Feb. 29, 2016

FOR IMMEDIATE RELEASE

Nippon Prologis REIT Announces Issuance of New Investment Units and Secondary Offering of Investment Units

Nippon Prologis REIT Inc. ("NPR") today announced that at a meeting of its board of directors, held Feb. 29, 2016, a resolution was passed regarding the issuance of new investment units and a secondary offering of investment units.

Details

1. Issuance of New Investment Units: Public Offering

(1)	Number of investment units to be offered	105,900 units
(2)	Issue amount (amount to be paid)	To be determined The issue amount (amount to be paid) shall be determined at a board of directors meeting to be held on a date between Monday, March 7, 2016, and Wednesday, March 9, 2016 (the "Issue Price Determination Date"). The issue amount (amount to be paid) refers to the amount NPR shall receive from the Underwriters as described in (6) (ii) below as the payment proceeds per NPR investment unit.
(3)	Net proceeds	To be determined
(4)	Issue price (offer price)	To be determined The issue price (offer price) shall be determined at the board of directors meeting held on the Issue Price Determination Date taking into consideration the level of demand and other factors, using as a tentative price a figure obtained by multiplying a number from 0.90 to 1.00 by the closing price for ordinary trading of an investment unit of NPR on the Tokyo Stock Exchange Inc. (the "Tokyo Stock Exchange") on the Issue Price Determination Date (in the event of no closing price on such date being available, the closing price on the preceding date). Any fraction of one yen shall be rounded down to the nearest yen.
(5)	Total amount issued (total offer value)	To be determined

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(6) Offering method

All investment units shall be offered simultaneously in Japan and overseas (the domestic offering, the international offering and the over-allotment secondary offering mentioned in "2. Secondary offering of investment units (secondary distribution via over-allotment)" shall be collectively referred to as the "Offerings").

(i) Domestic Public Offering

Investment units shall be offered through a public offering in Japan (the "Domestic Public Offering") and all investment units for the Domestic Public Offering shall be underwritten and purchased by domestic underwriters (collectively referred to as the "Domestic Underwriters").

(ii) International Offering

The offering overseas shall be an offering in international markets, consisting mainly of the U.S., European and Asian markets (provided, however, that the offering in the U.S. market shall be restricted to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act of 1933, as amended) in which all investment units subject to the International Offering shall be purchased and underwritten severally and not jointly in the total amount by international underwriters (collectively referred to as the "International Underwriters" and together with the Domestic Underwriters, collectively referred to as the "Underwriters").

(iii) The total number of units to be issued in the Offerings concerned shall be 105,900 units, consisting of 61,420 units for the Domestic Public Offering and 44,480 units for the International Offering, but the final breakdown shall be determined on the Issue Price Determination Date, taking into consideration the level of demand and other factors.

(7) Content of underwriting agreement

The Underwriters shall pay NPR the net proceeds for the Offerings on the payment date stated below under (10), and the difference with the gross proceeds shall be the proceeds of the Underwriters. NPR shall not pay an underwriting fee to the Underwriters.

(8) Unit of application

One unit or more in multiples of one unit

(9) Application period (Domestic Public Offering)

From the following business day of the Issue Price Determination Date to two business days following the Issue Price Determination Date

(10) Payment date

A business day during the period from Monday, March 14, 2016, to Wednesday, March 16, 2016, which shall be five business days after the Issue Price Determination Date

(11) Delivery date

The following business day of the Payment Date

(12) The issue amount (amount to be paid), the issue price (offer price), the final breakdown of units to be offered through the Domestic Public Offering and through the International Offering and other items required for the issuance of the new NPR investment units shall be determined at a future meeting of the board of directors.

(13) Matters related to the Domestic Public Offering, among the above-mentioned items, shall be subject to the condition that the registration under the Financial Instruments and Exchange Act takes effect.

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2. Secondary offering of investment units (secondary distribution via over-allotment)

(1)	Distributor	A Domestic Underwriter
(2)	Number of investment units to be distributed	5,300 units The number of investment units to be offered is the maximum number of investment units to be distributed in the secondary distribution via over-allotment by the bookrunner of the Domestic Public Offering, taking into consideration the status of demand and other factors of the Domestic Public Offering. There are cases where the number may decrease or the secondary distribution via over-allotment itself may not take place at all depending on the status of demand and other factors relating to the Domestic Public Offering. The number of investment units to be distributed shall be determined at a meeting of the board of directors to be held on the Issue Price Determination Date, taking into consideration the status of demand and other factors of the Domestic Public Offering.
(3)	Distribution price	To be determined The distribution price shall be determined at a meeting of the board of directors, to be held on the Issue Price Determination Date. Furthermore, the distribution price shall be the same price as the issue price (offer price) for the Domestic Public Offering.
(4)	Total amount of distribution price	To be determined
(5)	Distribution method	The bookrunner of the Domestic Public Offering shall conduct a domestic secondary distribution in Japan of NPR investment units, which it shall borrow from Prologis Property Japan Special Purpose Company ("Prologis Property Japan SPC") in a number not to exceed 5,300 units, taking into consideration the status of demand and other factors relating to the Domestic Public Offering. However, the borrowing shall be subject to the condition that the 16,680 units shall be sold to Prologis Property Japan SPC in the Domestic Public Offering as stated below.
(6)	Unit of application	One unit or more in multiples of one unit
(7)	Application period	The same as the Domestic Public Offering
(8)	Delivery date	The same as the Domestic Public Offering

(9) This secondary distribution via over-allotment shall be cancelled upon the cancellation of the Domestic Public Offering.

(10) The distribution price and other matters necessary for the secondary distribution via over-allotment shall be determined at a future meeting of the board of directors.

(11) The items above shall be subject to the condition that the registration under the Financial Instruments and Exchange Act takes effect.

3. Issuance of New Investment Units through third-party allotment

(1)	Number of investment units to be offered	5,300 units
(2)	Issue amount (amount to be paid)	To be determined To be determined at a board of directors meeting to be held on the Issue Price Determination Date. The issue amount (amount to be paid) shall be identical to the issue amount (amount to be paid) for the Domestic Public Offering.
(3)	Net proceeds	To be determined

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(4) Allottee and number of investment units to be allotted: A Domestic Underwriter: 5,300 units
(5) Unit of application: One unit or more in multiples of one unit
(6) Application period (Application date): Tuesday, April 12, 2016
(7) Payment date: Wednesday, April 13, 2016
(8) Investment units for which no application for subscription has been made during the application period (application date), mentioned in (6) shown above, shall not be issued.
(9) The issue amount (amount to be paid) and other matters necessary for the third-party allotment (the "Third-party Allotment") shall be determined at a future meeting of the board of directors.
(10) The Third-party Allotment shall be canceled upon the cancellation of the Domestic Public Offering.
(11) The items above shall be subject to the condition that the registration under the Financial Instruments and Exchange Act takes effect.

<Reference>

1. Secondary distribution via over-allotment and related matters

(1) The secondary distribution via over-allotment shall be a domestic secondary distribution of NPR investment units in Japan by a Domestic Underwriter, the bookrunner of the Domestic Public Offering, which shall borrow from Prologis Property Japan SPC in a number not to exceed 5,300 units (however, the borrowing shall be subject to the condition that 16,680 units of NPR investment units in the Domestic Public Offering are sold to Prologis Property Japan SPC as described in "5. Designation of allottee" below) upon the Domestic Public Offering, taking into consideration the status of demand and other factors relating to the Domestic Public Offering. The number of investment units to be distributed in the secondary distribution via over-allotment is scheduled to be 5,300 units. The number of investment units above is the maximum number of investment units to be distributed, and there may be instances in which the number may decrease or distribution via over-allotment itself may not take place at all, depending on the status of demand and other factors relating to the Domestic Public Offering. Furthermore, in connection with the secondary distribution via over-allotment, for the purpose of allowing the Domestic Underwriter to acquire the NPR investment units required for returning the NPR investment units borrowed from Prologis Property Japan SPC, NPR resolved, by its board of directors meeting held on Monday, February 29, 2016, to issue 5,300 new investment units by way of Third-party Allotment to the Domestic Underwriter with the payment date on Wednesday, April 13, 2016.

In addition, during the period from the date following the last application period date for the Domestic Public Offering and the secondary distribution via over-allotment to Friday, April 8, 2016 (the "syndicate covering transaction period"), there may be cases where the Domestic Underwriter purchases NPR investment units on the Tokyo Stock Exchange, which shall be in a number not to exceed the number of investment units pertaining to the secondary distribution via over-allotment, for the purpose of returning the borrowed investment units (the "syndicate covering transaction"). All of the NPR investment units acquired in the syndicate covering transaction by a Domestic Underwriter shall be returned. During the syndicate covering transaction period, there may be instances in which the Domestic Underwriter decides to not engage in the syndicate covering transaction at all or to end the syndicate covering transaction

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without purchasing investment units in a number equal to the number of investment units pertaining to the secondary distribution via over-allotment.

Furthermore, the Domestic Underwriter may engage in stabilizing transactions related to the Domestic Public Offering and the secondary distribution via over-allotment, and the NPR investment units purchased through such stabilizing transactions may possibly be used, in whole or in part, to return the borrowed NPR investment units.

As for the remaining number of investment units after reducing the number of NPR investment units purchased through the syndicated covering transaction and the stabilizing transaction used to return the borrowed NPR investment units from the number of NPR investment units for the secondary distribution via over-allotment, the Domestic Underwriter intends to acquire the number of NPR investment units through the Third-party Allotment. For this reason, it is possible that applications may not be filed for the number of investment units issued through the Third-party Allotment, in whole or in part, and as a result, the final number of investment units issued in the Third-party Allotment may decrease or the issuance itself may not take place due to forfeiture.

Whether the secondary offering via over-allotment is exercised and the number of units to be subscribed when the secondary offering via over-allotment is exercised will be determined on the Issue Price Determination Date. If the secondary offering via over-allotment is not exercised, the Domestic Underwriter will not borrow the NPR investment units from Prologis Property Japan SPC. Therefore, the Domestic Underwriter will not acquire such number of NPR investment units by refusing the Third-party Allotment. In this case, the issuance of new investment units through the Third-party Allotment will not take place due to forfeiture. Similarly, the syndicate cover transaction on the Tokyo Stock Exchange will not be exercised.

(2) A Domestic Underwriter will conduct the transactions described above upon consultation with other Domestic Underwriters.

2. Change in the number of investment units outstanding after the issuance of the new investment units

Current number of issued investment units outstanding:	1,730,750 units
Number of new investment units to be issued in the Offerings:	105,900 units
Total number of issued investment units after the Offerings:	1,836,650 units
Number of new investment units to be issued through the Third-party Allotment:	5,300 units (Note)
Total number of issued investment units after the Issuance of New Investment Units through the Third-party Allotment:	1,841,950 units (Note)

(Note) Represents the case where the Domestic Underwriter has required all the investment units to be issued through the Third-party Allotment, resulting in the issuance of such investment units. It is possible that applications may not be filed for the number of investment units issued through the Third-party Allotment, in whole or in part, and as a result, the final number of investment units issued in the Third-party Allotment may decrease or the issuance itself may not take place at all due to forfeiture. For details, please refer to "1. Secondary distribution via over-allotment and related matters (1)" as above.

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3. Objective and rationale for the issuance

NPR will acquire new specified assets (as defined in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations of Japan; the same applies hereinafter) that consist of four Class-A logistics facilities (the "Four New Properties") by entering into the long-term loans (the "Bridge Loans") and the short-term loans and cash on hand and will repay the Bridge Loans with the net proceeds from the Offerings and concurrent borrowings and cash on hand, as described in "Nippon Prologis REIT Announces Debt Financing" announced today. NPR's asset size will expand and the quality of its portfolio will improve. The issuance of the new investment units was decided for the purpose of improving total unit holders' value taking into consideration the economic value of NPR investment units shown in market trends, appraisal NAV per unit(Note 2), distributions per unit and investment unit liquidity.

(Note 1):

NPR was incorporated on November 7, 2012, and acquired 12 properties ("Initial Properties") with an aggregate acquisition price of ¥173,020 million, at the time of its initial public offering on February 15, 2013 (the "Global Initial Public Offering"), which was a global offering including a Japanese offering and an international offering. NPR acquired 12 additional properties by the end of the third fiscal period ended May 31, 2014, through two subsequent follow-on offerings. NPR acquired 5 additional properties through the bridge loans during the fourth fiscal period ended November 30, 2014, and currently owns 29 properties in total, with an aggregate acquisition price of ¥405,050 million (the "Current Properties"). NPR repaid all the bridge loans mentioned above during the fourth fiscal period ended November 30, 2014, with the net proceeds from the third public offering, loans and cash on hand.

(Note 2):

"Appraisal NAV per unit" reflects the appraisal values of the Current Properties and the Four New Properties, which may differ materially from the acquisition prices of such properties. Investors should thus assume that appraisal NAV per unit does not accurately reflect the fair value of the Four New Properties. In addition, appraisal NAV per unit on a pro forma basis as adjusted to give effect to the Offerings and the anticipated acquisitions does not reflect NPR's forecasts of appraisal NAV per unit in future periods. Rather, such pro forma information is based on the most recently available appraisal reports, and there is no assurance that future appraisals obtained for the same properties will provide the same or similar appraisal values.

"Appraisal NAV per unit" and "pro forma appraisal NAV per unit" were calculated as follows:

Pro forma appraisal NAV per unit, as adjusted for the Global Initial Public Offering and the acquisition of our 12 Initial Properties, is calculated as the sum of (a) the initial capital contribution of ¥200 million in connection with our incorporation, (b) the total net proceeds of the Global Initial Public Offering of ¥96,882 million and (c) the difference between the aggregate appraisal value as of October 15, 2012 for the 12 Initial Properties acquired in connection with our Global Initial Public Offering (equal to ¥173,460 million) and the aggregate acquisition price for such properties (equal to ¥173,020 million), divided by 913,750 units (the total number of outstanding units upon completion of our Global Initial Public Offering, 182,750 units, as adjusted to give effect to the five-for-one split of our investment units, effective March 1, 2014 ("Unit Split")).

Appraisal NAV per unit as of Nov. 30, 2015 is calculated as the sum of (a) the difference between total net assets (equal to ¥240,906 million) and surplus (equal to ¥5,988 million) as of Nov. 30, 2015, (b) the difference between the aggregate appraisal value as of Nov. 30, 2015 for our 29 Current Properties (equal to ¥488,320 million) and the aggregate book value for such properties (equal to ¥395,010 million) as of Nov. 30, 2015, divided by 1,730,750 units (the total number of outstanding units as of Nov. 30, 2015).

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Pro forma appraisal NAV per unit, as adjusted to give effect to the Offerings and the acquisition of the Four New Properties is calculated as the sum of (a) the difference between total net assets (equal to ¥240,906 million) and surplus (equal to ¥5,988 million) as of Nov. 30, 2015, (b) the difference between the aggregate appraisal value as of Nov. 30, 2015 for our 29 Current Properties (equal to ¥448,320 million) and the aggregate book value for such properties as of Nov. 30, 2015 (equal to ¥395,010 million), (c) the total expected net proceeds of the Offerings of ¥23,516 million*, assuming the issuance of 111,200 units in the Offerings at an offer price of ¥218,736 and assuming that the over-allotment option is exercised in full and (d) the difference between the aggregate appraisal value for the Four New Properties (equal to ¥42,140 million) and the aggregate acquisition price of such properties (equal to ¥42,140 million), divided by 1,841,950 units (the total number of outstanding units as adjusted for the Offerings, assuming that the over-allotment option is exercised in full).

Note:

* The expected net proceeds from the Offerings and the Third-party Allotment are calculated on a pro forma basis given the issue amount per unit of 211,482 yen, which is based on the closing price for ordinary trading of an investment unit of NPR on the Tokyo Stock Exchange as of Friday, February 12, 2016. Also, it is assumed that the Domestic Underwriter will pay the total issue amount for the Third-party Allotment. The net proceeds from the Offerings and the Third-party Allotment, along with the actual appraisal NAV per unit after acquisition of the Four New Properties, may be lower than the aforementioned, in the case that the actual issue amount per investment unit through the Offerings and the Third-party Allotment is lower than the aforementioned or that the Third-party Allotment has not taken place in whole or in part. However, the net proceeds from the Offerings and the Third-party Allotment may be larger if the actual issue amount per unit through the Offerings and the Third-party Allotment is higher than the aforementioned, ultimately leading to a higher appraisal NAV per unit after the acquisition of the Four New Properties.

4. Amount, use and schedule of expenditure of net proceeds from the Offerings

(1) Amount of funds to be procured (estimated net proceeds)

(2) 23,516,000,000 yen (maximum)

(Note) The above amount represents the total sum of 12,989,000,000 yen in net proceeds from the Domestic Public Offering, 9,406,000,000 yen in net proceeds from the International Offering and 1,120,000,000 yen in maximum net proceeds from the Third-party Allotment. The above figures represent estimated amounts calculated based on the closing price for ordinary trading on the Tokyo Stock Exchange as of Friday, February 12, 2016.

(3) Specific use of net proceeds and scheduled timing of expenditure

Net proceeds from the Domestic Public Offering (12,989,000,000 yen) and from the International Offering (9,406,000,000 yen) are scheduled to be used to fund the repayment of a portion of the Bridge Loans used to acquire the Four New Properties (31 billion yen). Moreover, the maximum proceeds from the issuance of new investment units through the Third-party Allotment (1,120,000,000 yen) will be kept as cash on hand, which will be deposited with financial institutions until the time of expenditure, to partially fund future acquisitions of specified assets or repayment of borrowings.

(Note) The above net proceeds represent estimated amounts calculated based on the closing price for ordinary trading on the Tokyo Stock Exchange as of Friday, February 12, 2016.

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5. Designation of allottee

The Domestic Underwriters plan to allocate 16,680 units out of the investment units to be issued in the Domestic Public Offering to Prologis Property Japan SPC, an indirect subsidiary of Prologis, Inc., which plans to purchase 16,680 units in the Domestic Public Offering as designated purchaser.

6. Restrictions on Sales and Additional Issuances

(1) In connection with the Offerings, we will ask Prologis Property Japan SPC to agree with the joint global coordinators and the Japanese joint lead managers, beginning on the Issue Price Determination Date and lasting for a period of 180 calendar days after the delivery date for the units sold in the Offerings, not to sell, pledge or issue any securities that represent the right to receive investment units or otherwise dispose of (whether by actual disposition, effective economic disposition or otherwise) the investment units it owns and will purchase in the Japanese Offering without the prior written consent of the joint global coordinators and the Japanese joint lead managers, except for, among others, (i) the borrowing of investment units by any representative of the Domestic Underwriters from Prologis Property Japan SPC (ii) in connection with any over-allotments in a public offering of our investment units (other than the Japanese Offering), the lending of any investment units by Prologis Property Japan SPC to any representative of underwriters of such offering, the grant of an option to purchase investment units from Prologis Property Japan SPC and the sale of any investment units by Prologis Property Japan SPC upon the exercise of such option or (iii) the lending of any of our units by Prologis Property Japan SPC to the Japan Securities Finance Co., Ltd. for the purpose of loan transactions.

(2) In connection with the Offerings, Prologis Japan has agreed with the joint global coordinators, beginning on the Issue Price Determination Date and lasting for a period of 180 calendar days from the delivery date for the investment units sold in the Offerings, not to sell, pledge or issue any securities that represent the rights to receive investment units or otherwise dispose (whether by actual disposition, effective economic disposition or otherwise) of our investment units held by Prologis Japan (2,000 investment units) prior to the Offerings without the prior written consent of the joint global coordinators.

(3) In connection with the Offerings, we have agreed with the joint global coordinators, beginning on the Issue Price Determination Date and lasting for a period of 90 calendar days after the delivery date for the units sold in the Offerings, not to (i) issue, offer, pledge, lend, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of or permit any entities over which we exercise management control or any person acting at our direction, to issue, offer, pledge, lend, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any investment units or any of our other capital stock, or any securities convertible into, or exercisable or exchangeable for, or that represent the right to receive, units or any of our other capital stock, or (ii) enter into any over-the-counter derivative transaction or any other transaction that transfers, in whole or in part, directly or indirectly, ownership (or any economic consequences thereof) of units or any of our other capital stock, in each case, without the prior written consent of the joint global coordinators. Notwithstanding the foregoing, the restrictions described above will not apply to: (a) the issuance and sale of our units in the Offerings; (b) the issuance and sale of our units upon exercise of the option granted to the bookrunner of the Domestic Public Offering; (c) the issuance of our units by way of a unit split; or (d) the sale of our units in accordance with any requirements under any applicable law.

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