Feb. 29, 2016

FOR IMMEDIATE RELEASE

Nippon Prologis REIT Revises Forecasts
for the Fiscal Periods Ending May 31, 2016, and Nov. 30, 2016

Nippon Prologis REIT, Inc. ("NPR") today revised its forecasts for the fiscal periods ending May 31, 2016 (Dec. 1, 2015, to May 31, 2016), and Nov. 30, 2016 (June 1, 2016, to Nov. 30, 2016), which were included in NPR's Summary of Financial Results for the sixth fiscal period ended Nov. 30, 2015, and dated Jan. 19, 2016. The revisions are described below:

1. Reasons for the revision:
   A resolution was reached at an NPR board of directors meeting today concerning the issuance of new investment units for the purpose of repaying the portion of debt financing (31 billion yen) ("Bridge Loans") used to acquire the four new properties (as defined in Attachment 1: Forecast Assumptions for the Fiscal Periods Ending May 31, 2016 and Nov. 30, 2016). Results forecasts for the six-month periods ending May 31, 2016, and Nov. 30, 2016, announced on Jan. 19, 2016, require revision due to a change in the assumptions used to compute them.

2. Forecasts revisions for the fiscal periods ending May 31, 2016, and Nov. 30, 2016

(1) Details of results of the forecast revisions for the fiscal period ending May 31, 2016 (seventh fiscal period from Dec. 1, 2015, to May 31, 2016):

	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)
Previously announced forecast (A)	14,266	6,937	5,969	5,988	3,946	3,460	486
Revised forecast (B)	14,860	7,237	6,149	6,168	3,958	3,348	610
Amount of increase/decrease (C) ((B) – (A))	594	300	179	179	12	(112)	124
Rate of increase/decrease (C) / (A)	4.2%	4.3%	3.0%	3.0%	0.3%	(3.2)%	25.5%

Disclaimer: This press release is an announcement concerning revisions to forecasts for the fiscal periods ending May 31, 2016, and Nov. 30, 2016 of NPR, and has not been prepared for the purpose of solicitation for investment.

(2) Details of results of the forecast revisions for the fiscal period ending Nov. 30, 2016 (eighth fiscal period from June 1, 2016 to Nov. 30, 2016):

	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)
Previously announced forecast (A)	14,409	6,954	5,989	5,988	3,949	3,460	489
Revised forecast (B)	15,775	7,674	6,695	6,694	4,149	3,634	515
Amount of increase/decrease (C) ((B) – (A))	1,366	720	705	705	200	174	26
Rate of increase/decrease (C) / (A)	9.5%	10.4%	11.8%	11.8%	5.1%	5.0%	5.3%

(Reference)
Fiscal period ending May 31, 2016: Expected number of investment units outstanding at the end of the period: 1,841,950 units; Expected net income per unit: 3,348 yen
Fiscal period ending Nov. 30, 2016: Expected number of investment units outstanding at the end of the period: 1,841,950 units; Expected net income per unit: 3,634 yen

Notes:
1. This forecast information is calculated based on the assumptions described in Attachment 1 “Forecast Assumptions for the Fiscal Periods Ending May 31, 2016, and Nov. 30, 2016”. Therefore, actual operating revenues, operating income, ordinary income, net income, distributions per unit (excluding surplus cash distributions) and surplus cash distributions per unit may vary due to acquisitions or dispositions of properties, changes in rent revenues attributable to tenant movements, changes in the property management environment due to unexpected repairs, changes in interest rates, the actual number of new units issued and the issue price of such units, or the issuance of additional investment units. Thus, these forecasts should not be deemed a commitment or guarantee of the amount of cash distributions.
2. These forecasts may be revised if a substantial variation from the current forecast information is anticipated.
3. The figures are rounded down to the nearest million yen or yen and ratios are rounded to the nearest tenth.

This material is distributed to the Tokyo Stock Exchange (Kabuto Club) Press Club; Ministry of Land, Infrastructure, Transport and Tourism Press Club; and Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications.

Disclaimer: This press release is an announcement concerning revisions to forecasts for the fiscal periods ending May 31, 2016, and Nov. 30, 2016 of NPR, and has not been prepared for the purpose of solicitation for investment.

【Attachment 1】

Forecast Assumptions for the Fiscal Periods Ending May 31, 2016 and Nov. 30, 2016

Item	Assumption
Accounting period	● Fiscal period ending May 31, 2016 (7th fiscal period) (from Dec. 1, 2015, to May 31, 2016) (183 days) ● Fiscal period ending Nov. 30, 2016 (8th fiscal period) (from June 1, 2016, to Nov. 30, 2016) (183 days)
Assets under management	● It is assumed NPR will acquire the real estate trust beneficiary interests in four new properties (the "four new properties") on March 3, 2016, in addition to its 29 properties (the "current properties") as of today. For details about these new properties, please refer to the press release titled "Nippon Prologis REIT Announces Acquisition of Domestic Real Estate Trust Beneficiary Interests and Lease Contract with New Tenants" dated today. It is also assumed there will be no change in the operational status of properties held after the scheduled acquisitions on March 3, 2016, up until Nov. 30, 2016. Such changes include acquisitions of new properties and dispositions of existing properties. ● The actual results may change due to acquisition of new properties in addition to the four new properties or disposition of existing properties, etc.
Operating revenues	● Operating rental revenues take into account factors such as market trends and the competitiveness of each property based on information provided by the current owner of the new properties and information on the current properties, held by the Asset Manager (Prologis REIT Management K.K.), and are estimated to be 14,860 million yen and 15,775 million yen for the fiscal periods ending May 31, 2016, and Nov. 30, 2016, respectively. The expected overall occupancy rates of the four new properties and current properties are estimated to be 97.8% and 98.1% for the periods ending May 31, 2016, and Nov. 30, 2016, respectively. ● For operating rental revenues, it is assumed tenants will pay rents without delinquency or withholding.
Operating expenses	● Operating expenses except depreciation are calculated by taking into account variable factors such as seasonal events, based on information provided by the current owner of the four new properties and information on the current properties held by the Asset Manager, and are assumed to be 3,108 million yen and 3,302 million yen for the fiscal periods ending May 31, 2016, and Nov. 30, 2016, respectively. ● Depreciation expenses are calculated using the straight-line method in relation to the acquisition price including ancillary costs and are assumed to be 3,132 million yen and 3,328 million yen for the fiscal periods ending May 31, 2016, and Nov. 30, 2016, respectively. ● Real estate taxes (fixed asset tax) are generally included in the purchase price of properties on a pro-rated basis of a calendar year and start to be expensed from the next calendar year. Accordingly, real estate taxes for the new properties will start to be expensed from the fiscal period ending May 31, 2017. The total amount of real estate taxes included in the purchase price of the new properties is assumed to be 63 million yen (equivalent to expenses for 90 days) and 129 million yen (equivalent to expenses for 183 days) for the fiscal periods ending May 31, 2016, and Nov. 30, 2016, respectively. ● With respect to 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, actual repair expenses may differ substantially from the anticipated amount due to unexpected factors.
Non-operating expenses	● It is assumed NPR will recognize 114 million yen as total expenses incurred in relation to the offerings of the new investment units in the fiscal period ending May 31, 2016 (the "Offerings"). ● It is assumed NPR will recognize 8 million yen for the fiscal periods ending May 31, 2016, and Nov. 30, 2016, respectively, as amortization of organization expenses. ● As for interest expenses and other debt-related costs, 957 million yen and 953 million yen are expected to be incurred for the fiscal periods ending May 31, 2016 and Nov. 30, 2016, respectively. The non-cash expenditure, which is included in debt-related expenses, is expected to be 136 million yen and 137 million yen for the periods ending May 31, 2016, and Nov. 30, 2016, respectively.
Borrowings and bonds	● The balance of NPR's interest-bearing debt on an accounting basis as of today is 162,200 million yen, including the balance of borrowings and investment corporation bonds. ● It is assumed that NPR will obtain the Bridge Loans and debt financing with a maturity of one year ("Short-term Loans"). (For details of the Bridge Loans and the Short-term Loans, please refer to the press release entitled "Nippon Prologis REIT Announces Debt Financing" dated today.) Net proceeds from the Offerings as resolved at NPR's board of directors meeting held today will be used together with concurrent borrowings and cash on hand to repay the Bridge Loans used to acquire the four new properties. Moreover, net proceeds from the issuance of new investment units through the third-party allotment will be kept as cash on hand, which will be deposited with financial institutions until the time of expenditure, and will be partially allocated to future acquisitions of specified assets (as defined in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations of Japan; the same applies hereinafter) or repayment of borrowings. For details, please refer to the press release entitled "Nippon Prologis REIT Announces Issuance of New Investment Units and Secondary Offering of Investment Units" dated today. Thus, the balance of NPR's interest-bearing debt is assumed to be 178,200 million yen. This amount of balance of interest-bearing debt may change considerably due to the final number of investment units to be issued and issue amount.

Disclaimer: This press release is an announcement concerning revisions to forecasts for the fiscal periods ending May 31, 2016, and Nov. 30, 2016 of NPR, and has not been prepared for the purpose of solicitation for investment.

	● We assume there will be no investment corporate bonds due prior to the end of the fiscal period ending Nov. 30, 2016. ● LTV as of Nov. 30, 2015, was 38.7% and LTV is estimated to be 38.8% after acquisitions of the four new properties. For LTV calculation, please refer to the following formula: LTV(%) = interest-bearing debt / total assets×100(%) (As of Nov. 30, 2015) LTV(%) = interest-bearing debt after acquisition of the four new properties / total assets after acquisition of the four new properties×100(%) (After acquisition of the four new properties) (Note 1) Interest-bearing debt after acquisition of the four new properties = interest-bearing debt as of Nov. 30, 2015 (162,200 million yen) – repaid interest-bearing debt as of Feb. 15, 2016 (23,300 million yen) + new interest-bearing debt as of Feb. 15, 2016 (23,300 million yen) + Short-term Loans (7,000 million yen) + anticipated loans (9,000 million yen) (Note 2) Total assets after acquisition of the four new properties = total assets as of Nov. 30, 2015, (419,403 million yen) + net proceeds through the Offerings (22,395 million yen) (Note 3) + net proceeds through the third-party allotment (1,120 million yen) (Note 3) – repaid interest-bearing debt as of Feb. 15, 2016, (23,300 million yen) + new interest-bearing debt as of Feb. 15, 2016, (23,300 million yen) + Short-term Loans (7,000 million yen) + anticipated loans (9,000 million yen) (Note 2) (Note 1) NPR will acquire the four new properties using the Bridge Loans, Short-term Loans and cash on hand and repay the Bridge Loans with net proceeds from the Offerings and new concurrent borrowings and cash on hand. Therefore, LTV after acquisition of the four new properties is calculated based on the figures after repayment of the Bridge Loans. (Note 2) Represents the anticipated amount as of today. The amount of anticipated loans is calculated on a pro forma basis 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. The actual borrowing amounts may vary depending on the total net proceeds from the Offerings. For details of the anticipated loans, NPR will announce them as soon as they are determined. (Note 3) The net proceeds from the Offerings and the third-party allotment are calculated on a pro forma basis, 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 LTV 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 in the case that the actual issue amount per unit through the Offerings and the third-party allotment is higher than the aforementioned, ultimately leading to a lower LTV after the acquisition of the four new properties.
Extraordinary income	● We expect to receive 20 million yen for the period ending May 31, 2016, as a result of the location incentive ordinance of Tosu city where Prologis Park Tosu 2 and Prologis Park Tosu 4 are located.
Investment units	● It is assumed that no additional units will be issued by the end of Nov. 30, 2016, other than the current outstanding and issued 1,730,750 units as of today and the 105,900 units to be issued through the Offerings as well as the maximum 5,300 units to be issued through the third-party allotment as resolved at NPR's board of directors meeting held on Feb. 29, 2016. For details, please refer to the press release titled "Nippon Prologis REIT Announces Issuance of New Investment Units and Secondary Offering of Investment Units" dated today.
Distributions per unit (excluding surplus cash distributions)	● Distributions per unit (excluding surplus cash distributions) are calculated based on the premises of the distribution policy in the Articles of Incorporation of NPR that all net income shall be distributed. ● Distributions per unit (excluding surplus cash distributions) may change due to various factors including any additional acquisitions or dispositions of properties, changes in rent revenues attributable to tenant moves, changes in the property management environment including unexpected repair, changes in interest rates, the actual number of new investment units issued and the unit price of such units, or any additional issuance of new investment units in the future.
Surplus cash distributions per unit	● In principle, in addition to distributions of retained earnings, NPR intends to make surplus cash distributions on a regular basis in an amount no higher than 60% of depreciation expense and within an appropriate level to maintain financial soundness and stability, after considering alternative uses of cash such as the execution of long-term repair plans and capital expenditures, the repayment of borrowings and acquisition opportunities. In addition, NPR may decide not to make any amount of surplus cash distributions for a particular fiscal period based on a consideration of factors such as economic or real estate market conditions and our LTV ratio, credit rating or financial condition. ● For the time being, NPR intends to target a level of surplus cash distributions on an ongoing basis at an

Disclaimer: This press release is an announcement concerning revisions to forecasts for the fiscal periods ending May 31, 2016, and Nov. 30, 2016 of NPR, and has not been prepared for the purpose of solicitation for investment.

	amount equivalent to approximately 30% of the depreciation expense for the relevant fiscal period. ● In addition, NPR may make one-time surplus cash distributions to maintain the stability of its distributions per unit in the event that distributions per unit are expected to temporarily decline to a certain degree due to dilution from an increase in the number of investment units or a substantial increase in costs as a result of our financing activities, such as the issuance of new investment units, including third-party allotments; the issuance of investment corporation bonds; or entering into additional borrowing contracts (including, in each case, the amortization, cancellation or repayment thereof). For the time being, NPR intends to limit the total amount of surplus cash distributions (including both surplus cash distributions on an ongoing basis and a one-time basis) that can be made at 40% of the depreciation expense for the relevant fiscal period. ● Surplus cash distributions per unit is calculated based on the premises of the fund distribution policy in the Articles of Incorporation of NPR. It is assumed that the surplus cash distributions (including both surplus cash distributions on an ongoing basis and a one-time basis) in the period ending May 31, 2016, will be equal to approximately 35.9% of depreciation expenses for the relevant fiscal period, which is assumed to be 1,123 million yen. It is assumed that the surplus cash distributions (surplus cash distributions on an ongoing basis) in the period ending Nov. 30, 2016, will be equal to approximately 28.5% of depreciation expenses for the fiscal period, which is assumed to be 948 million yen. ● The amount of depreciation expenses may change depending on the amount of total assets under management, ancillary costs, capital expenditure and the allocation method of purchase prices for each asset, depreciable life, etc. Surplus cash distributions, which will be based on the amount of depreciation expenses, may change accordingly. ● To determine the amount of surplus cash distributions, NPR will consider the ratio of surplus cash distributions to adjusted funds from operations ("AFFO"). NPR defines AFFO as funds from operations ("FFO") minus capital expenditures plus non-cash expenditure included in debt-related expenses. FFO is defined as the sum of net income and non-cash expenses. For calculations, please refer to the following formulas: FFO = net income + depreciation + property-related amortization + loss on sale of real estate, etc. - gain on sale of real estate, etc. AFFO = FFO - capital expenditure + amortization of capitalized financial costs ● Capital expenditures are assumed to be 533 million yen and 540 million yen in the periods ending May 31, 2016, and Nov. 30, 2016, respectively. ● NPR does not plan to pay surplus cash distributions in case such payment would cause the Distribution LTV, as defined below, to exceed 60%. Distribution LTV(%) = A / B x 100 A = interest-bearing debt (including investment corporation bonds) at the end of the fiscal period + balance of tenant leasehold deposits released at the end of the fiscal period B = total appraisal real estate value at the end of the fiscal period + the amount of cash deposits at the end of the fiscal period – the total amount distributions (including surplus cash distributions)
Others	● It is assumed that any revision that will have an impact on the forecast information above will be made with regard to 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 the general economic trends and real estate market conditions.

For more information about Nippon Prologis REIT, please visit:
http://www.prologis-reit.co.jp/english/index.html

Real Estate Investment Trust Securities Issuer: Nippon Prologis REIT, Inc. (Code 3283)
Tokyo Building 21F, 2-7-3, Marunouchi, Chiyoda-ku, Tokyo
Executive Director: Masahiro Sakashita

Asset Management Company: Prologis REIT Management K.K.
Representative: CEO Masahiro Sakashita
Inquiries: CFO Atsushi Toda Tel: +81-3-6867-8585

Disclaimer: This press release is an announcement concerning revisions to forecasts for the fiscal periods ending May 31, 2016, and Nov. 30, 2016 of NPR, and has not been prepared for the purpose of solicitation for investment.

【Attachment 2】
(Reference) Constructed Financial Performance Model: Adjusted Net Income

	Adjusted Net Income Based on Initial Forecasts as Announced on Jan. 19, 2016	Adjusted Net Income Based on Revised Forecasts as Announced on Feb. 29, 2016
Operating revenues	14,409 million yen	15,775 million yen
Operating income	6,954 million yen	7,561 million yen
Ordinary income	5,989 million yen	6,582 million yen
Net income	5,988 million yen	6,581 million yen
Number of investment units outstanding	1,730,750 units	1,841,950 units
Distributions per unit (including surplus cash distributions)	3,949 yen	4,088 yen
Distributions per unit (excluding surplus cash distributions)	3,460 yen	3,573 yen
Surplus cash distributions per unit	489 yen	515 yen

<Assumptions for calculating Adjusted Net Income Based on Initial Forecasts as Announced on Jan. 19, 2016>
No adjustments are made based on the forecasts for the fiscal period ending Nov. 30, 2016, as of Jan. 19, 2016, without taking into account the offerings, the four new properties and other items

<Assumptions for calculating Adjusted Net Income Based on Initial Forecasts as Announced on Feb. 29, 2016>
The following adjustments are made based on the forecasts for the fiscal period ending Nov. 30, 2016, as of Feb. 29, 2016, taking into account the offerings, the four new properties and other items:

- The total amount of property tax and city planning tax for the four new properties is assumed to be 129 million yen for the fiscal period ending Nov. 30, 2016.
- Considering the fluctuation of NOI and Net Income due to the adjustment as mentioned above, 16 million yen of asset management fees which are based on NOI and net income are deducted from operating expenses.

Please note that Adjusted Net Income is not intended to estimate the Net Income of certain specific fiscal periods. Accordingly, it cannot be regarded as a forecast for certain specific fiscal periods. Adjusted Net Income is not a financial measure determined in accordance with Japanese (or any other) GAAP and is therefore considered a non-GAAP financial measure. Furthermore, Adjusted Net Income information is not a guarantee that we will make distributions in the future at a certain level or that we will make distributions at all. The actual net income for the fiscal period ending Nov. 30, 2016 and other specific fiscal period may differ significantly from Adjusted Net Income Based on Revised Forecasts as Announced on Feb. 29, 2016.

Disclaimer: This press release is an announcement concerning revisions to forecasts for the fiscal periods ending May 31, 2016, and Nov. 30, 2016 of NPR, and has not been prepared for the purpose of solicitation for investment.