Dec. 16, 2016

FOR IMMEDIATE RELEASE

Nippon Prologis REIT Announces Debt Financing, Completion of Interest Rate Swap Agreement and Prepayment of Bank Loans

Nippon Prologis REIT, Inc. ("NPR") today announced it will obtain debt financing (the "Borrowing"), executed interest rate swap agreements for the Borrowing and prepay bank loans, as outlined below:

I. Borrowing Details

Category	Lender	Borrowing Amount	Interest Rate (Note 3) (Note 4) (Note 5)	Borrowing Date	Borrowing Method	Repayment Date (Note 6)	Repayment Method (Note 7)	Collateral
Long-term Borrowing I	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 1)	4.0 billion yen	Base interest rate (JBA 3-month Japanese yen TIBOR) +0.28%	Dec. 20, 2016	Borrowing based on individual term loan agreements dated Dec. 16, 2016 with the lenders shown on the left	Dec. 20, 2024	Paid in full upon maturity	Unsecured and non-guaranteed
Long-term Borrowing II	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 2)	9.4 billion yen	Base interest rate (JBA 3-month Japanese yen TIBOR) +0.40%	Dec. 20, 2016	Borrowing based on individual term loan agreements dated Dec. 16, 2016 with the lenders shown on the left	Dec. 18, 2026	Paid in full upon maturity	Unsecured and non-guaranteed

Notes:

1. The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Trust Bank, Limited, Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Development Bank of Japan Inc., The Norinchukin Bank, Resona Bank, Limited, The Bank of Fukuoka, Ltd., The 77 Bank, Ltd., Mizuho Trust & Banking Co., Ltd. and The Iyo Bank, Ltd.
2. The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Trust Bank, Limited, Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Development Bank of Japan Inc., Resona Bank, Limited, The Bank of Fukuoka, Ltd., The 77 Bank, Ltd., Mizuho Trust & Banking Co., Ltd. and The Iyo Bank, Ltd.
3. The interest rate does not include financing-related costs to be paid to the financial institutions.
4. The first interest payment date is Feb. 28, 2017, and thereafter the interest payment date will be the last day of every Feb., May, Aug., and Nov., until and including the repayment date. An interest payment date that falls on a non-business day will be moved to the following business day or to the preceding business day if the following business day carries over to the next month.
5. The base interest rate refers to the Japanese yen Tokyo Interbank Offered Rate ("TIBOR") for three-month deposits announced by the JBA TIBOR Association (General Incorporated Association) two business days before the interest payment date for the immediately preceding interest calculation period. The base interest rate will be revised on each interest payment date. However, if the interest calculation period of such deposits is less than three months, the base interest rate defined in the loan agreements will be applied according to the terms and conditions of the loan agreements.
   Please refer to the JBA TIBOR Association's website (http://www.jbatibor.or.jp/english/) for changes in the JBA Japanese yen TIBOR.

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6. The repayment date will be the following business day if the date falls on a non-business day or the preceding business day if the date carries over to the next month.
7. The Borrowing will be repayable either in whole or in part prior to the maturity date if certain requirements, including our advance written notice, are met.

II. Rationale for the Borrowing

The Borrowing will be made at the same time as receipt of proceeds from the Offerings (the domestic offering, the international offering and the over-allotment secondary offering shall be collectively referred to as the "Offerings") (the next business day of the Payment Date of the Offerings) (Note 1) in order to repay the borrowings made on Dec. 7, 2016, (the "Bridge Loans") (Note 2) for the purpose of funding the acquisition costs of the new properties (Note 3) and related expenses together with net proceeds from the Offerings and cash on hand prior to the maturity date.

(Note 1) Please refer to the press release "Nippon Prologis REIT Announces Issuance of New Investment Units and Secondary Offering of Investment Units," dated Dec. 5, 2016 and "Nippon Prologis REIT Announces Determination of the Issuance and the Pricing of Investment Units," dated Dec. 12, 2016, for details of proceeds from the Offerings.

(Note 2) Please refer to the press release "Nippon Prologis REIT Announces Debt Financing," dated Dec. 5, 2016, for details of the Bridge Loans.

(Note 3) Please refer to the press release "Nippon Prologis REIT Announces Acquisition of Domestic Real Estate Trust Beneficiary Interests and Lease Contract with New Tenants," dated Dec. 5, 2016 for details of the new properties.

III. Total Amount, Purpose of Use and Scheduled Outlay Date of the Proceeds

(1) Total amount: 13.4 billion yen in total

(2) Specific purpose of use: Allocated to a part of the repayment of the Bridge Loans and related expenses

(3) Scheduled outlay date: Dec. 20, 2016

IV. Summary of Interest Rate Swap Agreement

(1) Reasons for the Execution of Interest Rate Swap Agreement

NPR has executed the interest rate swap agreement to hedge the risks of interest rate volatility by converting the floating interest rates payable to fixed interest rates for the Borrowing.

(2) Interest Rate Swap Agreement for the Borrowing

Interest Rate Swap Agreement regarding Long-term Borrowing I

1. Counterparty	Nomura Securities Co., Ltd.
2. Notional Amount	4.0 billion yen
3. Interest Rate	Fixed Interest Rate: 0.248% Floating Interest Rate: JBA 3-month Japanese yen TIBOR
4. Trade Date	Dec. 16, 2016
5. Effective Date	Dec. 20, 2016
6. Termination Date	Dec. 20, 2024
7. Interest Payment Date	The interest payment is set forth on Feb. 28, 2017 for the first time, subsequently on the last day of every Feb., May, Aug., and Nov., and the Termination Date, respectively (an interest payment date on a non-business day is moved to the following business day or the immediately preceding business day in case the following business day falls in the following month).

(Note) The subject interest rate swap agreement shall, in effect, fix the interest rate of the Long-term Borrowing I at 0.528%.

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Interest Rate Swap Agreement regarding Long-term Borrowing II

1. Counterparty	Sumitomo Mitsui Trust Bank, Limited
2. Notional Amount	9.4 billion yen
3. Interest Rate	Fixed Interest Rate: 0.3167% Floating Interest Rate: JBA 3-month Japanese yen TIBOR
4. Trade Date	Dec. 16, 2016
5. Effective Date	Dec. 20, 2016
6. Termination Date	Dec. 18, 2026
7. Interest Payment Date	The interest payment is set forth on Feb. 28, 2017 for the first time, subsequently on the last day of every Feb., May, Aug., and Nov., and the Termination Date, respectively (an interest payment date on a non-business day is moved to the following business day or the immediately preceding business day in case the following business day falls in the following month).

(Note) The subject interest rate swap agreement shall, in effect, fix the interest rate of the Long-term Borrowing II at 0.7167%.

V. Details of Bank Loans to be Prepaid

Lender	Borrowing Amount	Borrowing Date	Repayment Date	Repayment Method	Collateral
Sumitomo Mitsui Banking Corporation	19.04 billion yen	Dec. 7, 2016	Dec. 7, 2018	Paid in full upon maturity	Unsecured and non-guaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	8.16 billion yen	Dec. 7, 2016	Dec. 7, 2018	Paid in full upon maturity	Unsecured and non-guaranteed

VI. Outstanding Loan Balance after Borrowing (planned)

(Unit: Millions of yen)

	Before Borrowings	After Borrowings	Variance
Short-Term Loan (Note 1)	7,000	7,000	0
Long-Term Loan (Note 1)	192,000	178,200	-13,800
Total Loan Amount	199,000	185,200	-13,800
Investment Corporation Bonds	5,000	5,000	0
Total Interest-Bearing Debt	204,000	190,200	-13,800]

(Note 1) Short-term loan refers to loans that are due within one year from the borrowing date, and long-term loan refers to loans due within a period longer than one year from the borrowing date.

(Note 2) In addition to the above, NPR maintains a commitment line of 8 billion yen with two banks, and there is no outstanding loan balance under this commitment line.

VII. Additional Information for Investors

In terms of the risks associated with the Borrowing, there is no material change to the risks stated in "I Fund Information, 1. Fund Status, 3 Investment Risks" stated in the securities report filed on Aug. 30, 2016 (Japanese only) and "II Reference Information, 2. Supplementary Information on Reference Materials, 3 Investment Risks" of the Securities Registration Statement filed on Dec. 5, 2016 (including the Amendment Statements filed on Dec. 6, 2016 and Dec. 12, 2016).

For more information about Nippon Prologis REIT, please visit:
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