

SUMMARY OF FINANCIAL RESULTS (REIT) For the 19th Fiscal Period Ended May 31, 2022

Jul. 15, 2022

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

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Scheduled Date for Commencement of Distributions Payments: Aug. 15, 2022
Supplementary Materials for Financial Results: Yes • No
Investors & Analysts Meeting: Yes • No

1. Financial Results for the Fiscal Period ended May 31, 2022 (19th Fiscal Period) (from Dec. 1, 2021 to May 31, 2022)

(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		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2022	26,859	5.7	12,077	2.8	11,006	1.5	11,329	3.0
Nov. 30, 2021	25,410	3.5	11,748	1.8	10,844	2.5	11,003	3.7

Period ended	Net income per unit	Return on unit holders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
	Yen	%	%	%
May 31, 2022	4,250	2.5	1.4	41.0
Nov. 30, 2021	4,261	2.5	1.4	42.7

(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		
May 31, 2022	4,906	4,243	663	13,100	11,330	1,770	100.0	2.4
Nov. 30, 2021	4,945	4,262	683	12,767	11,003	1,763	100.0	2.5

* “SCD” stands for the “Surplus Cash Distributions”.

(Note 1) Total of SCD is the return of invested capital, 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 May 31, 2022 and Nov. 30, 2021 are both 0.004. The payment of SCD is deemed a return of capital. This calculation methodology is pursuant to Article 23, Paragraph 1, Item 4 of the Act on Special Measures Concerning Taxation.

(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
May 31, 2022	802,253	468,372	58.4	175,397
Nov. 30, 2021	752,324	438,844	58.3	169,972

(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
May 31, 2022	10,798	(63,147)	39,441	28,008
Nov. 30, 2021	23,831	(1,215)	(14,512)	40,916

2. Earnings Forecasts for the Fiscal Period ending Nov. 30, 2022 (20th Fiscal Period) (from June 1, 2022, to Nov. 30, 2022) and May 31, 2023 (21st Fiscal Period) (from Dec. 1, 2022, to May 31, 2023)

(Percentages indicate change from the previous period)

Period ending	Operating revenues		Operating income		Ordinary income		Net income		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
Nov. 30, 2022	27,534	2.5	11,875	(1.7)	10,865	(1.3)	10,974	(3.1)	4,908	4,109	799
May 31, 2023	27,540	0.0	11,958	0.7	10,919	0.5	10,918	(0.5)	4,910	4,089	821

(Reference) Forecasted net income per unit for the fiscal period ending Nov. 30, 2022: 4,109 yen
Forecasted net income per unit for the fiscal period ending May 31, 2023: 4,088 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 May 31, 2022 2,670,350 units
As of Nov. 30, 2021 2,581,850 units

Number of treasury units at end of period:

As of May 31, 2022 0 units
As of Nov. 30, 2021 0 units

*** The Implementation Status of Statutory Audit**

Summary of financial results is not inside the scope of audit procedure by certified public accountants or audit corporations.

*** Special Note**

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 the forecasts for the fiscal periods ending Nov. 30, 2022 (20th Fiscal Period) and May 31, 2023 (21st Fiscal Period)" on page 6-7 for assumptions regarding forward-looking statements.

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1. Results of Operations

(1) Results of Operations

(I) Overview of the 19th Fiscal Period ended May 31, 2022

(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 has strategically focused on investment for Class-A logistics facilities from its inception backed by the Prologis Group’s^(*1) strong sponsor support and has increased unit holders’ value by maintaining a portfolio that generates stable income. As a result of such investment management, NPR owned 55 properties (aggregate acquisition price^(*2): 821,983 million yen), all of which are Class-A logistics facilities^(*3) developed by the Prologis Group, as of the end of the reporting fiscal period^(*4).

(*1) The Prologis Group is a group of Prologis, Inc. and its affiliates, which include Prologis K.K., a Japanese subsidiary.

(*2) “Acquisition price” does not include national or local consumption taxes or expenses which were incurred in connection with the acquisition of the properties. Figures are rounded down to millions of yen. With respect to Prologis Park Zama 1, the acquisition price is as of the date of the initial acquisition and does not reflect the partial disposition and acquisition of land on Oct. 3, 2018. With respect to Prologis Park Iwanuma, from the reporting fiscal period, the acquisition price includes the acquisition price of its land and the construction cost of the building for its redevelopment project. In addition, NPR has changed its name from the former “Prologis Park Iwanuma 1” to “Prologis Park Iwanuma” upon the completion of the redevelopment project and the acquisition of the subject building as of April 28, 2022.

(*3) “Class-A logistics facilities” are our target logistics properties that meet the demands of logistics companies and other end-users with respect to operational efficiency and fulfill certain criteria with respect to size, location, state-of-the-art equipment, convenience and safety.

(*4) Prologis Park Funabashi 5 and the Annex to Prologis Park Funabashi 5 are deemed a single property; the Annex to Prologis Park Funabashi 5 was not developed by the Prologis Group and is considered by itself not to qualify as a Class-A logistics facility.

(ii) Operational Results of the 19th Fiscal Period ended May 31, 2022

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

The COVID-19 pandemic started in 2020 has further accelerated expansion of EC-related consumption and the amount of companies’ inventories, and therefore, the demand for modern logistics properties has further increased. On the other hand, such business environment and continued monetary easing policy has motivated various real estate developers and investors to enter into the modern logistics properties development business, and resulted in continuous increase in the volume of new supply of properties. Under such environment, the vacancy rate of large multi-tenant logistics properties as of the end of Mar. 2022 demonstrated marginal increase but was still continuously at relatively low levels at 4.4% in the greater Tokyo market and 2.1% in the greater Osaka market, respectively^(*1). While we will continue to closely monitor the status of supply and demand of the leasing market, we believe that the long-term supply and demand balance for modern logistics properties will likely be solid, backed by the fundamental demand arising from the structural reconfiguration of logistics industry in Japan.

Under these circumstances, the occupancy rate of NPR’s portfolio remained high at 98.0% as of the end of the reporting fiscal period, backed by the competitive advantages of our portfolio and the strong leasing support from the sponsor, the Prologis Group.

During the reporting fiscal period, in an attempt to further enhance its unit holder value, NPR acquired Prologis Park Inagawa 2, Prologis Park Kobe 5 and Prologis Park Ebina 2 (the “Acquisitions in the 19th Fiscal Period”) (total acquisition price: 57,700 million yen), all of which are Class-A logistics facilities developed by the Prologis Group, at fair value with an average NOI yield of 4.4%. This continuous external growth has further enhanced NPR’s portfolio diversification and cashflow stability. Besides, the construction work of the redevelopment project of Prologis Park Iwanuma (the “Redevelopment Project”), which NPR commenced in the fiscal period ended May 2021, has been completed in April 2022 as scheduled. Accordingly, NPR has acquired the subject redeveloped building (acquisition price: 5,934 million yen) on Apr. 28, 2022.

(*1) Source: CBRE

(iii) Overview of Financing

(a) Issuance of New Investment Units

NPR issued new investment units through its public follow-on offering (84,290 units) (the “Offering”), with a payment date of Dec. 10, 2021 and through a third-party allotment (4,210 units) with a payment date of Jan. 5, 2022, with an aim to procure funds to be used for the repayment of the Bridge Loans described below in “(b) Borrowings” upon the Acquisitions in the 19th Fiscal Period. As a result of these offerings, NPR successfully raised 30,964 million yen equity capital, and the balance of NPR’s unit holders’ capital has increased to 457,041 million yen and the total number of units issued and outstanding has increased to 2,670,350 as of the end of the reporting fiscal period.

(b) Borrowings

NPR borrowed short-term loans of 57,100 million yen (the “Bridge loans”) on Dec. 1, 2021 for the purpose of funding the Acquisitions in the 19th Fiscal Period. These Bridge loans were subsequently prepaid with the net proceeds from a short-term loan of 7,300 million yen (the “Short-Term Loan”) and long-term loans of 14,000 million yen borrowed on Dec. 13, 2021, the net proceeds from the Offering described above in “(a) Issuance of New Investment Units” and cash on hand. Additionally, NPR borrowed long-term loans of 6,000 million yen on Feb. 15, 2022, long-term loans of 14,000 million yen on Mar. 31, 2022 and 10,000 million yen on Apr. 28, 2022, respectively, for the purpose of repaying existing long-term loans in the total amount of 30,000 million yen at their maturities. Besides, NPR borrowed a long-term loan of 2,000 million yen on May 30, 2022 for the purpose of partial repayment of the Short-Term Loan in the amount of 2,000 million yen. As a result, the balance of NPR’s interest-bearing debt was 303,800 million yen, out of which bank borrowings accounted for 267,800 million yen and investment corporation bonds accounted for 36,000 million 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 37.9% as of the end of the reporting fiscal period.

(c) Credit Rating

NPR’s credit ratings as of the end of the reporting fiscal period (May 31, 2022) were as follows:

Rating Agency	Rating Object	Rating	Outlook
Japan Credit Rating Agency, Ltd.	Long-term issuer rating	AA	Positive
	Ratings on bonds	AA	-
Rating and Investment Information, Inc.	Issuer rating	AA	Stable
	Ratings on bonds	AA	-

(iv) Overview of Financial Results and Distributions

As a result of aforementioned activities, NPR generated operating revenues of 26,859 million yen, operating income of 12,077 million yen and ordinary income of 11,006 million yen. In addition, NPR recorded an extraordinary income of 324 million yen from the profit insurance payment of 148 million yen covering Prologis Park Iwanuma and the compensation income of 175 million yen by former tenants of Prologis Park Iwanuma 1 (the “Compensation Income”). As a result, NPR generated net income of 11,329 million yen for the reporting fiscal period. The amount of NPR’s distributions for the reporting period was 11,330 million yen, being determined to distribute all unappropriated retained earnings for the reporting period, excluding fractions less than 1 yen. Consequently, the distributions per unit (excluding Surplus Cash Distributions (“SCD”)) for the reporting fiscal period was 4,243 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 of NPR (*1). Furthermore, to maintain the stability of NPR’s distributions per unit (“DPU”) in the event that DPU is expected to decline to a certain degree as a result of certain events, NPR may make additional distributions as one-time surplus cash distributions (“One-time Surplus Cash Distributions”) (*2) in an amount determined by NPR.

For the reporting fiscal period, the total amount of NPR’s Regular Surplus Cash Distributions is 1,770 million yen, which is the amount equivalent to 30 percent of NPR’s depreciation expense of 6,488 million yen for the reporting fiscal period, deducting the amount of the Compensation Income. Consequently, the total amount of SCD per unit for the reporting fiscal period was determined at 663 yen from the Regular Surplus Cash Distributions.

(*1) In general, NPR intends to distribute Regular Surplus Cash Distributions on a regular basis in an amount no higher than 60 percent (however, if the result, calculated based on the rules of The Investment Trusts Association, Japan, etc., indicates lower amount, the amount should be adopted) 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. However, NPR may adjust, reduce, or suspend the amount of SCD for a particular fiscal period, as a whole or partially, with considerations toward a level of NPR's profitability for a particular fiscal period which reflects NPR's net income and one-time profits arising as capital gains from asset disposition and/or penalties received from lease contract cancellations, etc., the total amount of distributions which include SCD, NPR's LTV ratio, credit rating, and financial conditions as well as macroeconomic and real estate market conditions.

NPR estimates that the total amount of anticipated semi-annual average of imminent or short-term repair and maintenance expenses and medium- to long-term repair and maintenance expenses is 676 million yen.

(*2) In general, NPR intends to maintain the maximum amount of the sum of the Regular Surplus Cash Distributions and the One-time Surplus Cash Distributions, in an amount no higher than 40 percent of its depreciation expense for an applicable fiscal period.

(II) Outlook for Next Fiscal Period

(i) Future Management Policies and Issues

(a) External Growth Strategies

NPR intends to achieve external growth through acquiring new properties, mainly consisted of Class-A logistics facilities developed by the Prologis Group. As of Jun. 30, 2022, NPR held exclusive negotiation rights granted from the Prologis Group for four properties. The Prologis Group will continue to develop new assets of approximately 40 to 60 billion yen every year in Japan, and as of Jun. 30, 2022, there were 13 pipeline properties (the sum of the exclusive negotiation right properties and properties under Prologis' development plans) on a publicly announced basis. NPR is entitled to receive exclusive negotiation rights for such properties once certain conditions are met, and NPR aims to acquire such properties once these facilities achieve stabilization, subject to the related party transaction guidelines of Prologis REIT Management K.K., NPR's asset management company (the "Asset Manager") to ensure appropriate terms and conditions.

Properties with Exclusive Negotiation Rights

Property name	Location	Exclusive Negotiation Rights Granted Date	GFA
Prologis Park Inagawa 1	Kawabe, Hyogo	Dec. 11, 2020	217,544 m ²
Prologis Park Soka	Soka, Saitama	Dec. 11, 2020	151,604 m ²
Prologis Park Kobe 3	Kobe, Hyogo	Dec. 15, 2021	45,684 m ²
Prologis Park Ogori	Ogori, Fukuoka	Dec. 15, 2021	27,331 m ²

Properties under development or under planning by the Prologis Group

Property name	Location	GFA
Prologis Park Yachiyo 1	Yachiyo, Chiba	161,338 m ²
Prologis Park Yachiyo 2	Yachiyo, Chiba	113,000 m ²
Prologis Park Tsukuba 3	Tsukuba, Ibaraki	157,313 m ²
Prologis Park Koga 4	Koga, Ibaraki	123,266 m ²
Prologis Park Sendai Izumi 3	Sendai, Miyagi	50,000 m ²
Prologis Tokai Otagawa Project	Tokai, Aichi	164,000 m ²
Prologis Urban Tokyo-Adachi 1	Adachi, Tokyo	5,171 m ²
Prologis Urban Tokyo-Adachi 2	Adachi, Tokyo	6,466 m ²
Prologis Urban Tokyo-Ota 1	Ota, Tokyo	5,038 m ²

(Note) NPR has no definite plans to acquire these properties nor is there any guarantee that NPR will be able to acquire any of these properties. The GFA is based on estimation and subject to change.

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

(b) Internal Growth Strategies

NPR intends to achieve internal growth through maintaining high occupancy and increasing rents from our tenant. NPR's portfolio comprises multi-tenant logistics facilities, which typically have diversified tenant base and lease maturities, and build-to-suit logistics facilities, which typically have long-term lease terms with quality tenants, and as a result, NPR's portfolio generates stable cash flows. Upon maturities of lease contracts, NPR will pursue maintenance of and potential increase in its portfolio's occupancy and rent growth by closely monitoring the status of the leasing market and fully leveraging the customer network of the Prologis Group. At the same time, NPR will pursue enhancement of the value of assets as well as customer satisfaction through various measures including conducting property maintenances and capital expenditures at appropriate time, supporting customers' automated logistics operations, installations of LED lighting, and improvement of common space, etc.

(c) Financial Strategies

NPR intends to manage its financial strategies through careful considerations of its optimal balance between equity and debt. 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 economic impacts on existing unit holders. With respect to debt financing such as bank loans, NPR seeks financing with long-term stability by fixing most interest rates for the long-term.

(d) ESG Strategies

NPR, the Asset Manager and the Prologis Group jointly carry out various activities for the purpose of protecting environment, contributing to society, and maintaining corporate ethics and governance ("ESG"), that fully aligns with NPR's sustainable growth. We aim to live with various stake holders and make social contributions by providing our customers with safe and comfortable facilities allowing increased efficiency of logistics operations, by developing Japan's logistics systems through supply of Class-A logistics facilities, by reducing environmental burden and by participating in our local communities. NPR has set key performance indicators for its ESG initiatives ("KPIs"), and, going forward, intends to achieve the KPIs within the set timeframe, cooperating with the Asset Manager and the Prologis Group.

(ii) Significant Subsequent Events

None

(iii) Earnings Forecast

	Operating revenues (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Distributions per unit (including surplus cash distributions) (yen)	Distributions per unit (excluding surplus cash distributions) (yen)	Surplus cash distributions per unit (yen)
Period ending Nov. 30, 2022 (20th period)	27,534	11,875	10,865	10,974	4,908	4,109	799
Period ending May 31, 2023 (21st period)	27,540	11,958	10,919	10,918	4,910	4,089	821

(Note) Forecast calculations are based on the assumptions as of the date hereof. Actual operating revenues, operating profit, ordinary income, net income, 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 forecasts for the fiscal periods ending Nov. 30, 2022 (20th Fiscal Period) and May 31, 2023 (21st Fiscal Period)

Item	Assumption
Accounting period	<ul style="list-style-type: none"> Fiscal period ending Nov. 30, 2022 (20th Fiscal Period) (from June 1, 2022 to Nov. 30, 2022) (183 days) Fiscal period ending May 31, 2023 (21st Fiscal Period) (from Dec. 1, 2022 to May 31, 2023) (182 days)
Assets under management	<ul style="list-style-type: none"> It is assumed that, in addition to its 55 properties held as of today, there will be no change (including acquisition of new properties and dispositions of existing properties) in the operational status of the properties until May 31, 2023. Results may change due to the acquisition of new properties other than above or the disposition of existing properties, etc.
Investment units	<ul style="list-style-type: none"> It is assumed that the number of investment units currently issued and outstanding (2,670,350 units) will not change until May 31, 2023.
Interest-bearing Debt	<ul style="list-style-type: none"> The outstanding balance of interest-bearing debt as of May 31, 2022 is 303,800 million yen. NPR issued the investment corporation bonds of 3,000 million yen on June 22, 2022, and partially repaid the Short-Term Loan in the amount of 3,000 million yen with the net proceeds from the subject investment corporation bonds. Consequently, the outstanding balance of interest-bearing debt as of today remains at 303,800 million yen. It is assumed that NPR will refinance all of the interest-bearing debt which will become due by the end of the fiscal period ending May 31, 2023.
Operating revenues	<ul style="list-style-type: none"> Operating revenues account for factors such as market trends and the competitiveness of each property, and are estimated to be 27,534 million yen and 27,540 million yen for the fiscal periods ending Nov. 30, 2022, and May 31, 2023, respectively. The expected average occupancy rates of the properties in the portfolio are estimated to be 98.1% and 98.2% for the fiscal periods ending Nov. 30, 2022 and May 31, 2023, 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"> Operating rental expenses except depreciation are calculated from variable factors, and are assumed to be 6,677 million yen and 6,609 million yen for the fiscal periods ending Nov. 30, 2022, and May 31, 2023, respectively. Depreciation expenses are calculated using the straight-line method in relation to the acquisition price including ancillary costs and are assumed to be 6,565 million yen and 6,562 million yen for the fiscal periods ending Nov. 30, 2022, and May 31, 2023, respectively. It is assumed that the property taxes and city planning taxes incurred on the new building of Prologis Park Iwanuma will be expensed from the fiscal period ending May 31, 2023. Regarding building repair expenses, the amount assumed to be necessary for each property is based on the repair and maintenance plans of the Asset Manager. However, repair expenses may differ substantially due to unexpected factors.
Non-operating expenses	<ul style="list-style-type: none"> As for interest expenses and other debt-related costs, 988 million yen and 992 million yen are expected to be incurred for the fiscal periods ending Nov. 30, 2022, and May 31, 2023, respectively. The non-cash expenditure, which is included in debt-related expenses, is expected to be 218 million yen and 209 million yen for the fiscal periods ending Nov. 30, 2022, and May 31, 2023, respectively.
Extraordinary Income	<ul style="list-style-type: none"> It is assumed that the insurance payment from the profit insurance, which is covering Prologis Park Iwanuma (the "Profit Insurance Income"), of 110 million yen shall be recorded as extraordinary income in the fiscal period ending Nov. 30, 2022.
Distributions per unit (excluding surplus cash distributions (SCD))	<ul style="list-style-type: none"> Distributions per unit (excluding SCD) are calculated based on the premise of the distribution policy in the Articles of Incorporation of NPR that all the profit available for dividend shall be distributed. Distributions per unit (excluding SCD) may vary due to various causes, including, but not limited to, changes in the Profit Insurance Income, any additional acquisitions or dispositions of properties, changes in rent revenues attributable to tenant movements, changes in the property management environment including unexpected repairs, changes in interest rates, or any additional issuance of new investment units in the future.

Item	Assumption
Surplus cash distributions (SCD) per unit	<ul style="list-style-type: none"> ● SCD per unit are calculated based on the fund distribution policy in the NPR's Articles of Incorporation. ● It is assumed that the Regular Surplus Cash Distributions, which will be equivalent to 30% of depreciation expenses for the relevant fiscal period, in the fiscal period ending Nov. 30, 2022 and May 31, 2023 will be both 1,968 million yen. ● As for the fiscal period ending Nov. 30, 2022 and May 31, 2023, the distribution per unit (excluding SCD) are anticipated to temporarily and marginally decline due to temporary increases in operating expenses (primarily utility expenses). Therefore, it is assumed that the One-time Surplus Cash Distributions, for the purpose to maintain the stability of NPR's distribution per unit, will be distributed in the amount of 165 million yen and 224 million yen in the fiscal period ending Nov. 30, 2022 and May 31, 2023, respectively. ● As a result, it is estimated that the SCD per unit in the fiscal period ending Nov. 30, 2022 and May 31, 2023 will be 799 yen; 737 yen for the Regular Surplus Cash Distributions, 62 yen for the One-time Surplus Cash Distributions and 821 yen; 737 yen for the Regular Surplus Cash Distributions, 84 yen for the One-time Surplus Cash Distributions, respectively.
Others	<ul style="list-style-type: none"> ● It is assumed that no revision that will have an impact on the forecast information above will be made in accordance with the laws and regulations, tax system, accounting standards, listing rules of the Tokyo Stock Exchange and rules of the Investment Trusts Association, Japan, etc. ● It is assumed that no unexpected material change will arise in overall economic trends and real estate market conditions. ● It is assumed that the potential impact such as the further spread of COVID-19, war in Ukraine, and short/long-term interest rate hike in Japan will not cause material adverse changes in macroeconomic environment.

2. Financial Statements

(1) Balance Sheet

(Unit: Thousands of yen)

	As of Nov. 30, 2021	As of May 31, 2022
ASSETS		
Current assets:		
Cash and deposits	34,999,555	22,205,918
Cash and deposits in trust	5,916,562	5,802,262
Operating accounts receivable	1,120,214	1,652,525
Prepaid expenses	508,314	858,411
Consumption taxes receivables	-	3,881,481
Other current assets	89,153	-
Total current assets	42,633,799	34,400,599
Fixed assets:		
Property and equipment		
Buildings	7,603,332	7,609,133
Less: accumulated depreciation	(1,597,877)	(1,687,861)
Buildings, net	6,005,454	5,921,272
Structures	250,299	250,299
Less: accumulated depreciation	(164,043)	(173,356)
Structures, net	86,255	76,942
Tools, furniture and fixtures	5,434	5,434
Less: accumulated depreciation	(4,106)	(4,284)
Tools, furniture and fixtures, net	1,327	1,149
Land	3,834,204	3,834,204
Buildings in trust	468,618,590	512,720,496
Less: accumulated depreciation	(60,703,232)	(66,613,258)
Buildings in trust, net	407,915,358	446,107,238
Structures in trust	11,954,784	13,531,932
Less: accumulated depreciation	(3,375,251)	(3,759,194)
Structures in trust, net	8,579,532	9,772,738
Machinery and equipment in trust	24,297	431,100
Less: accumulated depreciation	(7,896)	(26,153)
Machinery and equipment in trust, net	16,401	404,946
Tools, furniture and fixtures in trust	1,232,366	1,384,834
Less: accumulated depreciation	(549,672)	(613,521)
Tools, furniture and fixtures in trust, net	682,693	771,312
Other tangible assets in trust	35	2,654
Less: accumulated depreciation	(35)	(363)
Other tangible assets in trust, net	0	2,291
Land in trust	280,104,421	299,060,130
Construction in progress in trust	777,209	-
Total property and equipment	708,002,860	765,952,226
Intangible assets		
Other intangible assets in trust	222,599	292,945
Total intangible assets	222,599	292,945
Investments and other assets		
Long-term prepaid expenses	1,274,496	1,426,027
Deferred tax assets	0	9
Security deposit	10,000	10,000
Other	400	400
Total investments and other assets	1,284,896	1,436,437
Total fixed assets	709,510,356	767,681,609

	(Unit: Thousands of yen)	
	As of Nov. 30, 2021	As of May 31, 2022
Deferred assets:		
Investment corporation bond issuance costs	180,104	171,220
Total deferred assets	180,104	171,220
Total assets	752,324,260	802,253,430
LIABILITIES		
Current liabilities:		
Operating accounts payable	2,024,289	1,425,737
Short-term loans payable	-	5,300,000
Current portion of long-term loans payable	30,000,000	27,600,000
Accounts payable	589,720	547,880
Accrued expenses	2,514,672	2,618,334
Accrued consumption taxes	1,934,721	-
Income taxes payable	597	786
Advances received	4,379,196	4,655,611
Other current liabilities	784,144	554,849
Total current liabilities	42,227,342	42,703,200
Non-current liabilities:		
Investment corporation bonds payable	36,000,000	36,000,000
Long-term loans payable	216,500,000	234,900,000
Tenant leasehold and security deposits	247,773	247,773
Tenant leasehold and security deposits in trust	18,503,165	20,023,850
Other non-current liabilities	1,209	6,339
Total non-current liabilities	271,252,147	291,177,962
Total liabilities	313,479,489	333,881,162
NET ASSETS		
Unit holders' equity		
Unit holders' capital		
Unit holders' capital, gross	444,869,507	475,834,330
Deduction of unit holders' capital	(17,029,625)	(18,793,029)
Unit holders' capital	427,839,882	457,041,301
Surplus		
Unappropriated retained earnings (undisposed loss)	11,004,888	11,330,966
Total surplus	11,004,888	11,330,966
Total unit holders' equity	438,844,770	468,372,267
Total net assets	*2 438,844,770	*2 468,372,267
Total liabilities and net assets	752,324,260	802,253,430

(2) Statement of Income

	(Unit: Thousands of yen)	
	For the period from June 1, 2021 to Nov. 30, 2021	For the period from Dec. 1, 2021 to May 31, 2022
Operating revenues:		
Operating rental revenues	* ¹ 23,771,899	* ¹ 25,182,869
Other rental revenues	* ¹ 1,638,816	* ¹ 1,676,949
Total operating revenues	<u>25,410,715</u>	<u>26,859,818</u>
Operating expenses:		
Expenses related to property rental business	* ¹ 11,328,828	* ¹ 12,336,594
Asset management fee	2,206,816	2,299,091
Asset custody fee	49,479	50,597
Directors' compensation	7,200	7,200
Audit fee	15,000	15,000
Other operating expenses	54,974	73,446
Total operating expenses	<u>13,662,298</u>	<u>14,781,930</u>
Operating income	<u>11,748,416</u>	<u>12,077,887</u>
Non-operating income:		
Interest income	136	170
Reversal of distributions payable	444	387
Interest on refund of consumption taxes	3,895	-
Total non-operating income	<u>4,476</u>	<u>557</u>
Non-operating expenses:		
Interest expenses	551,122	592,333
Interest expenses on investment corporation bonds	128,702	128,390
Amortization of investment corporation bond issuance costs	9,030	8,883
Borrowing related expenses	219,491	236,391
Investment unit issuance expenses	—	55,667
Offering costs associated with the issuance of investment units	—	50,358
Others	34	45
Total non-operating expenses	<u>908,381</u>	<u>1,072,070</u>
Ordinary income:	<u>10,844,512</u>	<u>11,006,374</u>
Extraordinary income:		
Insurance income	* ² 129,856	* ² 148,530
Compensation income	* ² 29,575	* ² 175,820
Total extraordinary income	<u>159,431</u>	<u>324,351</u>
Income before income taxes	<u>11,003,943</u>	<u>11,330,726</u>
Incomes taxes – current	618	812
Incomes taxes – deferred	16	(9)
Total income taxes	<u>635</u>	<u>803</u>
Net Income	<u>11,003,308</u>	<u>11,329,922</u>
Retained earnings brought forward	<u>1,580</u>	<u>1,043</u>
Unappropriated retained earnings (undisposed loss)	11,004,888	11,330,966

(3) Statement of Unit Holders' Equity

For the periods from June 1, 2021, to Nov. 30, 2021

(Units: Thousands of yen)

	Unit holders' equity						Total net assets
	Unit holders' capital			Surplus		Total unit holders' equity	
	Unit holders' capital, gross	Deduction of unit holders' capital	Unit holders' capital	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at the beginning of the period	444,869,507	(15,126,802)	429,742,705	10,612,983	10,612,983	440,355,689	440,355,689
Change during the period							
Dividends from surplus				(10,611,403)	(10,611,403)	(10,611,403)	(10,611,403)
Distributions in excess of retained earnings		(1,902,823)	(1,902,823)			(1,902,823)	(1,902,823)
Net income				11,003,308	11,003,308	11,003,308	11,003,308
Total change during the period	-	(1,902,823)	(1,902,823)	391,904	391,904	(1,510,918)	(1,510,918)
Balance at the end of the period	*1 444,869,507	(17,029,625)	427,839,882	11,004,888	11,004,888	438,844,770	438,844,770

For the periods from Dec. 1, 2021, to May 31, 2022

(Units: Thousands of yen)

	Unit holders' equity						Total net assets
	Unit holders' capital			Surplus		Total unit holders' equity	
	Unit holders' capital, gross	Deduction of unit holders' capital	Unit holders' capital	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at the beginning of the period	444,869,507	(17,029,625)	427,839,882	11,004,888	11,004,888	438,844,770	438,844,770
Change during the period							
Issuance of new investment units	30,964,822		30,964,822			30,964,822	30,964,822
Dividends from surplus				(11,003,844)	(11,003,844)	(11,003,844)	(11,003,844)
Distributions in excess of retained earnings		(1,763,403)	(1,763,403)			(1,763,403)	(1,763,403)
Net income				11,329,922	11,329,922	11,329,922	11,329,922
Total change during the period	30,964,822	(1,763,403)	29,201,418	326,077	326,077	29,527,496	29,527,496
Balance at the end of the period	*1 475,834,330	(18,793,029)	457,041,301	11,330,966	11,330,966	468,372,267	468,372,267

(4) Statement of Cash Distribution

(Unit: Yen)

	For the period from June 1, 2021 to Nov. 30, 2021	For the period from Dec. 1, 2021 to May 31, 2022
I Unappropriated retained earnings (undisposed loss)	11,004,888,573	11,330,966,241
II Distributions in excess of retained earnings	1,763,403,550	1,770,442,050
Other distributions in excess of earnings	1,763,403,550	1,770,442,050
III Distributions	12,767,248,250	13,100,737,100
(Distributions per unit)	(4,945)	(4,906)
Of which, distributions of retained earnings	11,003,844,700	11,330,295,050
(Of which, distributions of retained earnings per unit)	(4,262)	(4,243)
Of which, Distributions in excess of earnings	1,763,403,550	1,770,442,050
(Of which, Distributions in excess of earnings per unit)	(683)	(663)
IV Retained earnings carried forward	1,043,873	671,191
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 net income 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 11,003,844,700 yen which was the amount equivalent to the maximum integral multiples of number of investment units issued and outstanding (2,581,850 investment units) as of the reporting fiscal period (‘Integer Multiple Method’).</p> <p>In addition, based on the distribution policy as defined in Article 39, Paragraph 2 of incorporation, NPR shall make Regular Surplus Cash Distributions as a general principle, 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 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.</p> <p>Accordingly, NPR declared Regular Surplus Cash Distributions of 1,763,403,550 yen, which was the amount equivalent to approximately 30% of depreciation expense of</p>	<p>Pursuant to the “Policy on the Distribution of Funds” as defined in Article 39, Paragraph 1 of Article 2 of incorporation of NPR, the amount of distributions shall be the amount that does not exceed the amount of net income 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 11,330,295,050 yen which was the amount equivalent to the maximum integral multiples of number of investment units issued and outstanding (2,670,350 investment units) as of the reporting fiscal period (‘Integer Multiple Method’).</p> <p>In addition, based on the distribution policy as defined in Article 39, Paragraph 2 of incorporation, NPR shall make Regular Surplus Cash Distributions as a general principle, 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 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.</p> <p>Accordingly, NPR declared Regular Surplus Cash Distributions of 1,770,442,050 yen, which was the amount equivalent to approximately 30% of depreciation expense of</p>

	5,977,248,149 yen for the reporting period, excluding the compensation income recorded as extraordinary income for the period, calculated by Integer Multiple Method.	6,488,123,516 yen for the reporting period, excluding the compensation income recorded as extraordinary income for the period, calculated by Integer Multiple Method.
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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 June 1, 2021 to Nov. 30, 2021	For the period from Dec. 1, 2021 to May 31, 2022
Cash flows from operating activities:		
Income before income taxes	11,003,943	11,330,726
Depreciation	5,977,248	6,488,123
Amortization of investment corporation bond issuance costs	9,030	8,883
Investment unit issuance expenses	-	55,667
Interest income	(136)	(170)
Interest expense	679,824	720,723
Insurance income	(129,856)	(148,530)
Compensation income	(29,575)	(175,820)
Decrease (Increase) in operating accounts receivable	96,334	(532,311)
Decrease (Increase) in consumption taxes refund receivables	3,831,448	(3,881,481)
Decrease (Increase) in prepaid expenses	310,124	(350,096)
Decrease (Increase) in long-term prepaid expenses	187,501	(151,531)
Increase (Decrease) in operating accounts payable	577,566	(597,992)
Increase (Decrease) in accounts payable-other	9,187	7,442
Increase (Decrease) in accrued expenses	62,267	103,520
Increase (Decrease) in accrued consumption taxes	1,934,721	(1,934,721)
Increase (Decrease) in advances received	(51,711)	276,415
Others, net	(111,749)	99,734
Subtotal	<u>24,356,170</u>	<u>11,318,580</u>
Interest received	136	170
Interest paid	(681,522)	(720,582)
Proceeds from insurance income	129,856	148,530
Proceeds from compensation income	29,575	52,682
Payment of loss on fire	(2,196)	-
Income taxes paid	(967)	(624)
Net cash used in operating activities	<u>23,831,051</u>	<u>10,798,757</u>
Cash flows from investing activities:		
Purchases of property and equipment	(6,340)	(3,585)
Purchases of property and equipment in trust	(1,329,631)	(64,470,482)
Purchases of intangible assets in trust	-	(82,592)
Proceeds from tenant leasehold and security deposits in trust	652,709	2,322,692
Repayments from tenant leasehold and security deposits in trust	(531,752)	(914,003)
Net cash used in investing activities	<u>(1,215,015)</u>	<u>(63,147,971)</u>
Cash flows from financing activities:		
Proceeds from short-term loans payable	-	64,400,000
Repayments of short-term loans payable	-	(59,100,000)
Proceeds from long-term loans payable	-	46,000,000
Repayments of long-term loans payable	-	(30,000,000)
Redemption of investment corporation bonds	(2,000,000)	-
Proceeds from issuance of new investment units	-	30,909,154
Payment of distributions of retained earnings	(10,610,421)	(11,004,328)
Payment of other distributions in excess of retained earnings	(1,902,562)	(1,763,548)
Net cash provided by financing activities	<u>(14,512,983)</u>	<u>39,441,277</u>
Net increase (decrease) in cash and cash equivalents	<u>8,103,053</u>	<u>(12,907,936)</u>
Cash and cash equivalents at the beginning of period	<u>32,813,063</u>	<u>40,916,117</u>
Cash and cash equivalents at the end of period	<u>*1 40,916,117</u>	<u>*1 28,008,180</u>

(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"> <tr> <td>Buildings</td> <td>2-67 years</td> </tr> <tr> <td>Structures</td> <td>2-60 years</td> </tr> <tr> <td>Machinery and equipment</td> <td>8-17 years</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td>2-20 years</td> </tr> </table> <p>(2) Intangible assets (including trust assets) The straight-line method is used.</p>	Buildings	2-67 years	Structures	2-60 years	Machinery and equipment	8-17 years	Tools, furniture and fixtures	2-20 years
Buildings	2-67 years								
Structures	2-60 years								
Machinery and equipment	8-17 years								
Tools, furniture and fixtures	2-20 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) 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>(1) Accounting for revenues The content of main performance obligations related to revenue arising from contracts with customers of the Company and the normal timing for satisfying such performance obligations (the normal timing for recognizing revenue) are as follows:</p> <p>a. Sale of real estate property The Company recognizes revenue from the sale of real estate properties when the purchaser, as the customer, obtains control of the real. Note that the Company discloses “Gain on sales of real estate properties” or “Loss on sales of real estate properties” based on “Sales proceed” excluding “Book value of properties sold” and “Other sales expenses” on Income statement. “Gain on sales of real estate properties” and “Loss on sales of real estate properties” were not recorded for the current fiscal period ended.</p> <p>b. Utilities income The Company supplies utilities services such as the electricity, water, etc. to the lessee as the customer and recognize those income based on contracts with the customers.</p> <p>(2) 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 1,156 thousand yen for the fiscal period ended May 31, 2022, and not applicable for the fiscal period ended Nov. 30, 2021.</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 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> <p>(a) Cash and deposits in trust</p> <p>(b) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust and land in trust</p> <p>(c) Construction in progress in trust</p> <p>(d) Tenant leasehold and security deposits in trust</p> <p>(2) Accounting treatment of consumption taxes The nondeductible portion of consumption taxes imposed in connection with assets is charged to expense in the period incurred.</p>

(8) Notes to Financial Statements

(Notes to Balance Sheet)

*1. Commitment line agreement

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

	As of Nov. 30, 2021	As of May 31, 2022
Total amount of committed line of credit	20,000,000 thousand yen	20,000,000 thousand yen
Borrowings drawn down	-thousand yen	-thousand yen
Balance of unused committed line of credit	20,000,000 thousand yen	20,000,000 thousand yen

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

As of Nov. 30, 2021	As of May 31, 2022
50,000 thousand yen	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 June 1, 2021 to Nov. 30, 2021	For the period from Dec. 1, 2021 to May 31, 2022
(1) Property-related revenues		
Rental revenues		
Rental revenues	22,228,823	23,564,610
Common area charges	1,543,075	1,618,258
Total	23,771,899	25,182,869
Other rental revenues		
Received utilities cost	1,363,117	1,379,718
Others	275,698	297,230
Total	1,638,816	1,676,949
Total property-related revenues	25,410,715	26,859,818
(2) Property-related expenses		
Rental expenses		
Subcontract expenses	1,466,954	1,452,167
Utilities cost	1,251,822	1,447,271
Taxes and dues	2,098,337	2,392,927
Non-life insurance premium	291,527	307,625
Repair and maintenance	213,187	217,293
Depreciation	5,977,248	6,488,123
Custodian fee	23,920	25,357
Other expenses	5,831	5,827
Total rental expenses	11,328,828	12,336,594
(3) Operating income from property leasing ((1)-(2))	14,081,886	14,523,223

*2. Extraordinary income:

For the period from June 1, 2021, to Nov. 30, 2021

As to Prologis Park Iwanuma which was caught in a fire during the period ended May 31, 2020, NPR recorded compensation income which should be paid by tenants by 29,575 thousand yen as extraordinary income, also recorded insurance income for lost profits by 129,856 thousand yen as extraordinary income.

For the period from Dec. 1, 2021, to May 31, 2022

As to Prologis Park Iwanuma which was caught in a fire during the period ended May 31, 2020, NPR recorded compensation income which should be paid by tenants by 175,820 thousand yen as extraordinary income, also recorded insurance income for lost profits by 148,530 thousand yen as extraordinary income.

(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 June 1, 2021 to Nov. 30, 2021	For the period from Dec. 1, 2021 to May 31, 2022
Number of investment units authorized	10,000,000 units	10,000,000 units
Number of investment units issued and outstanding	2,581,850 units	2,670,350 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 June 1, 2021 to Nov. 30, 2021	For the period from Dec. 1, 2021 to May 31, 2022
Cash and deposits	34,999,555 thousand yen	22,205,918 thousand yen
Cash and deposits in trust	5,916,562 thousand yen	5,802,262 thousand yen
Cash and cash equivalents	40,916,117 thousand yen	28,008,180 thousand yen

(Notes Related to Lease Contracts)

Operating lease transactions (as lessor)

Unearned rental revenue

	As of Nov. 30, 2021	As of May 31, 2022
Due within one year	41,262,583 thousand yen	45,898,043 thousand yen
Due after one year	130,918,548 thousand yen	153,801,521 thousand yen
Total	172,181,132 thousand yen	199,699,564 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, certain loans bear floating interest rates and are exposed to potential risk 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

Since the fair value of financial instruments is calculated based on certain assumptions, the fair value could differ depending on the assumptions used. In addition, the contract value of derivative transactions, which is presented in the following section entitled “Derivative Transactions”, is not an exact representation of market risk attributable to derivative transactions.

2. Estimated Fair Value of Financial Instruments

As of Nov. 30, 2021

The book value, the fair value and the difference between the values as of Nov. 30, 2021, are as follows. The notes, “Cash and deposits” and “Cash and deposits in trust” are omitted due to their short-term settlement. And also the notes of “Tenant leasehold and security deposits” and “Tenant leasehold and security deposits in trust” are omitted as those items are immaterial.

(Unit: Thousands of yen)

	Book value	Fair value	Difference
(1) Current portion of long-term loans payable	30,000,000	30,011,270	11,270
(2) Investment corporation bonds payable	36,000,000	35,547,150	(452,850)
(3) Long-term loans payable	216,500,000	217,587,233	1,087,233
Total liabilities	282,500,000	283,145,653	645,653
(4) Derivative transactions	-	-	-

As of May 31, 2022

The book value, the fair value and the difference between the values as of May 31, 2022, are as follows. The notes, “Cash and deposits”, “Cash and deposits in trust” and “Short-term loans payable” are omitted due to their short-term settlement. And also the notes of “Tenant leasehold and security deposits” and “Tenant leasehold and security deposits in trust” are omitted as those items are immaterial.

(Unit: Thousands of yen)

	Book value	Fair value	Difference
(1) Current portion of long-term loans payable	27,600,000	27,603,192	3,192
(2) Investment corporation bonds payable	36,000,000	34,634,550	(1,365,450)
(3) Long-term loans payable	234,900,000	236,450,603	1,550,603
Total liabilities	298,500,000	298,688,345	188,345
(4) Derivative transactions	-	-	-

(Note 1) Methods used to calculate fair values of financial instruments and matters concerning derivative transactions

(1) Current portion of long-term loans payable and (3) Long-term loans payable

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

(2) Investment corporation bonds payable

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

(4) Derivative transactions

Please refer to “Notes related to Derivative Transactions,” below.

(Note 2) Redemption schedule of long-term loans payable and other interest-bearing debt after the closing date of the fiscal period

As of Nov. 30, 2021

(Unit: Thousands of yen)

	Due with 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	-	1,500,000	3,000,000	-	-	31,500,000
Long-term loans payable	30,000,000	27,600,000	21,000,000	32,300,000	20,300,000	115,300,000
Total	30,000,000	29,100,000	24,000,000	32,300,000	20,300,000	146,800,000

As of May 31, 2022

(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	-	1,500,000	3,000,000	-	-	31,500,000
Long-term loans payable	27,600,000	16,000,000	32,300,000	24,900,000	44,100,000	117,600,000
Total	27,600,000	17,500,000	35,300,000	24,900,000	44,100,000	149,100,000

(Notes Related to Investment Securities)

For the periods ended Nov. 30, 2021, and May 31, 2022

None

(Notes Related to Derivative Transactions)

1. Derivative transactions for which hedge accounting is not applied

For the periods ended Nov. 30, 2021, and May 31, 2022

None

2. Derivative transactions for which hedge accounting is applied

The contract and notional amount as of Nov. 30, 2021, 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	246,500,000	216,500,000	(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, (1) Current portion of long-term loans payable and (3) Long-term loans payable".

The contract and notional amount as of May 31, 2022, 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	260,500,000	232,900,000	(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, (1) Current portion of long-term loans payable and (3) 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 June 1, 2021, to Nov. 30, 2021, and Dec. 1, 2021, to May 31, 2022

None

2. Transactions and Account Balances with Affiliates

For the periods from June 1, 2021, to Nov. 30, 2021, and Dec. 1, 2021, to May 31, 2022

None

3. Transactions and Account Balances with Companies under Common Control

For the periods from June 1, 2021, to Nov. 30, 2021

Relationship	Name of the company	Address	Stated capital (Thousands of yen)	Type of business	% of voting rights owned	Relation		Type of transaction	Transaction amount (Thousands of yen)	Account	Balance (Thousands of yen)
						Common board member	Business relationship				
Subsidiary of an affiliate	Prologis REIT Master Lease GK (Note 2)	Chiyoda-ku, Tokyo	2,100	Real estate business	-	-	Lessee	Lease of properties in trust	23,712,406	Operating accounts receivable	689,500
										Advances received	4,063,687
								Proceeds of tenant leasehold and security deposits in trust	686,873	Tenant leasehold and security deposits in trust	17,782,769
Repayments of tenant leasehold and security deposits in trust	505,651										
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	2,206,816	Accrued expenses	2,427,498

(Note 1) The terms and conditions of these transactions were executed in line with general market practices.

(Note 2) With respect to 44 of the 52 properties held by NPR, NPR leases space to Prologis REIT Master Lease GK based on a pass-through type master lease agreement, and Prologis REIT Master Lease GK subleases the space to tenants.

For the periods ended Dec. 1, 2021, and May 31, 2022

Relationship	Name of the company	Address	Stated capital (Thousands of yen)	Type of business	% of voting rights owned	Relation		Type of transaction	Transaction amount (Thousands of yen)	Account	Balance (Thousands of yen)
						Common board member	Business relationship				
Subsidiary of an affiliate	Prologis REIT Master Lease GK (Note 2)	Chiyoda-ku, Tokyo	2,100	Real estate business	-	-	Lessee	Lease of properties in trust	25,163,075	Operating accounts receivable	1,257,672
										Advances received	4,337,984
								Proceeds of tenant leasehold and security deposits in trust	2,564,634	Tenant leasehold and security deposits in trust	19,297,948
Repayments of tenant leasehold and security deposits in trust	1,049,455										
Subsidiary of an affiliate	Zao Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	33,000,000	-	-
Subsidiary of an affiliate	Tateyama Special Purpose Company	Chiyoda-ku, Tokyo	100,000	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	9,500,000	-	-
Subsidiary of an affiliate	Minamikanto Special Purpose Company	Chiyoda-ku, Tokyo	618,400	Real estate business	-	-	Seller	Acquisition of beneficiary right in trust	15,200,000	-	-
Subsidiary of an affiliate	Prologis REIT Management K.K.	Chiyoda-ku, Tokyo	100,000	Investment management business	-	Executive Director of NPR and Director & Executive Adviser of the Asset Manager	Asset Manager	Payment of asset management fee (Note 3)	2,587,591	Accrued expenses	2,529,000

(Note 1) The terms and conditions of these transactions were executed in line with general market practices.

(Note 2) With respect to 48 of the 55 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 3) The Asset management fee above includes management fees for property acquisition of 288,500 thousand yen

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

For the periods from June 1, 2021, to Nov. 30, 2021, and Dec. 1, 2021, to May 31, 2022

None

(Notes Related to Retirement Payment)

For the periods from June 1, 2021, to Nov. 30, 2021, and Dec. 1, 2021, to May 31, 2022

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 Nov. 30, 2021	As of May 31, 2022
Enterprise tax payable	0	9
<u>Total deferred tax assets</u>	<u>0</u>	<u>9</u>
<u>Net deferred tax assets</u>	<u>0</u>	<u>9</u>

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

	(Unit: %)	
	As of Nov. 30, 2021	As of May 31, 2022
Statutory tax rate	31.46	31.46
(Adjustments)		
Deductible distributions of retained earnings	(31.46)	(31.46)
Others	0.01	0.01
<u>Effective tax rate</u>	<u>0.01</u>	<u>0.01</u>

(Notes Related to Asset Retirement Obligations)

For the periods from June 1, 2021, to Nov. 30, 2021, and Dec. 1, 2021, to May 31, 2022

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 June 1, 2021 to Nov. 30, 2021	For the period from Dec. 1, 2021 to May 31, 2022
Book value		
Balance at the beginning of the period	712,575,030	707,448,249
Change during the period	(5,126,780)	58,796,922
Balance at the end of the period	707,448,249	766,245,172
Fair value at the end of the period	925,860,000	1,009,350,000

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

(Note 2) The decrease for the fiscal period ended Nov. 30, 2021 were primarily a result of recognition of depreciation, which amounted to 5,977,248 thousand yen. The increase for the fiscal period ended May 31, 2022 was primarily a result of acquiring properties, Prologis Park Inagawa 2, Prologis Park Kobe 5, Prologis Park Ebina 2 (58,085,454 thousand yen in total) and acquiring a newly redeveloped building of Prologis Park Iwanuma (6,221,184 thousand yen) during the period.

The decrease for the fiscal period ended May 31, 2022 were primarily a result of recognition of depreciation, which amounted to 6,488,123 thousand yen.

(Note 3) The fair value as of the end of the reporting period is determined based on appraisal value or investigation price provided by third party real estate appraisers. Note that, as to Prologis Park Iwanuma which was destroyed by fire, "Fair value at the end of the period" includes only the land valuation as for the fiscal period ended Nov. 30, 2021.

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

(Notes Related to Revenue Recognition)

For the periods from June 1, 2021, to Nov. 30, 2021.

Detail information for revenue from contracts with customers

Refer to the section "Operating income from property leasing" noted in "Notes to Statement of Income" above.

Rent revenues subject to Accounting Standard for Lease Transactions (ASBJ Statement No. 13) is excluded from "Revenue from contracts with customers" as it is not subject to Accounting Standard for Revenue Recognition. The revenue from contracts with customers is mainly revenues from the utilities (Notes Related to Segment and Related Information)

For the periods from Dec. 1, 2021, to May 31, 2022

Detail information for revenue from contracts with customers

Refer to the section "Operating income from property leasing" noted in "Notes to Statement of Income" above.

Rent revenues subject to Accounting Standard for Lease Transactions (ASBJ Statement No. 13) is excluded from "Revenue from contracts with customers" as it is not subject to Accounting Standard for Revenue Recognition. The revenue from contracts with customers is mainly revenues from the utilities (Notes Related to Segment and Related Information)

(Segment Information)

For the periods from June 1, 2021, to Nov. 30, 2021

Description is omitted as NPR engages in a single segment

For the periods from Dec. 1, 2021, to May 31, 2022

Description is omitted as NPR engages in a single segment

(Related Information)

For the periods from June 1, 2021, to Nov. 30, 2021

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	23,712,406	The real estate leasing business.

(Note 1) With respect to 44 of the 52 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.

For the periods from Dec. 1, 2021, to May 31, 2022

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	25,163,075	The real estate leasing business.

(Note 1) With respect to 48 of the 55 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 June 1, 2021 to Nov. 30, 2021	For the period from Dec. 1, 2021 to May 31, 2022
Net assets per unit	169,972yen	175,397yen
Net income per unit	4,261 yen	4,250 yen

(Note 1) Net income or loss per unit is calculated by dividing income 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 income per unit is not stated as there is no dilutive equity issued and outstanding.

(Note 2) The basis for calculation of net income per unit is as follows:

	For the period from June 1, 2021 to Nov. 30, 2021	For the period from Dec. 1, 2021 to May 31, 2022
Net income (Thousands of yen)	11,003,308	11,329,922
Amount not attributable to common unit holders (Thousands of yen)	-	-
Net income attributable to common unit holders (Thousands of yen)	11,003,308	11,329,922
Average number of investment units during the period (unit)	2,581,850	2,665,372

(Notes Related to Material Subsequent Events)

None

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

Changes in the number of investment units issued and outstanding and unit holders' equity for the last five years are as follows:

Date	Type of issue	Number of investment units issued and outstanding (Units)		Unit holders' equity (Note 1 and 22) (Thousands of yen)		Note
		Increase	Total	Increase	Total	
Aug. 7, 2017	Public offering	143,430	2,049,780	31,609,963	302,370,675	(Note 2)
Sept. 6, 2017	Secondary distribution	7,170	2,056,950	1,580,167	303,950,843	(Note 3)
Mar. 12, 2018	Public offering	122,860	2,179,810	26,715,661	330,666,504	(Note 4)
Apr. 11, 2018	Secondary distribution	6,140	2,185,950	1,335,130	332,001,635	(Note 5)
Aug. 15, 2018	Surplus cash distribution (Return on capital)	-	2,185,950	(1,484,260)	330,517,375	(Note 6)
Feb. 15, 2019	Surplus cash distribution (Return on capital)	-	2,185,950	(972,747)	329,544,627	(Note 7)
June 18, 2019	Public offering	155,430	2,341,380	34,199,262	363,743,890	(Note 8)
July 17, 2019	Secondary distribution	7,770	2,349,150	1,709,633	365,453,523	(Note 9)
Aug. 15, 2019	Surplus cash distribution (Return on capital)	-	2,349,150	(1,239,433)	364,214,089	(Note 10)
Jan. 31, 2020	Public offering	111,140	2,460,290	31,485,072	395,699,162	(Note 11)
Feb. 14, 2020	Surplus cash distribution (Return on capital)	-	2,460,290	(1,423,584)	394,275,577	(Note 12)
Feb. 26, 2020	Secondary distribution	5,560	2,465,850	1,575,103	395,850,681	(Note 13)
Aug. 14, 2020	Surplus cash distribution (Return on capital)	-	2,465,850	(1,694,038)	394,156,642	(Note 14)
Feb. 2, 2021	Public offering	110,480	2,576,330	35,604,721	429,761,363	(Note 15)
Feb. 15, 2021	Surplus cash distribution (Return on capital)	-	2,576,330	(1,797,604)	427,963,758	(Note 16)
Feb. 24, 2021	Secondary distribution	5,520	2,581,850	1,778,946	429,742,705	(Note 17)

Aug. 13, 2021	Surplus cash distribution (Return on capital)	-	2,581,850	(1,902,823)	427,839,882	(Note 18)
Dec. 10, 2021	Public offering	84,290	2,666,140	29,491,806	457,331,688	(Note 19)
Jan. 5, 2022	Secondary distribution	4,210	2,670,350	1,473,015	458,804,704	(Note 20)
Feb. 15, 2022	Surplus cash distribution (Return on capital)	-	2,670,350	(1,763,403)	457,041,301	(Note 21)

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

(Note 2) New investment units were issued at a price of 227,850 yen per unit (220,386 yen after deduction of gross spread to underwriters) to raise funds for the repayment of borrowings for the acquisition of new properties.

(Note 3) New investment units were issued at a price of 220,386 yen per unit through third-party allotment to raise funds for the future acquisition of properties or the repayment of borrowings.

(Note 4) New investment units were issued at a price of 224,812 yen per unit (217,448 yen after deduction of gross spread to underwriters) to raise funds for the repayment of borrowings for the acquisition of new properties.

(Note 5) New investment units were issued at a price of 217,448 yen per unit through third-party allotment to raise funds for the future acquisition of properties or the repayment of borrowings.

(Note 6) Cash distributions for the fiscal period ended May 2018 in the amount of 679 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on July 17, 2018, and payment began on Aug. 15, 2018.

(Note 7) Cash distributions for the fiscal period ended Nov. 2018 in the amount of 445 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on Jan. 18, 2019, and payment began on Feb. 15, 2019.

(Note 8) New investment units were issued at a price of 227,458 yen per unit (220,030 yen after deduction of gross spread to underwriters) to raise funds for the repayment of borrowings for the acquisition of new properties.

(Note 9) New investment units were issued at a price of 220,030 yen per unit through third-party allotment to raise funds for the future acquisition of properties or the repayment of borrowings.

(Note 10) Cash distributions for the fiscal period ended May 2018 in the amount of 567 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on July 18, 2019, and payment began on Aug. 15, 2019.

(Note 11) New investment units were issued at a price of 292,824 yen per unit (283,292 yen after deduction of gross spread to underwriters) to raise funds for the acquisition of new properties.

(Note 12) Cash distributions for the fiscal period ended Nov. 2019 in the amount of 606 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on Jan. 17, 2020, and payment began on Feb. 14, 2020.

(Note 13) New investment units were issued at a price of 283,292 yen per unit through third-party allotment to raise funds for the future acquisition of properties or the repayment of borrowings.

(Note 14) Cash distributions for the fiscal period ended May 2020 in the amount of 687 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on July 22, 2020, and payment began on Aug. 14, 2020.

(Note 15) New investment units were issued at a price of 332,962 yen per unit (322,273 yen after deduction of gross spread to underwriters) to raise funds for the acquisition of new properties.

(Note 16) Cash distributions for the fiscal period ended Nov. 2020 in the amount of 729 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on Jan. 20, 2021, and payment began on Feb. 15, 2021.

(Note 17) New investment units were issued at a price of 322,273 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 2021 in the amount of 737 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on July 15, 2021, and payment began on Aug. 13, 2021.

(Note 19) New investment units were issued at a price of 361,620 yen per unit (349,885 yen after deduction of gross spread to underwriters) to raise funds for the acquisition of new properties.

(Note 20) New investment units were issued at a price of 349,885 yen per unit through third-party allotment to raise funds for the future acquisition of properties or the repayment of borrowings.

(Note 21) Cash distributions for the fiscal period ended Nov. 2021 in the amount of 683 yen per unit as distributions in excess of retained earnings, as a return of unit holders' capital. It was decided on Jan. 17, 2022, and payment

began on Feb. 15, 2022.

(Note 22) ATA-based distribution is not included in the amounts of Unit holders' equity.

3. Reference Information

(1) Composition of NPR's Assets

Type of asset	Region	Eighteenth fiscal period (As of Nov. 30, 2021)		Nineteenth fiscal period (As of May 31, 2022)	
		Retained amount (Millions of yen) (Note 3 and 6)	Ratio of total asset (%) (Note 5)	Retained amount (Millions of yen) (Note 3)	Ratio of total asset (%) (Note 5)
Real estate	Global markets (Note 1)				
	Kanto area	-	-	-	-
	Kansai area	4,004	0.5	3,972	0.5
	Regional markets (Note 2)				
	Chubu area	-	-	-	-
	Tohoku area	-	-	-	-
	Kyushu area	5,922	0.8	5,861	0.7
	Total	9,927	1.3	9,833	1.2
Beneficiary right in trust	Global markets (Note 1)				
	Kanto area	448,906	59.7	460,935	57.5
	Kansai area	217,894	29.0	258,858	32.3
	Regional markets (Note 2)				
	Chubu area	16,373	2.2	16,225	2.0
	Tohoku area	14,346	1.9	20,393	2.5
	Kyushu area	-	-	-	-
	Total	697,521	92.7	756,411	94.3
Total of real estate and others	707,448	94.0	766,245	95.5	
Deposit and other assets	44,876	6.0	36,008	4.5	
Total assets (Note 4)	752,324 (707,448)	100.0 (94.0)	802,253 (766,245)	100.0 (95.5)	

(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) "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 that, "Book value" does not include "Construction in progress in trust".

(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.

(Note 6) As to Prologis park Iwanuma, which was caught in a fire during the fiscal period ended May 31, 2020, "Book value" only includes that of land in trust.

(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:

(I) 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	31,212	47,500	48,800	3.7	47,500	3.5	3.9	4.1
M-02	Prologis Park Zama 1	Beneficiary right in trust	27,900	24,751	35,700	36,100	4.0	35,700	3.8	4.2	3.4
M-03	Prologis Park Kawajima	Beneficiary right in trust	25,600	21,798	33,900	34,500	4.4	33,900	4.2	4.6	3.1
M-04	Prologis Park Osaka 2	Beneficiary right in trust	25,000	21,756	35,500	35,800	4.0	35,500	3.8	4.1	3.0
M-05	Prologis Park Maishima 3	Beneficiary right in trust	13,500	11,667	17,100	17,400	4.1	17,100	3.9	4.2	1.6
M-06	Prologis Park Kasugai	Beneficiary right in trust	12,500	10,653	19,900	20,000	4.3	19,900	4.1	4.4	1.5
M-07	Prologis Park Kitanagoya	Beneficiary right in trust	6,500	5,571	9,790	9,950	4.1	9,790	3.9	4.2	0.8
M-09	Prologis Park Tokyo-Ohta	Beneficiary right in trust	29,500	28,205	43,100	44,800	3.4	43,100	3.2	3.6	3.6
M-10	Prologis Park Zama 2	Beneficiary right in trust	21,900	19,545	29,900	30,400	4.0	29,900	3.8	4.2	2.7
M-11	Prologis Park Funabashi 5	Beneficiary right in trust	9,500	10,285	14,900	15,100	3.8	14,900	3.6	4.0	1.3
	(Annex) 1,500										
M-12	Prologis Park Narita 1-A&B	Beneficiary right in trust	8,420	7,697	12,100	12,200	4.5	12,000	4.2	4.7	1.0
M-13	Prologis Park Narita 1-C	Beneficiary right in trust	4,810	4,452	6,800	6,800	4.5	6,800	4.2	4.7	0.6
M-14	Prologis Park Amagasaki 1	Beneficiary right in trust	17,600	16,102	23,300	23,400	4.1	23,200	3.8	4.2	2.1
M-15	Prologis Park Amagasaki 2	Beneficiary right in trust	19,200	17,547	24,500	24,500	4.1	24,400	3.8	4.2	2.3
M-16	Prologis Park Tokyo-Shinkiba	Beneficiary right in trust	13,600	13,210	20,700	20,600	3.4	20,700	3.2	3.5	1.7
M-17	Prologis Park Yokohama-Tsurumi	Beneficiary right in trust	13,800	12,340	19,400	19,600	3.8	19,400	3.6	3.9	1.7
M-18	Prologis Park Osaka 4	Beneficiary right in trust	21,000	18,576	28,700	28,900	4.0	28,700	3.8	4.1	2.6
M-19	Prologis Park Iwanuma	Beneficiary right in trust	7,113	7,379	8,680	8,770	4.5	8,680	4.2	4.6	0.9
M-20	Prologis Park Kawajima 2	Beneficiary right in trust	8,180	7,349	10,000	10,100	4.3	10,000	4.1	4.5	1.0

Property number	Property name	Form of ownership	Acquisition price (Millions of yen) ⁽¹⁾	Book value (Millions of yen) ⁽²⁾	Appraisal value as of the end of the reporting fiscal period (Millions of yen) ⁽³⁾	Return price					Investment rate (%) ⁽⁴⁾
						Direct capitalization method		DCF method			
						Priced based on direct capitalization method (Millions of yen)	Direct capitalization rate (%)	Priced based on DCF method (Millions of yen)	Discount rate (%)	Terminal capitalization rate (%)	
M-21	Prologis Park Kitamoto	Beneficiary right in trust	12,600	11,582	15,700	15,800	4.3	15,600	3.9	4.5	1.5
M-22	Prologis Park Joso	Beneficiary right in trust	7,120	6,414	7,820	7,900	4.4	7,820	4.2	4.6	0.9
M-23	Prologis Park Osaka 5	Beneficiary right in trust	17,600	16,170	20,100	20,200	4.1	20,100	3.9	4.3	2.1
M-24	Prologis Park Narita 3	Beneficiary right in trust	9,240	8,642	11,900	12,000	4.3	11,700	4.1	4.5	1.1
M-25	Prologis Park Narashino 5	Beneficiary right in trust	13,600	12,643	15,500	15,900	3.8	15,500	3.6	3.9	1.7
M-26	Prologis Park Ibaraki	Beneficiary right in trust	38,300	36,093	46,500	45,900	3.9	46,500	3.7	4.0	4.7
M-27	Prologis Park Ichikawa 3	Beneficiary right in trust	17,000	16,170	19,000	19,600	3.6	19,000	3.4	3.8	2.1
M-28	Prologis Park Narita 1-D	Beneficiary right in trust	5,260	5,000	5,930	5,950	4.5	5,910	4.2	4.7	0.6
M-29	Prologis Park Yoshimi	Beneficiary right in trust	21,300	19,992	22,600	22,800	4.3	22,600	4.1	4.5	2.6
M-30	Prologis Park Higashimatsuyama	Beneficiary right in trust	12,600	12,000	13,500	13,800	4.3	13,500	4.1	4.5	1.5
M-31	Prologis Park Kyotanabe	Beneficiary right in trust	35,800	34,585	40,600	41,000	4.0	40,100	3.8	4.2	4.4
M-32	Prologis park Chiba 1	Beneficiary right in trust	31,000	30,284	34,900	35,300	3.9	34,400	3.7	4.1	3.8
M-33	Prologis park MFLP Kawagoe ⁽⁵⁾	Beneficiary right in trust	14,800	14,532	17,050	17,250	3.9	16,800	3.7	4.1	1.8
M-34	Prologis park Chiba New Town	Beneficiary right in trust	26,300	26,163	28,200	28,500	4.1	27,800	3.9	4.3	3.2
M-35	Prologis park Chiba 2	Beneficiary right in trust	15,000	14,860	16,300	16,500	4.0	16,100	3.8	4.2	1.8
M-36	Prologis park Inagawa 2	Beneficiary right in trust	33,000	33,114	34,400	34,400	4.3	34,300	4.0	4.4	4.0
M-37	Prologis park Kobe 5	Beneficiary right in trust	9,500	9,486	9,580	9,650	4.4	9,510	4.2	4.6	1.2
B-02	Prologis Park Takatsuki	Real estate	4,410	3,972	5,480	5,480	4.4	5,480	4.1	4.5	0.5
B-03	Prologis Park Tosu 2	Real estate	3,030	2,571	4,140	4,200	4.5	4,140	4.2	4.6	0.4
B-04	Prologis Park Tosu 4	Real estate	3,810	3,290	5,390	5,780	4.5	5,390	4.2	4.6	0.5

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 (%)	
B-05	Prologis Park Narashino 4	Beneficiary right in trust	20,000	17,723	27,600	28,000	3.7	27,600	3.5	3.8	2.4
B-06	Prologis Park Ebina	Beneficiary right in trust	8,250	7,871	11,400	11,300	3.8	11,400	3.6	3.9	1.0
B-07	Prologis Park Kawanishi	Beneficiary right in trust	13,600	12,385	15,100	15,700	4.2	15,100	4.0	4.5	1.7
B-08	Prologis Park Amagasaki 3	Beneficiary right in trust	9,090	8,305	11,600	11,800	3.9	11,400	3.7	4.1	1.1
B-09	Prologis Park Kobe	Beneficiary right in trust	6,410	5,685	7,790	7,880	4.4	7,700	4.2	4.7	0.8
B-10	Prologis Park Sendai Izumi	Beneficiary right in trust	4,820	4,203	5,840	5,910	4.6	5,770	4.4	4.8	0.6
B-11	Prologis Park Koga 1	Beneficiary right in trust	7,680	6,949	8,540	8,660	4.5	8,420	4.2	4.7	0.9
B-12	Prologis Park Kobe 2	Beneficiary right in trust	13,700	12,538	15,400	15,500	4.4	15,200	4.2	4.7	1.7
B-13	Prologis Park Koga 2	Beneficiary right in trust	3,930	3,582	4,290	4,330	4.5	4,250	4.2	4.7	0.5
B-14	Prologis Park Koga 3	Beneficiary right in trust	5,440	5,053	5,920	5,990	4.5	5,840	4.2	4.7	0.7
B-15	Prologis Park Tsukuba 1-A	Beneficiary right in trust	12,900	11,926	13,400	13,800	4.4	13,400	4.2	4.6	1.6
B-16	Prologis Park Sendai Izumi 2	Beneficiary right in trust	9,250	8,809	10,000	10,200	4.6	9,890	4.0	5.1	1.1
B-17	Prologis Park Kobe 4	Beneficiary right in trust	5,020	4,844	5,510	5,580	4.4	5,430	4.2	4.6	0.6
B-18	Prologis Park Tsukuba 1-B	Beneficiary right in trust	13,500	12,972	14,000	14,300	4.4	14,000	4.2	4.6	1.6
B-19	Prologis Park Tsukuba 2	Beneficiary right in trust	20,900	20,545	20,900	21,300	4.4	20,900	4.2	4.6	2.5
B-20	Prologis Park Ebina 2	Beneficiary right in trust	15,200	15,174	16,000	15,700	3.9	16,000	3.7	4.0	1.8
Total		-	821,983	766,245	1,009,350	1,021,580	-	1,005,720	-	-	100.0

(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 the nearest million yen.

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

(Note 3) NPR has retained JLL Morii Valuation & Advisory K.K., CBRE K.K. and Japan Real Estate Institute to appraise or investigate the properties. Appraisal or Investigation value as of the end of the reporting fiscal period represents the appraisal or investigation value as set forth on the relevant study reports by real estate appraisers as of May 31, 2022.

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

(Note 5) The amounts shown for Prologis Park MFLP Kawagoe represent 50% of the relevant trust beneficiary interest to be acquired and co-owned by NPR.

(II) 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	13.6	125,101.01	125,101.01	14	100.0	2,225	1,049	7.7	4.1
M-02	Prologis Park Zama 1	13.1	113,471.12	113,299.81	7	99.8	1,821	588	3.5	1.6
M-03	Prologis Park Kawajima	11.0	144,897.54	138,665.59	8	95.7	1,831	598	4.1	2.8
M-04	Prologis Park Osaka 2	15.1	130,553.85	129,570.21	4	99.2	1,779	670	6.5	3.6
M-05	Prologis Park Maishima 3	14.3	74,874.36	50,370.37	4	67.3	657	236	9.5	0.9
M-06	Prologis Park Kasugai	14.4	91,455.06	89,742.80	5	98.1	1,051	408	4.6	3.1
M-07	Prologis Park Kitanoagoya	13.0	42,751.60	42,751.60	3	100.0	545	173	2.5	1.3
M-09	Prologis Park Tokyo-Ohta	16.7	73,023.05	73,023.05	24	100.0	1,848	793	4.6	2.3
M-10	Prologis Park Zama 2	9.9	95,121.43	95,121.43	8	100.0	1,511	642	5.3	2.2
M-11	Prologis Park Funabashi 5 (Annex)	17.5	56,556.95	56,556.95	4	100.0	793	350	4.7	1.3
M-12	Prologis Park Narita 1-A&B	17.3	62,058.81	61,111.46	11	98.5	735	216	2.8	1.6
M-13	Prologis Park Narita 1-C	15.1	32,230.25	32,230.25	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	4.1	3.1
M-14	Prologis Park Amagasaki 1	16.8	91,446.75	91,446.75	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	3.8
M-15	Prologis Park Amagasaki 2	15.2	91,428.87	91,337.82	6	99.9	1,234	534	5.3	1.6
M-16	Prologis Park Tokyo-Shinkiba	15.0	31,023.41	31,023.41	9	100.0	921	509	6.5	3.9
M-17	Prologis Park Yokohama-Tsurumi	14.1	63,973.24	63,973.24	4	100.0	977	431	4.1	1.7
M-18	Prologis Park Osaka 4	10.1	106,135.15	106,080.30	8	99.9	1,456	405	2.6	1.1
M-19	Prologis Park Iwanuma	0.1	44,243.08	35,440.03	2	80.1	Not disclosed (Note 11)	Not disclosed (Note 11)	2.9	2.8
M-20	Prologis Park Kawajima 2	8.3	42,005.07	42,005.07	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	5.0	4.7
M-21	Prologis Park Kitamoto	8.2	69,432.00	69,432.00	4	100.0	852	255	5.2	3.6
M-22	Prologis Park Joso	7.6	37,165.49	37,165.49	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	3.4	1.9
M-23	Prologis Park Osaka 5	7.4	78,087.30	78,087.30	7	100.0	1,094	423	5.3	2.6
M-24	Prologis Park Narita 3	14.0	52,982.99	52,579.27	10	99.2	691	276	3.3	1.8

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-25	Prologis Park Narashino 5	6.2	58,159.44	35,005.51	2	60.2	Not disclosed (Note 11)	Not disclosed (Note 11)	6.4	2.2
M-26	Prologis Park Ibaraki	5.7	154,072.73	154,072.73	5	100.0	2,434	697	6.9	6.0
M-27	Prologis Park Ichikawa 3	4.5	50,714.15	50,714.15	3	100.0	902	367	6.3	1.9
M-28	Prologis Park Narita 1-D	7.4	28,059.32	28,059.32	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	4.8	3.8
M-29	Prologis Park Yoshimi	6.5	98,076.60	98,076.60	4	100.0	1,202	455	8.4	3.8
M-30	Prologis Park Higashimatsuyama	4.4	60,540.99	60,540.99	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.5	7.6
M-31	Prologis Park Kyotanabe	3.6	135,024.76	135,024.76	4	100.0	2,020	556	8.7	5.3
M-32	Prologis Park Chiba 1	2.7	127,045.46	126,699.93	9	99.7	1,758	683	6.8	5.0
M-33	Prologis Park MFLP Kawagoe	3.6	56,723.77	56,723.77	10	100.0	862	366	6.3	3.8
M-34	Prologis Park Chiba New Town	6.1	106,934.14	106,747.05	7	99.8	1,478	677	3.9	1.7
M-35	Prologis Park Chiba 2	1.5	58,117.46	58,117.46	3	100.0	857	354	5.0	3.6
M-36	Prologis Park Inagawa 2	0.9	132,561.51	126,672.21	5	95.6	1,757	636	7.3	6.6
M-37	Prologis Park Kobe 5	1.3	38,801.44	38,801.44	2	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	9.5	8.3
B-02	Prologis Park Takatsuki	10.4	19,898.05	19,898.05	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	4.7
B-03	Prologis Park Tosu 2	9.9	21,778.87	21,778.87	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	0.2
B-04	Prologis Park Tosu 4	10.4	28,765.31	28,765.31	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.3	5.0
B-05	Prologis Park Narashino 4	8.9	91,529.07	91,529.07	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	1.3
B-06	Prologis Park Ebina	12.2	32,500.08	32,500.08	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	8.0	5.8
B-07	Prologis Park Kawanishi	8.6	75,493.23	75,493.23	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	1.5
B-08	Prologis Park Amagasaki 3	8.7	39,527.85	39,527.85	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	1.3
B-09	Prologis Park Kobe	8.5	32,511.56	32,511.56	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.2	6.8
B-10	Prologis Park Sendai Izumi	6.7	26,353.50	26,353.50	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	20.3	13.8
B-11	Prologis Park Koga 1	5.6	34,158.16	34,158.16	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	9.4

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⁾
B-12	Prologis Park Kobe 2	5.6	62,468.19	62,468.19	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	9.4
B-13	Prologis Park Koga 2	5.1	19,699.36	19,699.36	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	15.0	9.9
B-14	Prologis Park Koga 3	3.9	29,196.84	29,196.84	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	6.2
B-15	Prologis Park Tsukuba 1-A	3.7	65,168.90	65,168.90	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	11.0	7.3
B-16	Prologis Park Sendai Izumi 2	3.7	36,542.37	36,542.37	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	20.0	16.3
B-17	Prologis Park Kobe 4	3.0	24,154.17	24,154.17	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	7.1
B-18	Prologis Park Tsukuba 1-B	2.8	65,570.07	65,570.07	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	7.3
B-19	Prologis Park Tsukuba 2	1.8	98,824.83	98,824.83	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	8.3
B-20	Prologis Park Ebina 2	0.9	34,485.25	34,485.25	1	100.0	Not disclosed (Note 11)	Not disclosed (Note 11)	10.0	9.2
Total		8.4	3,693,475.81	3,619,996.79	223	98.0	51,308	20,714	7.3	4.1

(Note 1) The figures excluding property age in this table are based on the May 31, 2022 Lease Agreements. References to “May 31, 2022 Lease Agreements” are to lease agreements for all warehouses, offices and stores (excluding certain stores in cafeteria area), at our current properties, that have commenced as of May 31, 2022, excluding a lease agreement for the jointly owned convenience store building at Prologis Park Narita 1-A&B, Prologis Park Narita 1-C and Prologis Park Narita 1-D. The figures including property age do not account for a jointly owned convenience store building at Prologis Park Narita 1-A&B, Prologis Park Narita 1-C and Prologis Park Narita 1-D. The same applies hereinafter. As to Prologis Park MFLP Kawagoe, the figures of Leasable area, Leased area, Annual rent and Security deposit are shown based on our 50% co-ownership.

(Note 2) Property age is calculated based on the property registry and rounded to the nearest tenth. Total amount is a weighted average based on acquisition prices. The property age of Prologis Park Funabashi 5 is calculated based on the weighted average based on acquisition prices of the main structure and the annex. The property age of Prologis Park Zama 2 is calculated based only on the main structure of the property and does not include its annex.

(Note 3) Equal to the gross leasable space based on the May 31, 2022 Lease Agreements and floor plans included in such lease agreements plus available space based on such floor plans.

(Note 4) Equal to gross floor area of leased space in property based on the May 31, 2022 Lease Agreements and floor plans included in such lease agreements.

(Note 5) For properties with pass-through master lease agreements, this is the total number of end-tenants based on the May 31, 2022 Lease Agreements.

(Note 6) Occupancy rate is calculated by dividing leased area by leasable area. Figures are rounded to the nearest tenth.

(Note 7) Annual rent is based on total annual rent (including common area charges) as indicated in the May 31, 2022 Lease Agreements. If the relevant agreements include monthly contracted rent, annual rent is calculated in accordance with the terms stipulated in the agreements. Figures are rounded down to millions of yen.

(Note 8) Calculated as the total security deposit as indicated in the May 31, 2022 Lease Agreement. If the security deposit is amortized, we state the security deposit amount after subtracting the relevant amortization amount. Figures are rounded down to millions of yen.

(Note 9) Average lease contract is calculated as the weighted average of length of lease contract indicated in the May 31, 2022 Lease Agreements 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 May 31, 2022 Lease Agreements 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

(I) 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 Zama 1 other (Zama, Kanagawa, other)	Installment of LED lighting	From Mar. 2022 to June 2023	400	-	-
Prologis Park Kasugai other (Kasugai, Aichi, other)	Repair work of exterior walls	From July 2022 to June 2023	324	-	-
Prologis Park Maishima 3 other (Osaka, Osaka, other)	Installment and renewal work of air conditioner	From Apr. 2022 to June 2023	236	-	-

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

(II) 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 1,124 million yen in the reporting fiscal period which is a sum of capital expenditures of 907 million yen and repair and maintenance expenses of 217 million yen.

Name (Location)	Purpose	Expenditure Period	Amount spent (Millions of yen) ⁽¹⁾
Prologis Park Kawajima 2 other (Hiki, Saitama, other)	Installment and renewal work of firefighting equipment	From Dec. 2021 to May 2022	187
Prologis Park Osaka 4 other (Osaka, Osaka, other)	Installment of LED lighting	From Dec. 2021 to May 2022	122
Prologis Park Ichikawa 1 other (Ichikawa, Chiba, other)	Repair work of exterior walls	From Dec. 2021 to May 2022	96
Others	-	-	500
Total			907

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

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

None

(4) Information Concerning Major Tenants

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

None

(II) 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

19th Fiscal Period from Dec. 1, 2021, to May 31, 2022

(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	182	182	182	182	182
(1) Property related revenues	1,229,633	980,216	1,001,844	944,276	374,292
Property revenues	1,114,042	903,265	934,673	889,510	352,827
Other property related revenues	115,590	76,950	67,170	54,765	21,465
(2) Total of property related expenses	507,009	401,632	432,502	403,363	241,612
Property taxes	90,766	71,366	69,018	83,397	51,560
Subcontract expenses	76,062	67,252	66,955	40,934	38,595
Utilities cost	85,695	50,374	56,490	49,757	16,845
Non-life insurance premium	10,753	9,733	11,251	11,733	6,477
Repair and maintenance	23,429	2,393	6,546	11,506	2,922
Depreciation	219,821	197,892	221,741	205,533	124,730
Custodian fee	480	500	500	500	480
Other expenses	-	2,119	-	-	-
(3) Operating income from property leasing (= (1)-(2))	722,624	578,583	569,341	540,912	132,680
NOI ((3) + Depreciation)	942,446	776,475	791,082	746,445	257,411

(Units: Thousands of yen)

Property number	M-06	M-07	M-09	M-10	M-11
Property name	Prologis Park Kasugai	Prologis Park Kitanagoya	Prologis Park Tokyo-Ohta	Prologis Park Zama 2	Prologis Park Funabashi 5 (include Annex)
Operating days	182	182	182	182	182
(1) Property related revenues	562,893	281,402	989,585	832,397	410,948
Property revenues	532,959	272,012	911,457	745,802	395,019
Other property related revenues	29,933	9,390	78,128	86,595	15,929
(2) Total of property related expenses	255,879	134,185	336,329	325,671	163,439
Property taxes	57,036	29,749	60,286	61,110	34,985
Subcontract expenses	30,176	30,865	54,790	38,442	25,243
Utilities cost	28,038	8,802	55,064	66,244	11,117
Non-life insurance premium	7,062	2,955	7,879	7,701	4,681
Repair and maintenance	8,160	1,124	12,188	4,036	3,263
Depreciation	124,905	60,188	145,620	147,637	83,188
Custodian fee	500	500	500	500	960
Other expenses	-	-	-	-	-
(3) Operating income from property leasing (= (1)-(2))	307,013	147,216	653,256	506,725	247,509
NOI ((3) + Depreciation)	431,919	207,404	798,877	654,362	330,697

(Units: Thousands of yen)

Property number	M-12	M-13	M-14	M-15	M-16
Property name	Prologis Park Narita 1-A&B	Prologis Park Narita 1-C	Prologis Park Amagasaki 1	Prologis Park Amagasaki 2	Prologis Park Tokyo-Shinkiba
Operating days	182	182	182	182	182
(1) Property related revenues	403,954	Not disclosed (Note 1)	Not disclosed (Note 1)	691,224	502,284
Property revenues	369,150			617,836	455,072
Other property related revenues	34,804			73,388	47,211
(2) Total of property related expenses	177,466			313,828	167,541
Property taxes	23,218			57,231	37,632
Subcontract expenses	28,636			33,103	21,451
Utilities cost	20,248			60,722	30,018
Non-life insurance premium	4,605			6,797	3,060
Repair and maintenance	7,448			9,130	4,024
Depreciation	92,809			146,363	70,853
Custodian fee	500	480	500		
Other expenses	-	-	-		
(3) Operating income from property leasing (= (1)-(2))	226,487	122,175	362,276	377,396	334,743
NOI ((3) + Depreciation)	319,297	173,052	476,455	523,760	405,596

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

(Units: Thousands of yen)

Property number	M-17	M-18	M-19	M-20	M-21
Property name	Prologis Park Yokohama- Tsurumi	Prologis Park Osaka 4	Prologis Park Iwanuma (Note 2)	Prologis Park Kawajima 2	Prologis Park Kitamoto
Operating days	182	182	182	182	182
(1) Property related revenues	517,775	734,669	Not disclosed (Note 1)	Not disclosed (Note 1)	443,194
Property revenues	488,316	682,262			426,629
Other property related revenues	29,459	52,406			16,564
(2) Total of property related expenses	235,432	339,838			188,914
Property taxes	52,032	75,708			30,942
Subcontract expenses	40,334	49,333			32,996
Utilities cost	26,587	33,122			13,104
Non-life insurance premium	4,996	8,230			4,613
Repair and maintenance	2,996	12,680			2,209
Depreciation	107,686	160,283			104,567
Custodian fee	500	480	480		
Other expenses	300	-	-		
(3) Operating income from property leasing (= (1)-(2))	282,342	394,830	(38,868)	169,851	254,279
NOI ((3) + Depreciation)	390,029	555,113	(8,771)	238,344	358,847

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

(Note 2) NPR acquired a newly redeveloped building of Prologis Park Iwanuma which were burned down by the fire that occurred during the fiscal period ended May 31, 2020.

(Units: Thousands of yen)

Property number	M-22	M-23	M-24	M-25	M-26
Property name	Prologis Park Joso	Prologis Park Osaka 5	Prologis Park Narita 3	Prologis Park Narashino 5	Prologis Park Ibaraki
Operating days	182	182	182	182	182
(1) Property related revenues	Not disclosed (Note 1)	568,476	377,587	Not disclosed (Note 1)	1,081,743
Property revenues		544,496	345,403		1,057,554
Other property related revenues		23,979	32,184		24,189
(2) Total of property related expenses		268,733	189,478		524,785
Property taxes		61,126	30,200		117,343
Subcontract expenses		36,640	35,357		65,695
Utilities cost		21,081	26,925		24,749
Non-life insurance premium		6,784	5,237		13,617
Repair and maintenance		1,434	10,205		18,420
Depreciation		141,186	81,070		284,248
Custodian fee	480	480	480		
Other expenses	-	2	231		
(3) Operating income from property leasing (= (1)-(2))	131,161	299,742	188,109	62,551	556,958
NOI ((3) + Depreciation)	196,456	440,929	269,179	174,543	841,206

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

(Units: Thousands of yen)

Property number	M-27	M-28	M-29	M-30	M-31
Property name	Prologis Park Ichikawa 3	Prologis Park Narita 1-D	Prologis Park Yoshimi	Prologis Park Higashimatsuyama	Prologis Park Kyotanabe
Operating days	182	182	182	182	182
(1) Property related revenues	465,507	Not disclosed (Note 1)	628,000	Not disclosed (Note 1)	1,120,414
Property revenues	444,942		597,932		998,502
Other property related revenues	20,565		30,067		121,911
(2) Total of property related expenses	226,920		309,356		523,949
Property taxes	46,893		48,121		100,472
Subcontract expenses	31,027		45,017		37,981
Utilities cost	17,340		20,506		109,042
Non-life insurance premium	5,522		7,916		12,672
Repair and maintenance	5,182		6,125		585
Depreciation	120,473		181,189		260,949
Custodian fee	480	480	480		
Other expenses	-	-	1,763		
(3) Operating income from property leasing (= (1)-(2))	238,587	102,551	318,643	179,794	596,465
NOI ((3) + Depreciation)	359,060	144,633	499,833	298,945	857,414

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

(Units: Thousands of yen)

Property number	M-32	M-33	M-34	M-35	M-36
Property name	Prologis Park Chiba 1	Prologis Park MFLP Kawagoe (Note 1)	Prologis Park Chiba New Town	Prologis Park Chiba 2	Prologis Park Inagawa 2
Operating days	182	182	182	182	182
(1) Property related revenues	899,021	448,054	769,254	433,623	896,034
Property revenues	848,649	429,168	727,900	419,291	835,419
Other property related revenues	50,371	18,886	41,354	14,331	60,614
(2) Total of property related expenses	456,121	188,248	365,585	214,698	492,777
Property taxes	100,768	46,680	62,518	39,615	82,933
Subcontract expenses	54,224	25,556	63,790	25,846	38,567
Utilities cost	45,817	18,033	33,608	18,996	78,350
Non-life insurance premium	11,332	4,983	10,512	5,382	13,105
Repair and maintenance	1,102	278	6,785	-	-
Depreciation	242,395	92,476	187,889	123,117	279,417
Custodian fee	480	240	480	480	402
Other expenses	-	0	-	1,260	-
(3) Operating income from property leasing (= (1)-(2))	442,900	259,806	403,668	218,925	403,257
NOI ((3) + Depreciation)	685,296	352,283	591,558	342,043	682,674

(Note 1) Each amount of Prologis Park MFLP Kawagoe shown in the table is based on our 50% co-ownership.

(Units: Thousands of yen)

Property number	M-37	
Property name	Prologis Park Kobe 5	
Operating days	182	
(1) Property related revenues	Not disclosed (Note 1)	
Property revenues		
Other property related revenues		
(2) Total of property related expenses		
Property taxes		
Subcontract expenses		
Utilities cost		
Non-life insurance premium		
Repair and maintenance		
Depreciation		
Custodian fee		
Other expenses		
(3) Operating income from property leasing (= (1)-(2))		153,977
NOI ((3) + Depreciation)		235,311

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

(Units: Thousands of yen)

Property number	B-02	B-03	B-04	B-05	B-06
Property name	Prologis Park Takatsuki	Prologis Park Tosu 2	Prologis Park Tosu 4	Prologis Park Narashino 4	Prologis Park Ebina
Operating days	182	182	182	182	182
(1) Property related revenues	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)
Property revenues					
Other property related revenues					
(2) Total of property related expenses					
Property taxes					
Subcontract expenses					
Utilities cost					
Non-life insurance premium					
Repair and maintenance					
Depreciation					
Custodian fee					
Other expenses					
(3) Operating income from property leasing (= (1)-(2))	94,712	49,778	72,977	390,348	194,318
NOI ((3) + Depreciation)	127,296	80,979	108,667	523,904	235,293

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

(Units: Thousands of yen)

Property number	B-07	B-08	B-09	B-10	B-11
Property name	Prologis Park Kawanishi	Prologis Park Amagasaki 3	Prologis Park Kobe	Prologis Park Sendai Izumi	Prologis Park Koga 1
Operating days	182	182	182	182	182
(1) Property related revenues	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)
Property revenues					
Other property related revenues					
(2) Total of property related expenses					
Property taxes					
Subcontract expenses					
Utilities cost					
Non-life insurance premium					
Repair and maintenance					
Depreciation					
Custodian fee					
Other expenses					
(3) Operating income from property leasing (= (1)-(2))	312,453	170,453	130,620	79,940	128,261
NOI ((3) + Depreciation)	401,318	230,962	183,143	134,563	199,641

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

(Units: Thousands of yen)

Property number	B-12	B-13	B-14	B-15	B-16
Property name	Prologis Park Kobe 2	Prologis Park Koga 2	Prologis Park Koga 3	Prologis Park Tsukuba 1-A	Prologis Park Sendai Izumi 2
Operating days	182	182	182	182	182
(1) Property related revenues					
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))	237,970	59,097	73,630	161,428	143,127
NOI ((3) + Depreciation)	352,755	98,356	132,270	313,251	234,795

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

(Units: Thousands of yen)

Property number	B-17	B-18	B-19	B-20
Property name	Prologis Park Kobe 4	Prologis Park Tsukuba 1-B	Prologis Park Tsukuba 2	Prologis Park Ebina 2
Operating days	182	182	182	182
(1) Property related revenues	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)
Property revenues				
Other property related revenues				
(2) Total of property related expenses				
Property taxes				
Subcontract expenses				
Utilities cost				
Non-life insurance premium				
Repair and maintenance				
Depreciation				
Custodian fee				
Other expenses				
(3) Operating income from property leasing (= (1)-(2))	83,054	187,980	274,444	230,144
NOI ((3) + Depreciation)	123,253	335,427	501,667	353,578

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