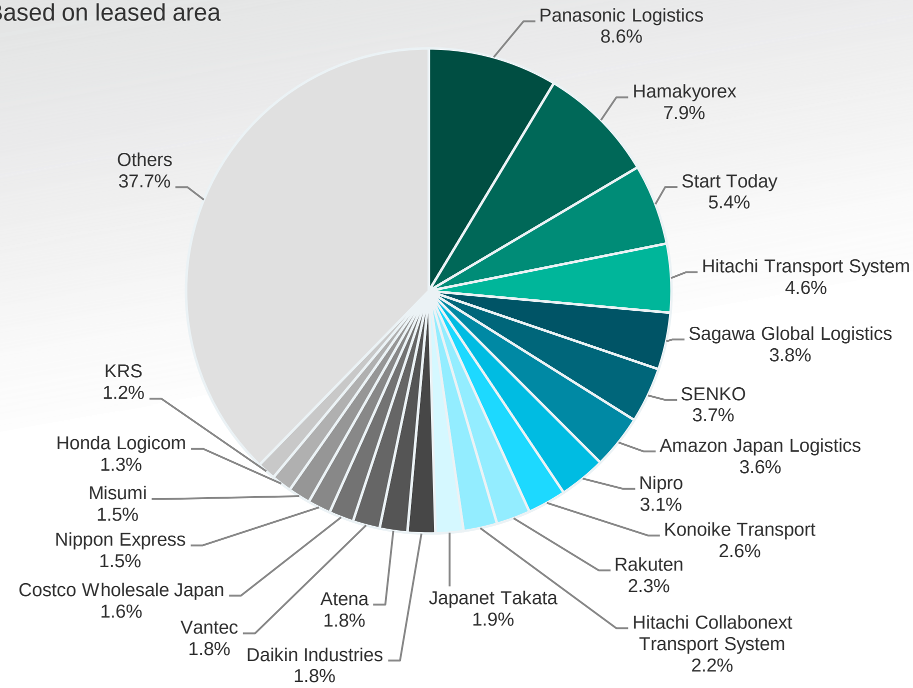
Future growth anchored in the Prologis Group's substantial pipeline

Note: As of January 21, 2014. We have no definite contracts to acquire the above properties. This property list should not be deemed commitment or guarantee of our future acquisitions.

Earnings Stability from a Diversified Portfolio

Tenant Diversification

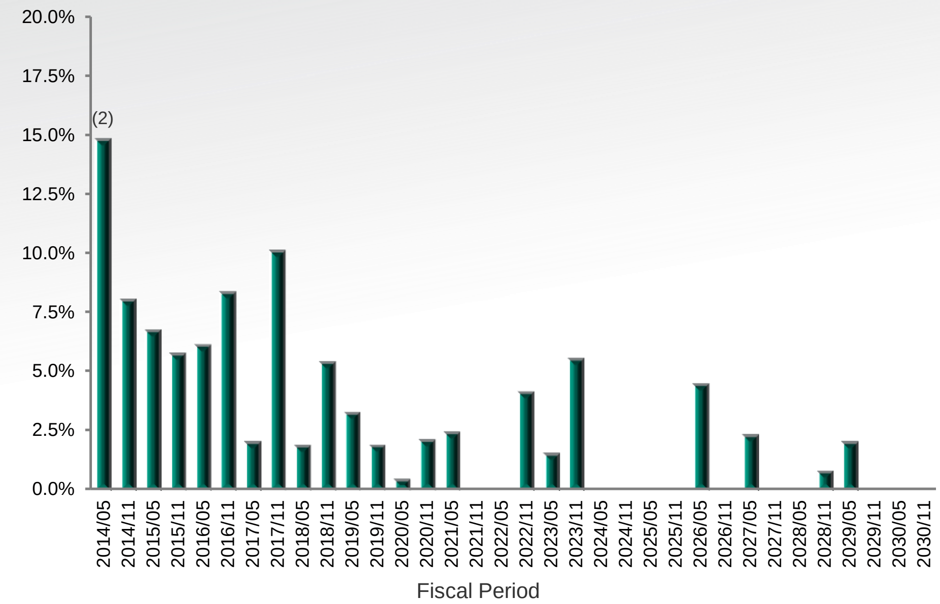
Based on leased area



Number of Tenant Companies	99 tenants
Top 20 Tenants Leased Area (%)(3)	62.3%

Well-Staggered Lease Expiration Schedule(1)

Based on anticipated annual rent



WALE(4)	4.4 years
Fixed Term Lease	100%

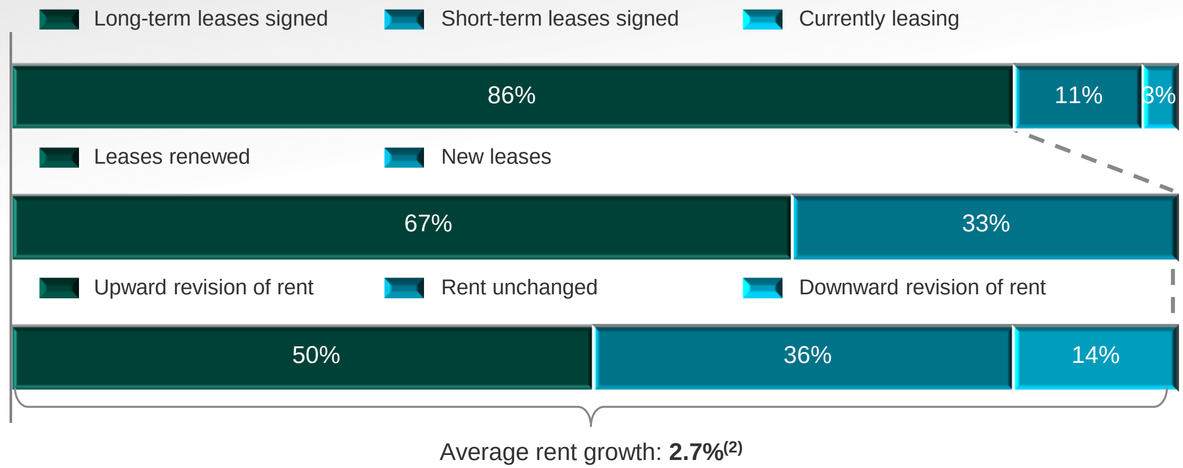
Well-diversified tenant base and lease profile leading to stable earnings

Note: As of November 30, 2013. The above data includes the properties acquired through 2nd follow-on offering.
1. Includes the short-term lease agreements and office space area.
2. Approximately 89% of the expiring space is either renewed or leased up with new tenants or in the final negotiations of terms and conditions with tenants.
3. Calculated based on the floor space.
4. Weighted Average Lease Expiry. Based on annual rent.

Leasing Activities and Occupancy Since IPO

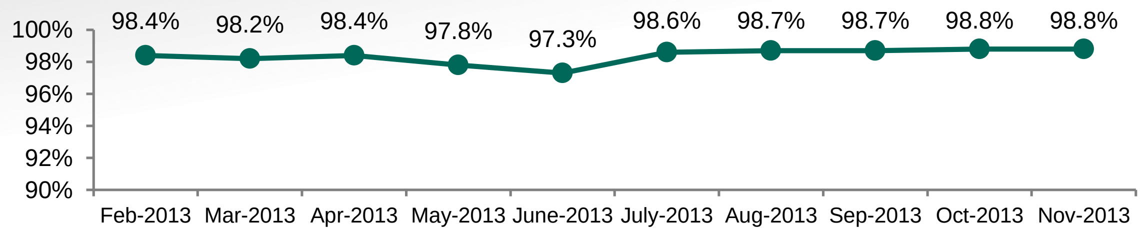
Leasing Activities

For lease agreements expired during the 1st and 2nd Fiscal Periods (146,000m²) – 10% of total leasable area[1]



Occupancy

Occupancy rate, %



Earnings stability from a competitive portfolio of Class-A logistics facilities

Note:
1. As of November 30, 2013. The results of our leasing activities above do not include office space, and the percentages shown are based on the size of contracted floor area. Long-term leases refers to lease terms which are equal to or longer than one year, and short-term leases refers to lease terms which are shorter than one year.
2. Calculated based on monthly nominal rents including common area management charges.

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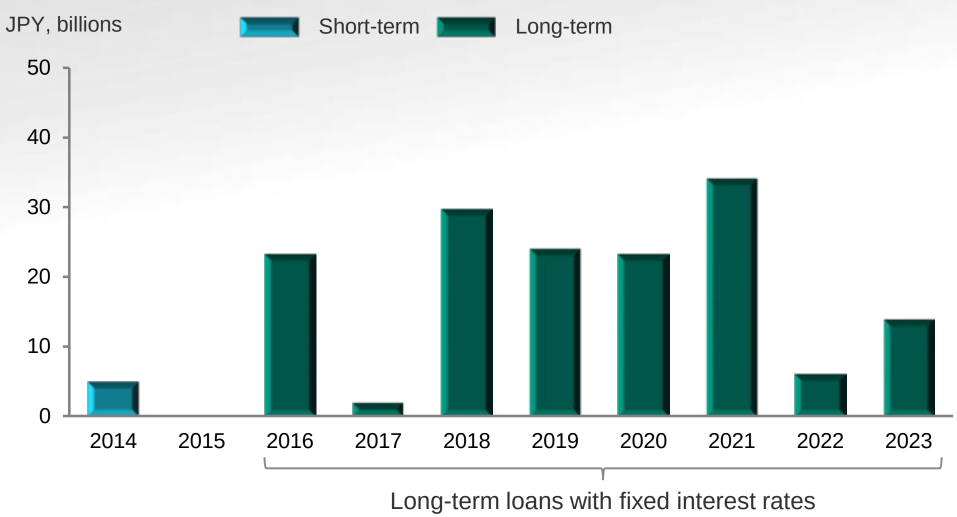
Financial Strategy Focused on Long-Term Stability and Efficiency

Financial Highlights

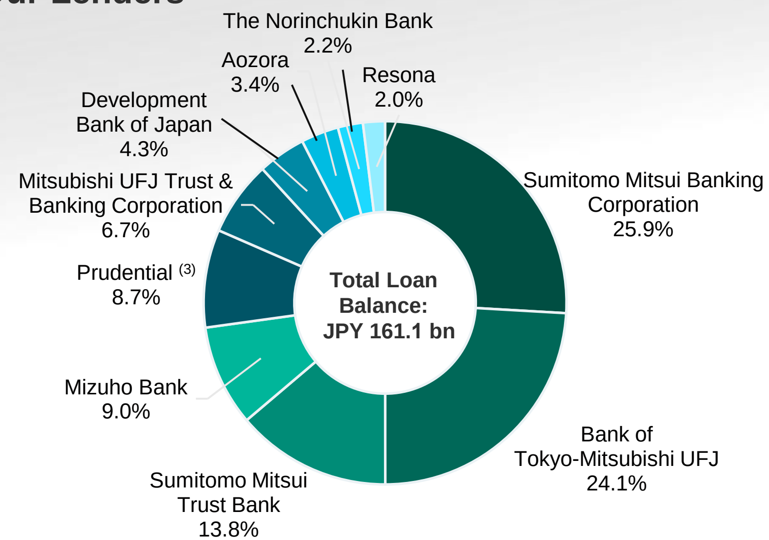
Long-Term Loan Ratio(1)	Fixed Interest Rate Ratio(1)	Average Remaining Loan Term(1)(2)
97.0%	97.0%	5.7 years

LTV	Number of Lenders	Credit Rating
End of 2nd Fiscal Period 43.0% → End of 3rd Fiscal Period (forecast) 42.3%	10 lenders	JCR: AA- (Stable)

Debt Maturity Schedule



Our Lenders



Conservative financial strategy ensuring stable profits and steady growth

Note :
1. As of December 3, 2013, calculated based on remaining loan balances.
2. Average remaining loan term is calculated with the weighted average based on remaining loan balances.
3. Prudential Mortgage Asset Holdings 1 Japan Investment Business Limited Partnership.

Strong Alignment of Interest and Robust Corporate Governance

Alignment of Interests	Implication
Maintain 15% Prologis[1] Investment	▪ Meaningful investment of Prologis on a side-by-side basis with other unit holders ▪ Long-term vehicle for Prologis' highest quality assets ▪ Fits with Prologis' stated strategy of growing in a capital efficient manner
Management Compensation	▪ Asset Manager key employees' compensation aligned with J-REIT performance
Related-Party Transaction Protections	▪ Structured approval process, with veto rights. Compliance and investment committee members include an outside expert ▪ Committee determines appropriate price for transactions. Purchase price capped at appraisal value pursuant to the sponsor support agreement
Performance-Based Asset Management Fees	▪ 100% performance-based fees (NOI x 7.5% & Net income x 6.0%) ▪ Direct alignment of interest between Asset Manager and investors

Note : Prologis refers to Prologis, Inc. and its affiliated entities.

Investment Unit Split

Objective of Split

- Reducing the denomination of each investment unit to respect the principle of the introduction of legislation in Japan establishing a Nippon Individual Savings Account (“NISA”) program from January 1, 2014
- Enabling investors to trade the investment units more easily
- Broaden NPR’s investor base especially among individuals

Summary of Split

Methodology of Split

- Record date : February 28, 2014
- Split ratio : 5-to-1

Change of Investment Units from the Split

- Number of investment units issued and outstanding before the Split
  : 312,750 units
- Number of investment units issued and outstanding after the Split
  : 1,563,750 units

Amendment of Articles of Incorporation

- Total number of authorized investment units
  2,000,000 units → 10,000,000 units

Key Dates

- Date of Publication of Record Date : February 13, 2014
- Unit Holder Record Date : February 28, 2014
- Effective Date : March 1, 2014
- Unit Registration Date : March 3, 2014

Section II – Financial Results for the 2nd Fiscal Period

Financial Results for the 2nd Fiscal Period (Ended November 30, 2013)

- Asset size (based on the acquiring price) has expanded to JPY 305.4 bn
- Maintained high occupancy
  - Average occupancy rate: 98.7%
  - Occupancy rate at the end of 2nd fiscal period: 98.8%
- Reasons for increase in income
  - NOI exceeded the forecast
  - Depreciation expenses were lower than the forecast
  - Saving in financing-related costs
  - Other cost saving in operational expenses
- Unrealized gain on properties of JPY 10.1 bn from increased appraisal value

	2nd Fiscal Period (Ended November 30, 2013)			1st Fiscal Period (Ended May 31, 2013)
	Previous Forecast (as of July 12, 2013) (A)	Actual Results (B)	(B) – (A)	Actual Results
Operating Highlights (JPY, millions)				
Operating Revenues	10,035	10,113	+77	3,565
Operating Income	5,476	5,622	+146	1,961
Ordinary Income	4,449	4,643	+193	1,334
Net Income	4,448	4,642	+193	1,333
Distributions Per Unit (JPY)				
Distributions Per Unit (total)	18,191	18,811	+620	8,713
Distributions Per Unit (excl. SCD)	15,948	16,643	+695	7,295
Surplus Cash Distributions (SCD)	2,243	2,168	(75)	1,418
Other Highlights (JPY, millions)				
NOI	8,723	8,771	+47	3,212
LTV	43.5%	43.0%	(0.5%)	43.5%
Total Assets	319,791	323,487	+3,696	185,867
Interest-Bearing Debt	139,200	139,200	-	80,900
AFFO	6,760	6,881	+121	-
AFFO Payout Ratio	75.1%	76.3%	+1.2%	-

For the 2nd fiscal period, distribution per unit came to 18,811 yen exceeding our forecast by 620 yen

Note: AFFO is calculated by deducting capital expenditures from FFO, and adding back financing-related non-cash expenses.
FFO is calculated by adding back non-cash expenses to net income.
AFFO payout ratio is calculated based on the distribution per unit including the Surplus Cash Distributions.

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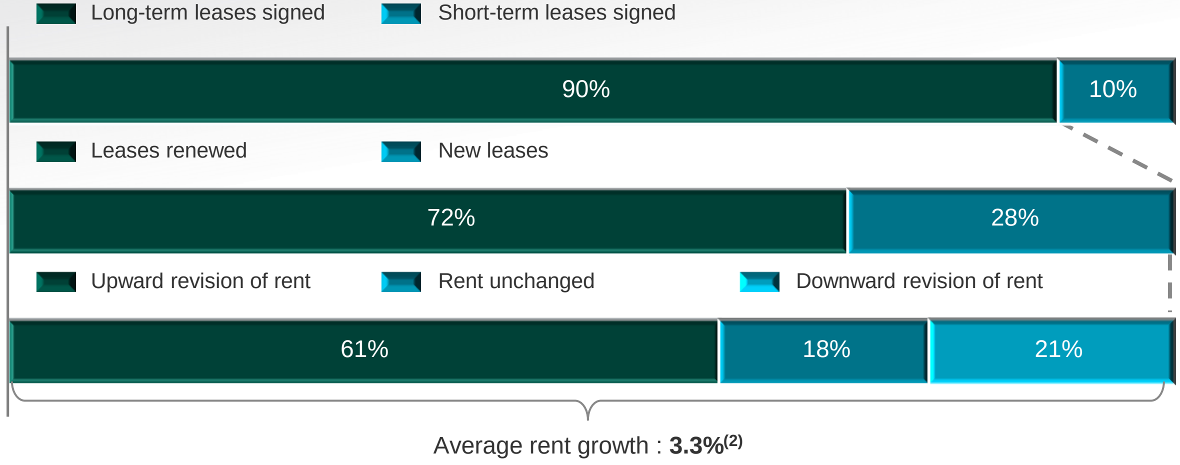
Leasing Activities and Occupancy During the 2nd Fiscal Period

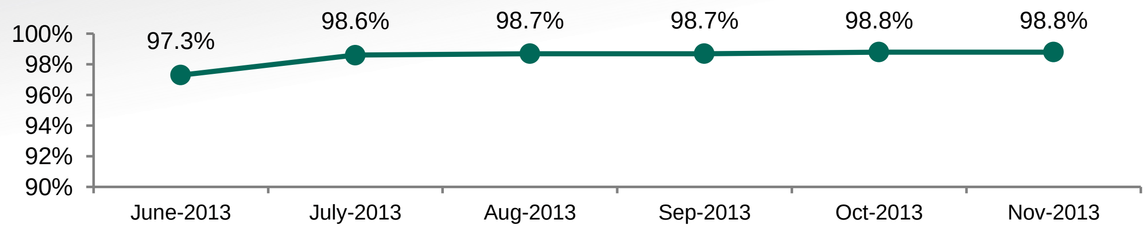
Leasing Activities

For lease agreements expired (92,000m²) – 6% of total leasable area(1)



Occupancy

Occupancy rate, %



High occupancy rate and successful leasing activities

Note:
1. As of November 30, 2013. The results of our leasing activities above do not include office space, and the percentages shown are based on the size of contracted floor area. Long-term leases refers to lease terms which are equal to or longer than one year, and short-term leases refers to lease terms which are shorter than one year.
2. Calculated based on monthly nominal rents including common area management charges.

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Section III – Forecasts for the 3rd and 4th Fiscal Periods

Forecasts for the 3rd and 4th Fiscal Periods

- Portfolio for the 3rd and 4th fiscal periods will comprise 24 properties (JPY 360 bn)
- Expected average occupancy rates of 98.4% for the 3rd fiscal period and 98.5% for the 4th fiscal period
- Real estate taxes of 24 properties to be incurred during the 3rd fiscal period, which is causing the decline in DPU
- Decrease in LTV due to repayment of short-term loans by consumption tax refunds
- 5-to-1 split of investment units during the 3rd fiscal period

		2nd Fiscal Period (Ended Nov. 30, 2013)	3rd Fiscal Period (Ending May 31, 2014)		4th Fiscal Period (Ending Nov. 30, 2014)
			Forecast	Difference from 2nd Fiscal Period	Forecast
Operating Highlights (JPY, millions)					
Operating Revenues		10,113	12,670	+2,557	12,835
Operating Income		5,622	6,150	+527	6,047
Ordinary Income		4,643	4,994	+350	5,006
Net Income		4,642	4,993	+350	5,005
Distribution Per Unit (JPY)					
Distributions Per Unit (total)	After Split	-	3,675	-	3,683
	Before Split	*18,811*	*18,383*	*(428)*	*18,422*
Distributions Per Unit (excl. SCD)	After Split	-	3,192	-	3,200
	Before Split	*16,643*	*15,964*	*(679)*	*16,003*
Surplus Cash Distributions	After Split	-	483	-	483
	Before Split	*2,168*	*2,419*	*+251*	*2,419*
Other Highlights (JPY, millions)					
NOI		8,771	10,010	+1,239	9,911
LTV		43.0%	42.3%	(0.7%)	42.2%
Total Assets		323,487	372,414	+48,926	370,585
Interest-Bearing Debt		139,200	157,700	+18,500	156,250
AFFO		6,881	7,650	+769	7,710
AFFO Payout Ratio		76.3%	75.2%	(1.1%)	74.7%

Additional income from the four properties are expected in the 3rd and 4th fiscal periods

Note: AFFO is calculated by deducting capital expenditures from FFO, and adding back financing-related non-cash expenses.
FFO is calculated by adding back non-cash expenses to net income.
AFFO payout ratio is calculated based on the distribution per unit including the Surplus Cash Distributions.

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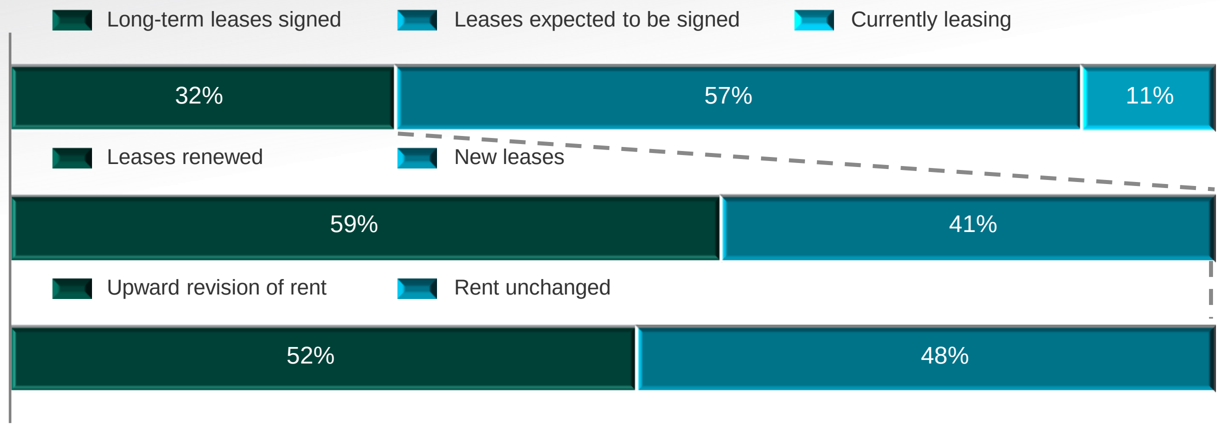
Leasing Activities for the 3rd and 4th Fiscal Periods

Leasing Activities for the 3rd Fiscal Period

For lease agreements expiring (230,000m^2) – 13% of total leasable area(1)



- **Leasing Activities for the 4th Fiscal Period**
  - Lease agreements expiring (111,000m^2) – 6% of total leasable area(1)
  - Lease agreements expiring: 111,000m^2
    1) Early renewal and expect to renew: 62,000m^2 (56%)
    2) Leasing activities scheduled: 48,000m^2 (44%)

Maintain high occupancy through high tenant retention and proactive leasing activities

Note:
1. As of December 31, 2013. The forecasts of our leasing activities above do not include office space, and the percentages shown are based on the size of contracted floor area. Long-term leases refers to lease terms which are equal to or longer than one year, and short-term leases refers to lease terms which are shorter than one year.
2. Calculated based on monthly nominal rents including common area management charges.

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Section IV – Our Growth Strategies

Overall Growth Strategies

Leverage the Prologis Group's Development, Property Management and Leasing Capabilities

- Benefit from Prologis' extensive global customer base and operational and leasing expertise
- Organic leasing opportunities within the initial portfolio (early renewals and potential rent growth)
- Acquire high-quality properties from third parties

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External Growth Strategies

Leverage Our Significant Continuous Pipeline

- Leverage the Prologis Group's pipeline (JPY 40-60 bn worth of new assets to be developed in Japan each year)
- Add new properties to our exclusive negotiation rights list, as per our sponsor support agreement

Acquire High-Quality Assets at Fair Prices

- Focus on Class-A logistics facilities
- Utilize only high-profile appraisers who are familiar with the industrial real estate market
- Ensure robust governance involving outside committee members

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Internal Growth Strategies

Drive Rental Growth

- Increase rental growth by reducing the spread between market rents and in-place rents
- Capture rental upside in improving market conditions for our multi-tenant facilities

Maintain High Occupancy

- Maintain high lease renewal probability through continued strong relationships with our tenants
- Minimize lease-up downtime by flexibly taking advantage of short-term contracts

Maintain and Optimize Asset Quality

- Plan strategic and preventative maintenance and capex
- Further improve the functionality, safety and convenience of our facilities to ensure customer satisfaction

Financial Strategies

Focus on Long-Term Stability of Borrowings

- Pursue long-term debt and maintain diversified loan maturities
- Fix interest rates in the long-term
- Maintain modest leverage

Pursue Equity Financing with Full Consideration to Existing Unit Holders

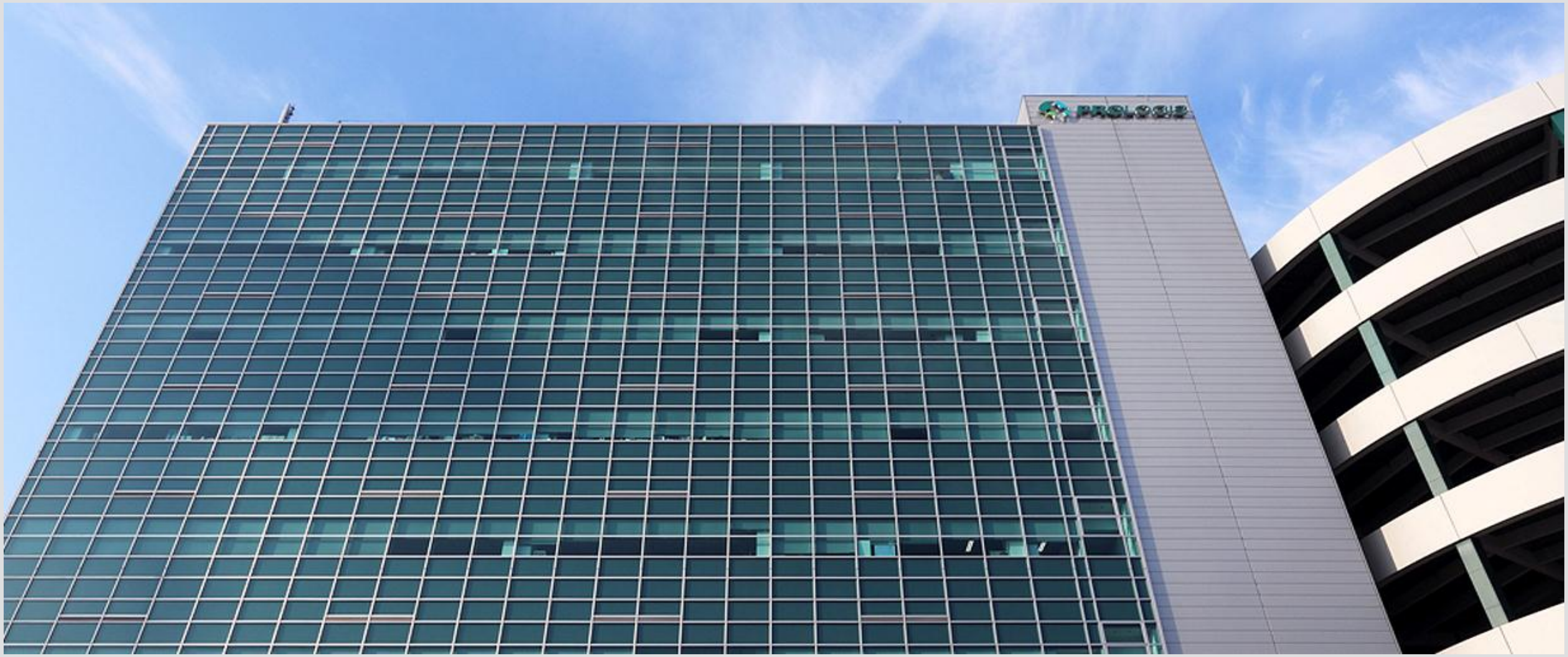
- Maximize distributions and NAV per unit
- Prioritize existing unit holders’ economic interest in the long-term

Maintain Additional Borrowing Capacity (“Dry Powder”)

- Maintain leverage at modest levels
- Utilize additional acquisition capacity (currently approximately JPY 57 bn – assuming LTV of 50%)

Efficient Cash Management

- Achieve an adequate AFFO payout ratio through Surplus Cash Distributions (SCD)
- Retain conservative internal cash reserves post-SCD



Section VI – Appendix

2nd Fiscal Period (Ended November 30, 2013) – Balance Sheet

Assets (JPY, thousands)	1st Fiscal Period	2nd Fiscal Period
Current assets		
Cash and deposits	4,579,981	11,342,639
Cash and deposits in trust	1,474,877	2,470,176
Operating accounts receivable	54,742	70,365
Prepaid expenses	201,003	273,385
Deferred tax assets	20	17
Consumption tax receivables	5,514,857	3,090,720
Other	918	2,042
Total current assets	11,826,399	17,249,346
Fixed assets		
Property and equipment		
Buildings, net	7,326,434	7,386,939
Structures, net	243,549	234,263
Tools, furniture and fixtures, net	5,265	5,013
Land	3,813,010	3,834,204
Buildings in trust, net	101,309,367	166,726,277
Structures in trust, net	1,923,261	2,825,020
Tools, furniture and fixtures in trust, net	191,429	298,583
Other tangible assets in trust, net	—	31
Land in trust	58,459,186	123,657,601
Total property and equipment	173,271,505	304,967,936
Intangible assets		
Other intangible assets, net	—	870
Total Intangible assets	—	870
Investments and other assets		
Long-term prepaid expenses	687,290	1,196,036
Security deposit	10,000	10,000
Total investment and other assets	697,290	1,206,036
Total fixed assets	173,968,795	306,174,843
Deferred assets		
Organization expenses	71,947	63,802
Total deferred assets	71,947	63,802
Total assets	185,867,143	323,487,992

Liabilities (JPY, thousands)	1st Fiscal Period	2nd Fiscal Period
Current liabilities		
Operating accounts payable	113,609	214,221
Short-term loans payable	5,000,000	3,400,000
Account payable-other	5,768	20,279
Accrued expenses	352,219	1,033,617
Income taxes payable	1,000	797
Advances received	1,000,461	1,774,004
Other current liabilities	914,396	1,019,994
Total current liabilities	7,387,456	7,462,913
Non-current liabilities		
Long-term loans payable	75,900,000	135,800,000
Tenant leasehold and security deposits	238,791	247,191
Tenant leasehold and security deposits in trust	3,924,745	7,390,184
Other non-current liabilities	345	3,752
Total non-current liabilities	80,063,882	143,441,128
Total liabilities	87,451,339	150,904,042
Net assets (JPY, thousands)		
Unit holders' equity		
Unit holders' capital	97,082,555	167,941,285
Surplus		
Unappropriated retained earnings (undisposed loss)	1,333,248	4,642,664
Total surplus	1,333,248	4,642,664
Total unit holders' equity	98,415,803	172,583,950
Total net assets	98,415,803	172,583,950
Total liabilities and net assets	185,867,143	323,487,992

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2nd Fiscal Period (Ended November 30, 2013) – Statement of Income

JPY, thousands	1st Fiscal Period	2nd Fiscal Period
Operating revenues		
Operating rental revenues	3,367,723	9,333,616
Other rental revenues	197,761	779,653
Total operating revenues	3,565,484	10,113,269
Operating expenses		
Expenses related to property rental business	1,262,541	3,464,898
Asset management fee	326,081	954,234
Asset custody fee	9,490	26,352
Directors' compensation	4,200	4,600
Audit fee	—	13,000
Other operating expenses	1,473	27,446
Total operating expenses	1,603,787	4,490,531
Operating income	1,961,696	5,622,737
Non-operating income		
Interest income	117	787
Gain on real estate tax settlement	5,059	2,473
Interest on refund	—	5,847
Other	0	27
Total non-operating income	5,177	9,135
Non-operating expenses		
Interest expense	185,861	630,450
Amortization of deferred organization expenses	9,502	8,145
Borrowing related expenses	91,541	154,712
Investment unit issuance expenses	183,281	93,263
Other costs associated with the issuance of investment unit	160,222	101,737
Other	2,212	26
Total non-operating expenses	632,621	988,335
Ordinary income	1,334,252	4,643,537
Income before income taxes	1,334,252	4,643,537
Income taxes – current	1,024	957
Income taxes – deferred	(20)	3
Total income taxes	1,003	960
Net income	1,333,248	4,642,577
Retained earnings brought forward	—	87
Unappropriated retained earnings (undisposed loss)	1,333,248	4,642,664

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Portfolio Details

	No.	Property Name	Location	Acquisition Price (JPYmm)	Appraisal Value[1] (JPYmm)	Leasable Area (m^2)	Share (%)	Age (years)	NOI Yield (%)[2]	Occupancy Rate (%)	PML (%)	Construction
Acquired at the IPO	M-01	Prologis Park Ichikawa 1	Ichikawa, Chiba	33,900	35,700	125,014	9.4	5.1	5.2	99.6	0.6	Kajima Corporation
	M-02	Prologis Park Zama 1	Zama, Kanagawa	27,900	28,000	113,471	7.8	4.5	5.4	100.0	0.8	Fujita Corporation
	M-03	Prologis Park Kawajima	Hiki, Saitama	25,600	26,800	145,036	7.1	2.5	5.8	99.3	7.5	Shimizu Corporation
	M-04	Prologis Park Osaka 2	Osaka, Osaka	25,000	26,200	130,565	7.0	6.6	5.6	99.4	0.8	Shimizu Corporation
	M-05	Prologis Park Maishima 3	Osaka, Osaka	13,500	14,000	74,925	3.8	5.8	5.7	91.6	8.9	Shimizu Corporation
	M-06	Prologis Park Kasugai	Kasugai, Aichi	12,500	13,900	91,806	3.5	5.9	6.6	98.5	3.9	Obayashi Corporation
	M-07	Prologis Park Kitanagoya	Kitanagoya, Aichi	6,500	6,920	42,751	1.8	4.5	6.0	100.0	7.7	Nippon Steel Engineering
	M-08	Prologis Park Tagajo	Tagajo, Miyagi	5,370	5,420	39,098	1.5	4.7	6.0	86.7	1.6	Zenitaka Corporation
	B-01	Prologis Park Maishima 4	Osaka, Osaka	11,500	11,900	57,234	3.2	3.3	5.5	100.0	3.2	Shimizu Corporation
	B-02	Prologis Park Takatsuki	Takatsuki, Osaka	4,410	4,550	19,898	1.2	1.9	5.7	100.0	5.3	Fujita Corporation
	B-03	Prologis Park Tosu 2	Tosu, Saga	3,030	3,180	21,778	0.8	1.4	6.0	100.0	0.5	Fujita Corporation
	B-04	Prologis Park Tosu 4	Tosu, Saga	3,810	3,910	28,765	1.1	1.9	6.0	100.0	0.6	Obayashi Corporation
	Sub-total / Average			173,020	180,480	890,346	48.1	4.6	5.6	98.3	-	
Acquired at the 1st Follow-On	M-09	Prologis Park Tokyo-Ohta	Ota, Tokyo	29,500	29,800	73,574	8.2	8.2	4.9	100.0	3.6	Taisei Corporation
	M-10	Prologis Park Zama 2	Zama, Kanagawa	21,900	22,200	95,133	6.1	1.3	5.4	100.0	0.8	Fujita Corporation
	M-11	Prologis Park Funabashi 5	Funabashi, Chiba	9,500	11,200	56,101	3.1	6.6	5.4	100.0	4.3	Konoike Construction
		Annex		1,500				23.9			4.0	Mitsui Construction
	M-12	Prologis Park Narita 1-A&B	Narita, Chiba	8,420	8,620	62,058	2.3	8.8	6.1	97.4	3.9	Shimizu Corporation
	M-13	Prologis Park Narita 1-C	Narita, Chiba	4,810	4,910	32,230	1.3	6.6	6.1	99.0	3.9	Zenitaka Corporation
	M-14	Prologis Park Amagasaki 1	Amagasaki, Hyogo	17,600	18,000	91,446	4.9	8.3	5.2	100.0	4.6	Taisei Corporation
	M-15	Prologis Park Amagasaki 2	Amagasaki, Hyogo	19,200	19,600	91,309	5.3	6.7	5.3	99.6	4.4	Taisei Corporation
	B-05	Prologis Park Narashino 4	Narashino, Chiba	20,000	20,300	91,529	5.6	0.4	5.3	100.0	1.1	Shimizu Corporation
	Sub-total / Average			132,430	134,630	593,383	36.8	5.7	5.3	99.6	-	
Acquired at the 2nd Follow-On	M-16	Prologis Park Tokyo-Shinkiba	Koto, Tokyo	13,600	13,600	31,022	3.8	6.5	4.7	100.0	5.9	Obayashi Corporation
	M-17	Prologis Park Yokohama-Tsurumi	Yokohama, Kanagawa	13,800	13,800	63,973	3.8	5.6	5.4	99.4	1.1	Toa Corporation
	M-18	Prologis Park Osaka 4	Osaka, Osaka	21,000	21,000	106,135	5.8	1.6	5.3	94.3	2.7	Maeda Corporation
	M-19	Prologis Park Iwanuma 1	Iwanuma, Miyagi	5,670	5,670	40,520	1.6	5.2	6.2	100.0	3.2	Nishimatsu Construction
	Sub-total / Average			54,070	54,070	241,651	15.0	4.2	5.3	97.3	-	
Overall Total / Average				359,520	369,180	1,725,381	100.0	4.9	5.5	98.6	1.3	

Note: As of November 30, 2013
1. Appraisal value is as of September 30, 2013 for the properties acquired through the 2nd follow-on offering.
2. NOI yield is calculated based on the stabilized net operating income assumed by the appraiser for the relevant properties. Average NOI yield is a weighted average based on acquisition prices.

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Summary of Recent Appraisals

Properties Acquired at the IPO

No.	Property Name	Acquisition Price (JPYmm)	2nd Fiscal Period End: Appraisal Value (JPYmm)	2nd Fiscal Period End: Appraisal Value vs. May, 2013	2nd Fiscal Period End: Direct Cap Rate (%)	2nd Fiscal Period End: Direct Cap Rate vs. May, 2013 (%)	2nd Fiscal Period End: Book value (JPYmm)	2nd Fiscal Period End: Unrealized Gain (JPYmm)	1st Fiscal Period End: Appraisal Value (JPYmm)	1st Fiscal Period End: Direct Cap Rate (%)
M-01	Prologis Park Ichikawa 1	33,900	35,700	1,400	4.8%	(0.2%)	33,724	1,975	34,300	5.0%
M-02	Prologis Park Zama 1	27,900	28,000	0	5.3%	(0.1%)	27,717	282	28,000	5.4%
M-03	Prologis Park Kawajima	25,600	26,800	700	5.5%	(0.1%)	25,369	1,430	26,100	5.6%
M-04	Prologis Park Osaka 2	25,000	26,200	300	5.3%	-	24,817	1,382	25,900	5.3%
M-05	Prologis Park Maishima 3	13,500	14,000	0	5.4%	-	13,394	605	14,000	5.4%
M-06	Prologis Park Kasugai	12,500	13,900	800	5.9%	(0.1%)	12,410	1,489	13,100	6.0%
M-07	Prologis Park Kitanagoya	6,500	6,920	210	5.6%	(0.2%)	6,465	454	6,710	5.8%
M-08	Prologis Park Tagajo	5,370	5,420	(50)	5.9%	(0.3%)	5,304	115	5,470	6.2%
B-01	Prologis Park Maishima 4	11,500	11,900	0	5.2%	-	11,421	478	11,900	5.2%
B-02	Prologis Park Takatsuki	4,410	4,550	120	5.5%	(0.1%)	4,477	72	4,430	5.6%
B-03	Prologis Park Tosu 2	3,030	3,180	60	5.6%	(0.1%)	3,091	88	3,120	5.7%
B-04	Prologis Park Tosu 4	3,810	3,910	60	5.7%	(0.1%)	3,891	18	3,850	5.8%
	Total	**173,020**	**180,480**	**3,600**	-	-	**172,085**	**8,394**	**176,880**	-

Properties Acquired at the 1st Follow-On Offering

A

No.	Property Name		Acquisition Price (JPYmm)	2nd Fiscal Period End: Appraisal Value (JPYmm)	2nd Fiscal Period End: Appraisal Value vs. 1st Follow-On	2nd Fiscal Period End: Direct Cap Rate (%)	2nd Fiscal Period End: Direct Cap Rate vs. 1st Follow-On (%)	2nd Fiscal Period End: Book value (JPYmm)	2nd Fiscal Period End: Unrealized Gain (JPYmm)	1st Fiscal Period End: Appraisal Value (JPYmm)	1st Fiscal Period End: Direct Cap Rate (%)
M-09	Prologis Park Tokyo-Ohta		29,500	29,800	300	4.7%	(0.1%)	29,627	172	29,500	4.8%
M-10	Prologis Park Zama 2		21,900	22,200	300	5.3%	(0.1%)	21,935	264	21,900	5.4%
M-11	Prologis Park Funabashi 5		9,500	11,200	200	5.1%	-	11,042	157	9,500	5.2%
		Annex	1,500							1,500	5.5%
M-12	Prologis Park Narita 1-A&B		8,420	8,620	200	5.7%	(0.1%)	8,433	186	8,420	5.8%
M-13	Prologis Park Narita 1-C		4,810	4,910	100	5.7%	(0.1%)	4,825	84	4,810	5.8%
M-14	Prologis Park Amagasaki 1		17,600	18,000	400	5.0%	(0.1%)	17,668	332	17,600	5.1%
M-15	Prologis Park Amagasaki 2		19,200	19,600	400	5.1%	(0.1%)	19,259	340	19,200	5.2%
B-05	Prologis Park Narashino 4		20,000	20,300	300	5.2%	(0.1%)	20,091	208	20,000	5.3%
	Total		**132,430**	**134,630**	**2,200**	-	-	**132,883**	**1,747**	**132,430**	-

Properties Acquired at the 2nd Follow-On Offering (Acquired during the 3rd Fiscal Period)

B

No.	Property Name	Acquisition Price (JPYmm)	At the 2nd Follow-On Offering (September, 2013): Appraisal Value (JPYmm)	At the 2nd Follow-On Offering (September, 2013): Direct Cap Rate (%)
M-16	Prologis Park Tokyo-Shinkiba	13,600	13,600	4.7%
M-17	Prologis Park Yokohama-Tsurumi	13,800	13,800	5.3%
M-18	Prologis Park Osaka 4	21,000	21,000	5.3%
M-19	Prologis Park Iwanuma 1	5,670	5,670	6.0%
	Total	**54,070**	**54,070**	-

Unrealized gain as of the end of 2nd fiscal period
A+B
+JPY 10.1 bn

Financial Performance of Individual Properties

JPY, thousands (unless otherwise noted)	M-01	M-02	M-03	M-04	M-05	M-06
	PP Ichikawa 1	PP Zama 1	PP Kawajima	PP Osaka 2	Maishima 3	PP Kasugai
						
Location	Ichikawa, Chiba	Zama, Kanagawa	Hiki, Saitama	Osaka, Osaka	Osaka, Osaka	Kasugai, Aichi
Acquisition price (JPY, mm)	33,900	27,900	25,600	25,000	13,500	12,500
Book value[1] (JPY, mm)	33,724	27,717	25,369	24,817	13,394	12,410
No. of days in operation	183	183	183	183	183	183
Property-related revenues	1,184,792	996,169	959,645	916,781	474,662	533,374
Rental revenues	1,019,510	919,496	890,227	850,451	441,249	498,337
Other rental revenues	165,281	76,672	69,417	66,329	33,412	35,036
Property-related expenses	422,602	302,256	328,832	352,141	196,608	203,528
Subcontract expenses	67,807	39,573	40,932	62,535	30,184	38,255
Utilities cost	129,118	57,251	60,939	69,351	30,936	35,289
Non-life insurance premium	1,896	1,664	1,963	2,042	1,154	1,269
Repair and maintenance	25,937	8,645	2,320	14,312	11,883	8,266
Depreciation	197,174	192,502	222,177	203,399	121,849	119,947
Custodian fee	660	500	500	500	600	500
Other expenses	8	2,119	-	-	-	-
Operating income from property leasing	762,189	693,912	630,812	564,640	278,053	329,845
NOI	959,364	886,414	852,990	768,040	399,903	449,792

Note:
1. As of the end of the 2nd fiscal period.

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Financial Performance of Individual Properties (Continued)

	M-07	M-08	M-09	M-10	M-11	M-12
	PP Kitanagoya	PP Tagajo	PP Tokyo-Ohta	PP Zama 2	PP Funabashi 5	PP Narita 1-A&B
JPY, thousands (unless otherwise noted)						
Location	Kitanagoya, Aichi	Tagajo, Miyagi	Ota, Tokyo	Zama, Kanagawa	Funabashi, Chiba	Narita, Chiba
Acquisition price (JPY, mm)	6,500	5,370	29,500	21,900	11,000	8,420
Book value[1] (JPY, mm)	6,465	5,304	29,627	21,935	9,527 / 1,514 (Annex)	8,433
No. of days in operation	183	183	171	171	171	171
Property-related revenues	279,955	210,373	821,206	713,749	387,672	327,291
Rental revenues	264,513	182,288	764,600	649,976	359,107	295,695
Other rental revenues	15,441	28,085	56,605	63,772	28,565	31,595
Property-related expenses	92,066	93,766	250,666	241,536	130,128	134,598
Subcontract expenses	17,235	15,776	53,728	31,161	24,668	25,107
Utilities cost	14,288	11,587	49,504	57,824	27,911	24,110
Non-life insurance premium	537	446	1,095	1,246	740	741
Repair and maintenance	538	10,101	18,474	84	4,961	9,475
Depreciation	58,966	55,354	127,396	150,752	70,913	74,536
Custodian fee	500	500	467	467	935	467
Other expenses	-	-	-	-	-	158
Operating income from property leasing	187,889	116,606	570,540	472,212	257,543	192,693
NOI	246,855	171,960	697,936	622,964	328,456	267,229

Note:
1. As of the end of the 2nd fiscal period.

Financial Performance of Individual Properties (Continued)

JPY, thousands (unless otherwise noted)	M-13	M-14	M-15	B-01	B-02	B-03
	PP Narita 1-C	PP Amagasaki 1	PP Amagasaki 2	PP Maishima 4	PP Takatsuki	PP Tosu 2
						
Location	Narita, Chiba	Amagasaki, Hyogo	Amagasaki, Hyogo	Osaka, Osaka	Takatsuki, Osaka	Tosu, Saga
Acquisition price (JPY, mm)	4,810	17,600	19,200	11,500	4,410	3,030
Book value[1] (JPY, mm)	4,825	17,668	19,259	11,421	4,477	3,091
No. of days in operation	171	171	171	183	183	183
Property-related revenues	202,711		630,843			
Rental revenues	186,360		567,296			
Other rental revenues	16,351		63,547			
Property-related expenses	70,743		232,601			
Subcontract expenses	14,130		29,867			
Utilities cost	12,565	Please see Note 2	64,842	Please see Note 2	Please see Note 2	Please see Note 2
Non-life insurance premium	415		1,114			
Repair and maintenance	940		1,440			
Depreciation	42,135		134,868			
Custodian fee	467		467			
Other expenses	87		-			
Operating income from property leasing	131,968	369,172	398,242	272,497	104,088	74,739
NOI	174,103	478,565	533,110	367,043	135,808	106,083

Note:
1. As of the end of the 2nd fiscal period.
2. We have not obtained permission from the tenant of this property to release the information omitted from the table.

Financial Performance of Individual Properties (Continued)

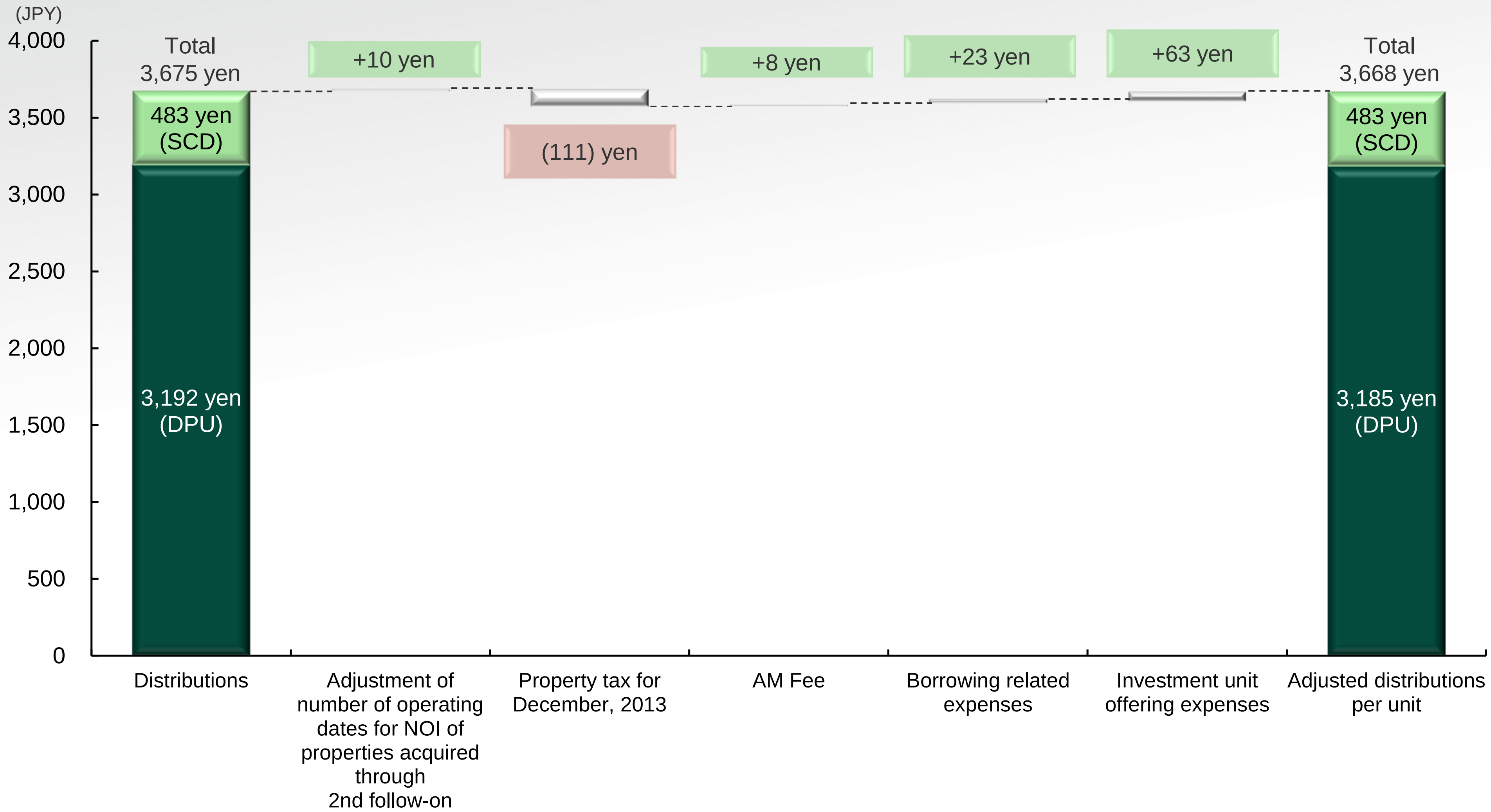
JPY, thousands (unless otherwise noted)		B-04	B-05
		PP Tosu 4	PP Narashino 4
			
Location		Tosu, Saga	Narashino, Chiba
Acquisition price (JPY, mm)		3,810	20,000
Book value[1] (JPY, mm)		3,891	20,091
No. of days in operation		183	61
Property-related revenues		Please see Note 2	Please see Note 2
	Rental revenues		
	Other rental revenues		
Property-related expenses			
	Subcontract expenses		
	Utilities cost		
	Non-life insurance premium		
	Repair and maintenance		
	Depreciation		
	Custodian fee		
	Other expenses		
Operating income from property leasing		89,708	151,013
NOI		125,563	198,963

Note:
1. As of the end of the 2nd fiscal period.
2. We have not obtained permission from the tenant of this property to release the information omitted from the table.

Distributions Adjusted for Extraordinary Items – 3rd Fiscal Period

Calculation of Adjusted Distributions Per Unit

Adjusted for extraordinary items related to the additional acquisitions, etc.



Note: We are illustrating above calculation to describe the impact of our 2nd follow-on offering and the simultaneous acquisitions.

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Borrowings

	Lenders	Amount (JPY, mm)	Interest Rate	Borrowing Date	Maturity Date[3]	Collateral
Short-term	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust & Banking Corporation, Aozora Bank, The Norinchukin Bank, Resona Bank	3,400	Base interest rate(JBA three months Japanese Yen TIBOR) + 0.25%[1]	June 13, 2013	June 13, 2014	Unsecured and non-guaranteed
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust & Banking Corporation, Aozora Bank, The Norinchukin Bank, Resona Bank	1,450	Base interest rate(JBA three months Japanese Yen TIBOR) + 0.25%[1]	December 3, 2013	December 3, 2014	
Long-term	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust & Banking Corporation, Aozora Bank	23,300	0.55634%[2]	February 15, 2013	February 15, 2016	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust & Banking Corporation, The Norinchukin Bank, Resona Bank	2,000	0.84350%[2]	June 13, 2013	June 13, 2017	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust & Banking Corporation, Aozora Bank	23,300	0.73760%[2]	February 15, 2013	February 15, 2018	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust & Banking Corporation, Aozora Bank, Development Bank of Japan , The Norinchukin Bank, Resona Bank	6,400	0.81010%[2]	December 3, 2013	December 3, 2018	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust & Banking Corporation, Aozora Bank, Development Bank of Japan, The Norinchukin Bank, Resona Bank	24,000	1.18135%[2]	June 13, 2013	June 13, 2019	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust & Banking Corporation	23,300	1.01950%[2]	February 15, 2013	February 15, 2020	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Trust Bank, Mizuho Bank, Mitsubishi UFJ Trust and Banking Corporation Development Bank of Japan	20,000	1.34550%[2]	October 1, 2013	October 1, 2021	
	Prudential Mortgage Asset Holdings 1 Japan Investment Business Limited Partnership	6,900	2.00%	December 3, 2013	December 22, 2021	Secured and non-guaranteed
	Prudential Mortgage Asset Holdings 1 Japan Investment Business Limited Partnership	7,150	2.00%	December 3, 2013	December 22, 2021	
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ	6,000	1.32075%[2]	February 15, 2013	February 15, 2022	Unsecured and non-guaranteed
	Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Development Bank of Japan	13,900	1.83625%[2]	June 13, 2013	June 13, 2023	
	Total	**161,100**	-	-	-	

Note: The above borrowing amounts are as of December 3, 2013. We have entered into a commitment line agreement of JPY 8.0 bn with Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ Ltd.

1. The base interest rate refers to the Japanese yen TIBOR (Tokyo Interbank Offered Rate) for three-month deposits. For the current rate, please refer to the Japanese Bankers Association's website.
2. These borrowings are at floating interest rates. We have entered into interest rate swap agreements to hedge the risks of interest rate volatility. We are showing the interest rates including the effect of the swaps (i.e., fixed interest rates).
3. The maturity date will be the immediately following business day in case such date falls on a day that is not a business day and the immediate preceding business day in case such date falls in the next calendar month.

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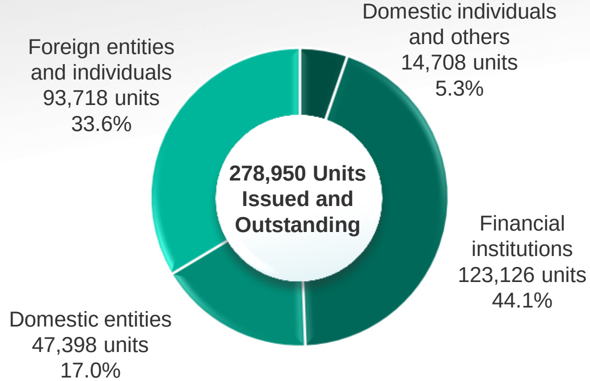
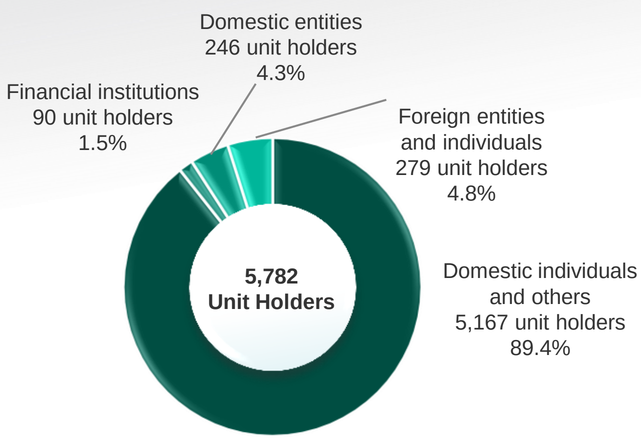
Unit Holder Composition

Breakdown by Units



Breakdown by Unit Holders



Major Unit Holders

	Name	Units Owned	% of Units Issued
1	Prologis Property Japan SPC	41,782	14.98%
2	Japan Trustee Services Bank, Ltd. (Trust Acct.)	39,326	14.10%
3	Trust and Custody Services Bank, Ltd. (Securities Investment Trust Acct.)	26,426	9.47%
4	The Master Trust Bank of Japan, Ltd. (Trust Acct.)	21,745	7.80%
5	The Nomura Trust and Banking Company, Ltd. (Trust Acct.)	15,055	5.40%
6	NOMURA BANK (LUXEMBOURG) S. A.	5,935	2.13%
7	THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	5,741	2.06%
8	STATE STREET BANK AND TRUST COMPANY	3,949	1.42%
9	JP MORGAN CHASE BANK 385174	3,920	1.41%
10	STATE STREET BANK AND TRUST COMPANY 505225	3,528	1.26%
	Total	**167,407**	**60.01%**

Note: As of November 30, 2013.

Investor-Aligned Fee Structure

Fee Type		Calculation	Payment Frequency
Asset Management Fee	1: NOI-Based	NOI × 7.5%	Paid each fiscal period
Asset Management Fee	2: Net Income-Based	Net Income* × 6.0% *before deduction of net income based asset management fee	Paid each fiscal period
Acquisition Fee		1.00% of acquisition price (0.50% for related-party transactions)	Paid each transaction
Disposition Fee		0.50% of disposition price (0.25% for related-party transactions)	Paid each transaction

100% performance-linked asset management fee structure

Sponsor Support from the Prologis Group

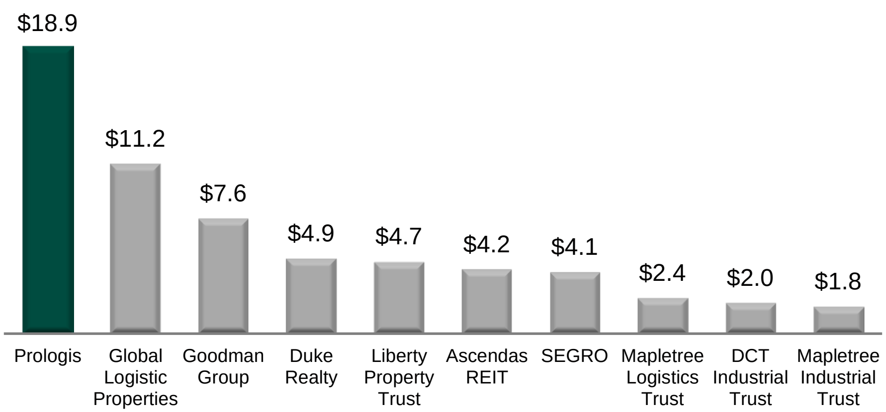
World's Largest Industrial Property Company

Operating Portfolio

Americas	Europe	Asia
U.S. / Canada / Mexico / Brazil	UK / France / Germany / 11 others	Japan / China / Singapore
35.2 million m^2	13.4 million m^2	3.5 million m^2
2,266 facilities	602 facilities	74 facilities

Largest Market Cap Among Peers (2)

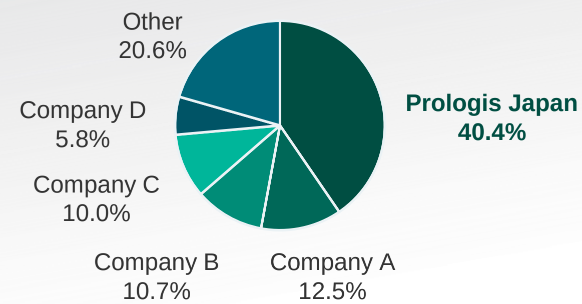
USD, billions



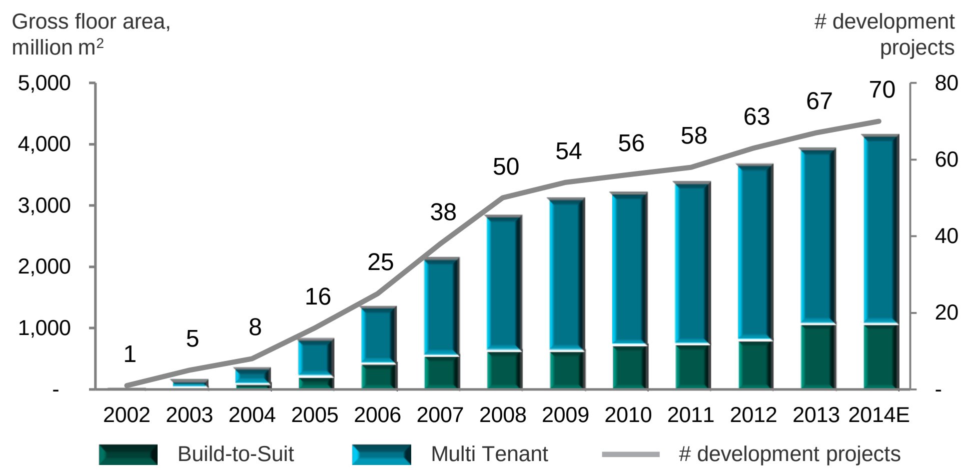
Leading Developer in Japan

Breakdown of Advanced Logistics Properties in Japan (1)

By developer



Proven Development Track Record Since 2002 (3)



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

Note: As of September 30, 2013.
1. Source : CBRE
2. Market cap as of November 30, 2013
3. Source : Prologis, Inc.

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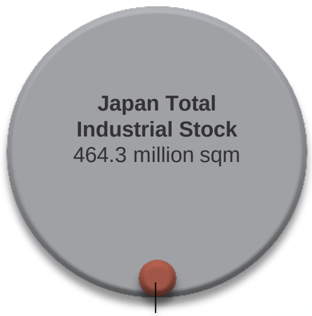
Limited Supply of Advanced Logistics Facilities

Scarcity of Advanced Logistics Facilities[1]

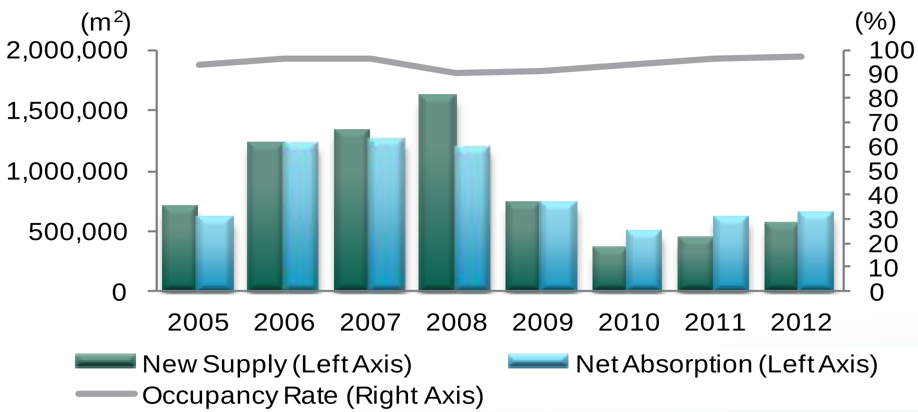


Source: CBRE

Less than 2% of Stock in Japan

- Substantially less advanced logistics facilities than in other developed economies
- Geographic barriers and high population density
- Third largest economy in the world
- Large, affluent population
- Limited supply of developable land

Greater Tokyo Area: Occupancy and Absorption[2]



Source: CBRE

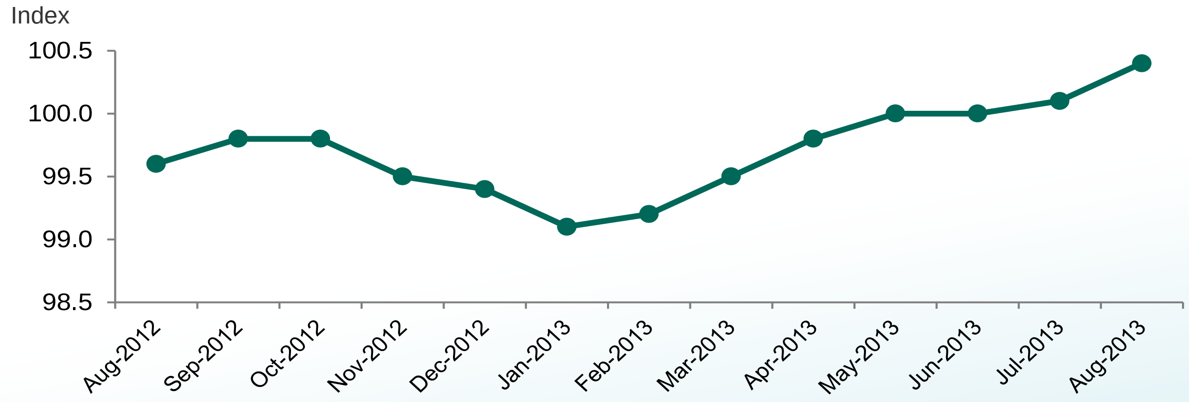
Demand Outpaces Supply, Occupancy Steadily Rising

- Generally stable occupancy in this asset class
- Occupancy rates increasing since 2009
- Growing occupancy rates indicate potential for rent growth

Note
1. The gross floor area of all logistics facilities located across Japan, including logistics facilities owned by corporations was estimated by CBRE based on the "Summary Report on Prices, etc. of Fixed Assets (Land)" prepared by the Ministry of Internal Affairs and Communications and the "Annual Report on Construction Statistics" prepared by the Ministry of Land, Infrastructure, Transport and Tourism. Since it is an estimated value, the sum of the gross floor areas of all logistics facilities including logistics facilities owned by corporations located across Japan may differ.
2. Survey data covered logistics facilities for lease held by corporations investing in real estate and real estate development companies with a gross floor area of 5,000 m^2 or more in greater Tokyo area. The survey did not include logistics facilities owned by logistics companies and therefore did not cover all logistics facilities for lease having a gross floor area of 5,000 m^2 or more.

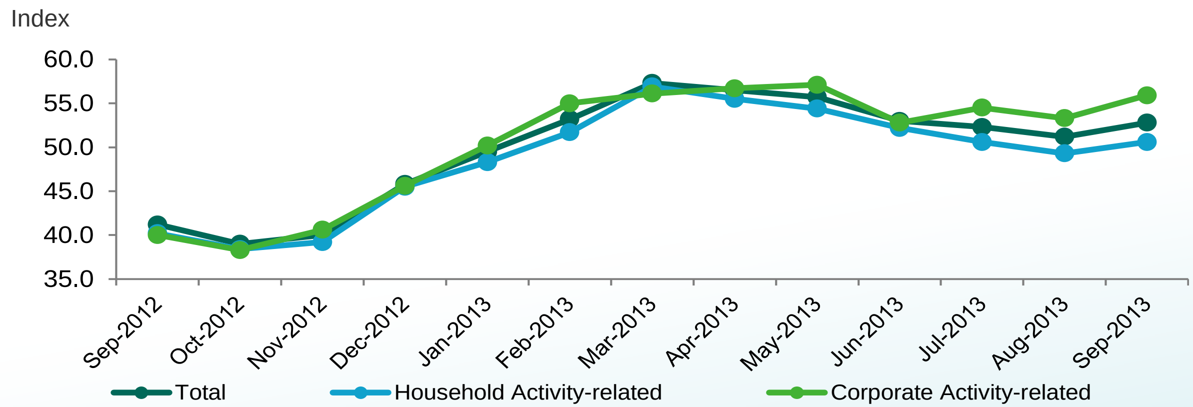
Favorable Macroeconomic Environment of Japan

Core Consumer Price Index



Source: Ministry of Internal Affairs and Communications of Japan

Diffusion Index



Source: Cabinet Office, Government of Japan

Recovering Japanese Economy:

- Consumer sentiment Continues to be positive
- 2020 Olympic Games will fuel job growth while tightening supply due to construction cost increases
- Tightening market conditions
- Expect growth in net effective rents

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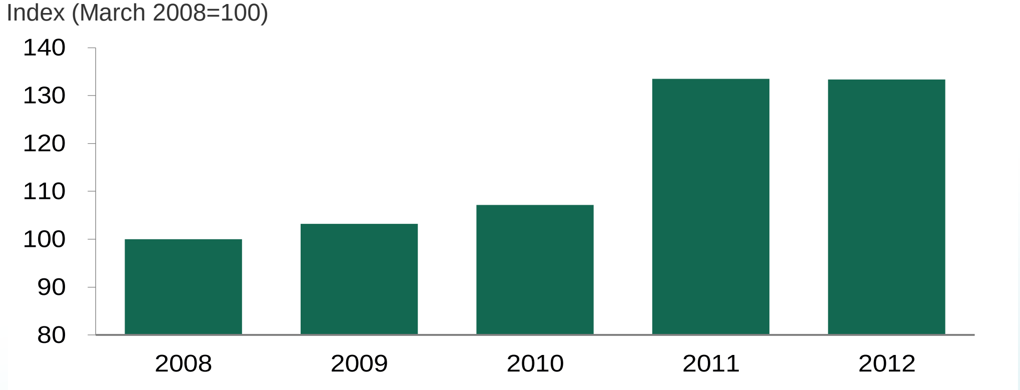
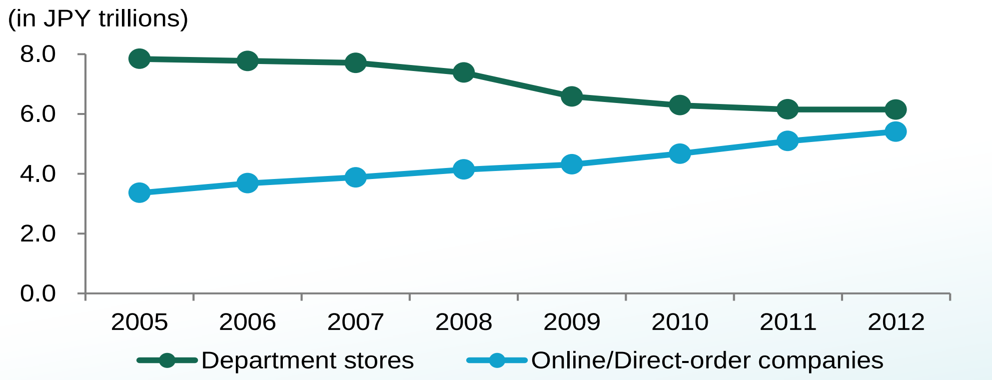
Growing Demand for Advanced Logistics Facilities

Indexed 3PL Business Revenue Growth of Selected Tenants



Source: CBRE

Trends in Department Store and Online/Direct-order Sales



Source: Japan Department Stores Association, Japan Direct Marketing Association

Shift from Owning to Leasing

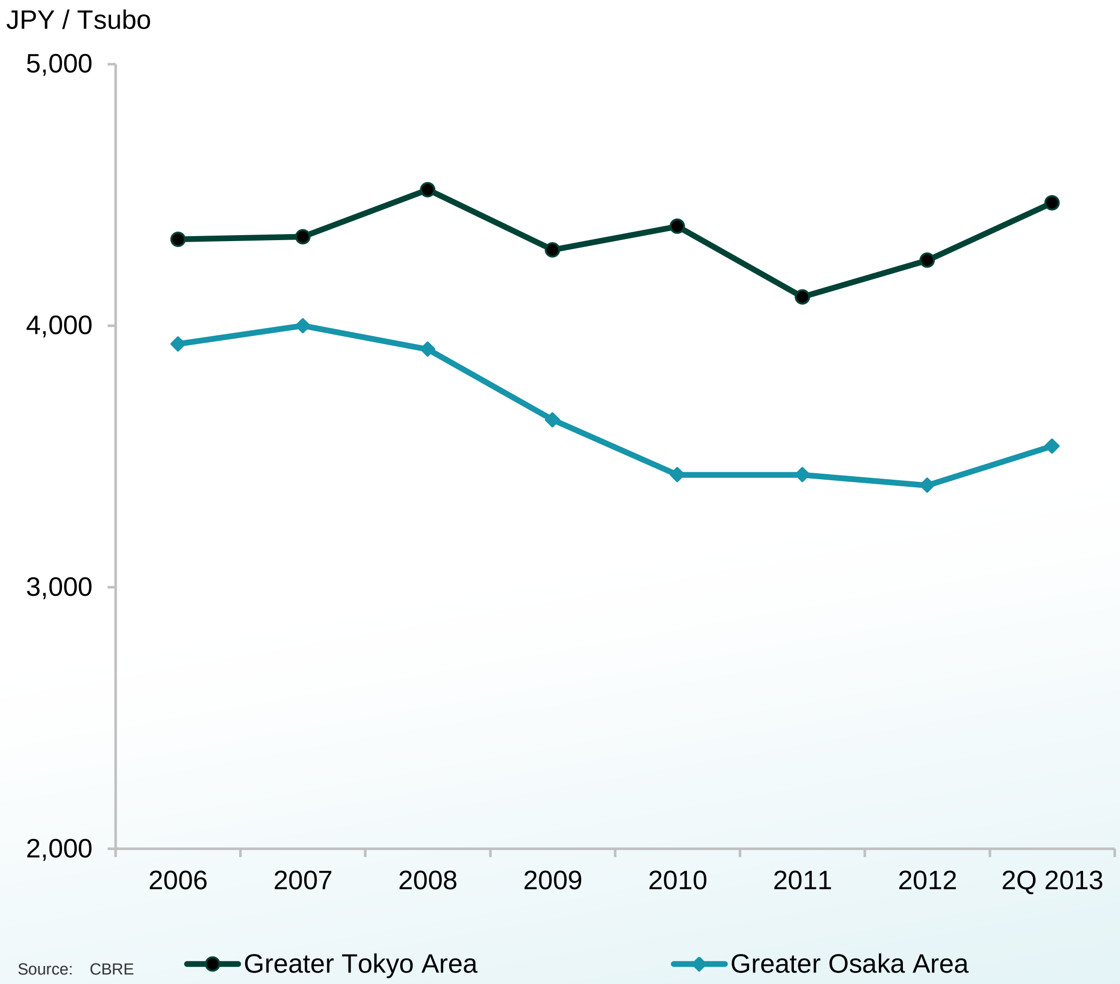
- Shift from export to import economy
- Multinational corporations entering the market, local companies striving to reduce operating costs
- Consolidating smaller facilities to larger, more efficient floor plates
- Outsourcing logistics functions to 3PL firms
- 3PLs require advanced logistics facilities

E-Commerce – a New Driver of Demand

- Rise of e-commerce is significantly driving demand for advanced logistics facilities
- Retailers increasingly focused on reducing delivery times
- Targeting locations adjacent to or near major population centers to meet accelerated delivery requirements

Japan – Historical Rent Growth

Average Asking Rent for Medium-to-Large Scale Logistics Facilities(1)



Source: CBRE

Stable Rent in Global Markets

- Rent bottomed out in 2010-2011
- Steady and moderate growth in the same level as CPI in the long term is expected
- Current tight supply/demand for Class A logistics facilities will continue for several years and it will support rent level

Note:
1. For properties with 1,000 tsubo (3,300 square meters) or more available for lease. "Greater Tokyo Area" includes Tokyo, Chiba, Saitama and Kanagawa prefectures. "Greater Osaka Area" includes Osaka and Hyogo prefectures.

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