April 14, 2017

FOR IMMEDIATE RELEASE

Nippon Prologis REIT Announces Disposition of Domestic Real Estate Trust Beneficiary Interests

Nippon Prologis REIT, Inc. ("NPR") today announced that its asset manager, Prologis REIT Management K.K. (the "Asset Manager"), will dispose of two properties owned by NPR (the "Disposition").

The disposition is summarized below:

1. Overview of the Disposition

Property Number	Property Name	Sale Price (yen in millions) (Note 1)	Anticipated Book Value (yen in millions) (Note 2)	Difference between Sale Price and Anticipated Book Value (yen in millions) (Note 3)	Purchaser	Date of Purchase and Sale Agreement	Date of Disposition
M-24	Prologis Park Maishima 4	15,700	10,780	4,919	Please refer to the below-mentioned "4. Purchaser Profile"	April 17, 2017	April 17, 2017
B-11	Prologis Park Tagajo	7,155	4,969	2,185			June 26, 2017
Total		22,855	15,750	7,104	-	-	-

(Note 1) "Sale price" is represented by an amount of the sale price stated in the Purchase and Sale Agreement of Trust Beneficiary Interests, from which consumption taxes and local consumption taxes were deducted. The Sale Price does not reflect expenses associated with the disposition.

(Note 2) "Anticipated book value" is represented by anticipated book value as of the scheduled date of disposition for each of the properties in trust, rounded down to the nearest million yen.

(Note 3) The figures in this column indicate differences between Sale Prices and Anticipated Book Value and are different from the actual gains or losses from the disposition.

2. Rationale for Disposition

While all our assets are high-quality Class-A facilities, our plan to dispose of these two properties follows this strategic rationale:

- From a long-term standpoint, the Disposition will further improve the quality and competitive advantages of NPR's blue-chip Class-A portfolio.
- The Disposition will achieve strategic rebalancing of NPR's geographical exposure and help NPR build up portfolio consisting of only high quality long-term holding assets with the highest stability.
- The Disposition is achieving maximum sales prices of the two properties, primarily due to the current significantly active real estate secondary market and the scarcity of Class-A logistics facilities in Japan.

Cash proceeds from the disposition will be allocated to the payment of interest rate swap breakage costs associated with the planned refinancing of borrowings (Note), acquisitions of properties in the future and other measures that are expected to grow NPR's unit holder value.

(Note) Please refer to the press release "Nippon Prologis REIT Refinances 110.5 Billion Yen and Terminates Interest Rate Swap Agreement," dated April 14, 2017, for details of the subject refinance.

3. Description of the Two Disposition Properties

(1) Overview

The following tables provide an overview of the real estate trust beneficiary interests of the two disposition properties.

The items described in the respective columns of the tables are explained below:

- "Location" indicates the address usually used by tenants and property management companies, etc.
- "Acquisition date" indicates the acquisition date in the relevant trust beneficiary interests disposition contract (the "Purchase and Sale Agreement") that was executed at the time of acquisition by NPR of the relevant trust beneficiary interest.
- "Acquisition price" indicates the transfer price in the relevant Purchase and Sale Agreement, rounded down to the nearest million yen and does not include national or local consumption taxes or expenses.
- "Ownership form" of "Land" and "Building" indicates the type of rights owned by the trustee.
- "Land area" of "Land" and "Gross floor area", "Date of construction", "Purpose" and "Structure/No. of stories" of "Building" are based on the data recorded in the registry, and may differ from the actual figures. "Gross floor area" is equal to the total gross floor area of the main building and accessory building. "Date of construction", "Purpose" and "Structure/No. of stories" are equal to the figures of the main building excluding accessory building. However, any area of land or a building that is owned as a co-ownership interest is not included.
- "Zoning" of "Land" indicates the type of zoning as depicted in Article 8-1-1 of the City Planning Act (Act No. 100 of 1968, as amended).
- "BCR" of "Land" indicates the upper limit of the building coverage ratio as determined in city planning in accordance with the zoning. The upper limit of BCR could be lower or higher, depending on whether the property is fire-proof in the fire control area and/or other reasons, and it may not necessarily be identical with the BCR applied.
- "FAR" of "Land" indicates the upper limit of the floor area ratio. The upper limit of FAR could be lower or higher, depending on the width of roads adjacent to the land and it may not necessarily be identical with the FAR applied.
- "Property type" of "Building" indicates "Multi-tenant" for properties that are "Multi-tenant logistics facilities" (those capable of serving multiple tenants) and "BTS" for properties that are "Build-to-suit logistics facilities" (those developed to meet a tenant's specific requirements).
- "Contractor" of "Building" indicates the contractor for each of the properties.
- "Environmental appraisal" of the "Building" represents evaluation results described in CASBEE certification reports in the event that an application for certification is filed with the Institute for Building Environment and Energy Conservation ("IBEC") or any certification authority designated by IBEC at the new construction of such Buildings. Also, in the event that an application is filed with each municipality and a result for such application is disclosed based on the comprehensive assessment system for built environment efficiency conducted by each municipality based on a basis of such Comprehensive Assessment System for Built Environment Efficiency ("CASBEE"), such disclosed result is described. CASBEE is a system established by IBEC to evaluate and rate the environmental efficiency of buildings and comprehensively evaluate the quality of buildings not only for their reduced environmental impact accomplished through energy conservation or the use of materials and equipment with less environmental load, but also for indoor comfort and consideration of the surrounding landscape. CASBEE, an evaluation certified by IBEC and its designated certification agencies, consists of four evaluation tools in response to the lifecycle of buildings: CASBEE－planning, CASBEE－new construction, CASBEE－existing buildings and CASBEE－renovation. This system can be used at each stage of the design process (municipal versions including CASBEE Osaka [Osaka City] and CASBEE Osaka Prefecture only makes an evaluation at the start of new construction and does not have categories in response to the

lifecycle of the building). Additionally, CASBEE ― new construction, CASBEE ― existing buildings and CASBEE ― renovation have evaluation tools of CASBEE ― new construction (brief version), CASBEE ― existing buildings (brief version) and CASBEE ― renovation (brief version), which enable them to make necessary documentary evidence more quickly and prepare a preliminary assessment. Evaluation results are divided into five ranks: "S (Excellent)," "A (Great)," "B+ (Good)," "B- (Inferior)" and "C (Poor)." The results of CASBEE show the evaluation based on certain judgment standards at a specific point in time and are no guarantee of any objectiveness of such evaluation, validity and accuracy of such evaluation results or the quality of evaluated buildings.

- "Gross number of tenants" of "Description of tenancy" is based on the lease agreements with tenants for warehouses or offices for each property or each property in trust as of Feb. 28, 2017 (excluding those agreements to which the Act on Land and Building Leases (Act No. 90 of 1991, as amended) is not applicable). The expiration of such lease agreements occurs after the disposition date. For properties with pass-through master lease agreements, it is based on the lease agreements executed between the master lessee and end tenants. The same shall apply below.
- "Type of lease agreement" of "Description of tenancy" is based on the lease agreements.
- "Name of major tenants" of "Description of tenancy" indicates the names of the tenants with the two biggest leased areas in each property or each property in trust.
- "Annual rent" of "Description of tenancy" is based on the total annual rent including common area charges as indicated in the relevant lease agreements executed as of Feb. 28, 2017 (excluding those agreements to which the Act on Land and Building Leases is not applicable) for all warehouses or offices for each property or each property in trust (or the annual rent calculated in accordance with the provisions of the lease agreements, if the relevant agreements include only the monthly rent). Figures are rounded down to the nearest million yen.
- "Security deposit" of "Description of tenancy" is calculated as the total amount of security deposit (or, if amortized, the security deposit amount after subtracting the relevant amortization amount) as indicated in the relevant lease agreements for all warehouses or offices for each property in trust executed as of Feb. 28, 2017 (excluding those agreements to which the Act on Land and Building Leases is not applicable). Figures are rounded down to the nearest million yen.
- "Leased area" of "Description of tenancy" indicates the total leased area based on the lease agreements for each property in trust executed as of Feb. 28, 2017 (excluding those agreements to which the Act on Land and Building Leases is not applicable) and the floor plans included in such lease agreements.
- "Leasable area" of "Description of tenancy" indicates the total leasable area based on the lease agreements for each property in trust and the floor plans included in the lease agreements executed as of Feb. 28, 2017, plus vacant space based on floor plans. The expiration of such lease agreements is after the disposition date.
- "Occupancy rate" of "Description of tenancy" is based on the relevant lease agreements for each property in trust executed as of Feb. 28, 2017 (excluding those agreements to which the Act on Land and Building Leases is not applicable), calculated by dividing the aggregate total leased area for each property in trust by the aggregate total leasable area for the relevant property in trust. Figures are rounded to the nearest tenth.

B-01 Prologis Park Maishima 4

Property name		Prologis Park Maishima 4
Location		1-4-53, Hokuko-shiratsu, Konohana-ku, Osaka, Osaka
Class of assets		Real estate trust beneficiary interests
Acquisition date		Feb. 15, 2013
Acquisition price		11,500 million yen
Land	Ownership form	Proprietary
	Land area	19,559.06㎡
	Zoning	Commercial zone
	BCR/FAR	80% / 600%
Building	Ownership form	Proprietary
	Gross floor area	57,194.02㎡
	Date of construction	Aug. 9, 2010
	Purpose	Warehouse/Office
	Structure/No. of stories	SRC, 6-story building
	Property type	BTS
	Contractor	Shimizu Corporation
	Environmental appraisal	CASBEE Osaka “A” certified
Collateral		None
Appraisal value		13,400 million yen (as of Nov. 30, 2016)
Real estate appraiser		CBRE K.K.
Description of tenancy		
	Gross number of tenants	1
	Type of lease agreement	Fixed-term lease agreement
	Name of major tenant	Senko Co., Ltd.
	Annual rent	Not disclosed (Note)
	Security deposit	Not disclosed (Note)
	Leased area	57,234.13㎡
	Leasable area	57,234.13㎡
	Occupancy rate	100%

(Note) Not disclosed because the tenants’ consent has not been obtained.

M-08 Prologis Park Tagajo

Property name		Prologis Park Tagajo
Location		2-1-1, Sakae, Tagajo, Miyagi
Class of assets		Real estate trust beneficiary interests
Acquisition date		February 15, 2013
Acquisition price		5,370 million yen
Land	Ownership form	Proprietary
	Land area	19,877.94㎡
	Zoning	Exclusive industrial zone
	BCR/FAR	60% / 200%
Building	Ownership form	Proprietary
	Gross floor area	36,851.74㎡
	Date of construction	Mar. 30, 2009
	Purpose	Warehouse/Office
	Structure/No. of stories	SRC/S, 4-story building
	Property type	Multi-tenant
	Contractor	The Zenitaka Corporation
	Environmental appraisal	—
Collateral		None
Appraisal value		5,710 million yen (Nov. 30, 2016)
Real estate appraiser		Jones Lang LaSalle K.K.
Description of tenancy		
	Gross number of tenants	4
	Type of lease agreement	Fixed-term lease agreement

Name of major tenant	Not disclosed (Note)
Annual rent	424 million yen
Security deposit	192 million yen
Leased area	39,098.87㎡
Leasable area	39,098.87㎡
Occupancy rate	100%

(Note) Not disclosed because the tenants' consent has not been obtained.

4. Purchaser Profile

B-01 Prologis Park Maishima 4

Trade name		GK Hokkou Invest (Note 1)
Head office address		1-6-15, Hirakawacho, Chiyoda-ku, Tokyo
Representative		Takashi Inaba, Function Manager
Major business		1. Acquisition, owning and disposition and management of trust beneficiary rights 2. Sale and purchase, owning, management and leasing of real estate properties 3. Any business incidental to the business listed in the preceding items
Capital		100,000 yen
Incorporation Date		Mar. 10, 2017
Net Assets		Not disclosed (Note 2)
Total Assets		Not disclosed (Note 2)
Relationship with NPR and its Asset Manager		
	Capital Relationship	There is no special capital relationship with NPR and/or its Asset Manager.
	Personnel Relationship	There is no special personnel relationship with NPR and/or its Asset Manager.
	Business Relationship	There is no special business relationship with NPR and/or its Asset Manager.
	Applicability of Related Party Relationships	The company does not fall under the category of related parties of NPR / the Asset Manager. In addition, none of the related parties and affiliates of the company does not fall under the category of related parties of NPR / the Asset Manager.

(Note 1) An SPC (special purpose company) formed by Mitsui & Co., Realty Management Ltd.

(Note 2) Not disclosed since the purchaser's consent has not been obtained.

M-08 Prologis Park Tagajo

The name of and other information about the purchaser are not disclosed because the purchaser's consent has not been obtained. There is no special capital relationship, no special personnel relationship or no special business relationship between NPR and/or its Asset Manager and the purchaser. Furthermore, the purchaser is not a related party, as defined in the Investment Trust Law and is not a related party as defined in the Related-party Transaction Rules of the Asset Manager.

5. Details of Brokerage

(1) Broker Profile

Trade name		CBRE K.K.
Head office address		2-1-1, Marunouchi, Chiyoda-ku, Tokyo
Representative		Eiji Sakaguchi, President & CEO
Major business		Provider of comprehensive commercial real estate services for Japanese and foreign-affiliated companies
Capital		564,168,822 yen
Incorporation Date		Feb. 21, 1970
Net Assets		Not disclosed (Note)
Total Assets		Not disclosed (Note)
Relationship with NPR and its Asset Manager		
	Capital Relationship	There is no special capital relationship with NPR and/or its Asset Manager.
	Personnel Relationship	There is no special personnel relationship with NPR and/or its Asset Manager.

	Business Relationship	There is no special business relationship with NPR and/or its Asset Manager.
	Applicability of Related Party Relationships	The company does not fall under the category of related parties of NPR / the Asset Manager. In addition, none of the related parties and affiliates of the company does not fall under the category of related parties of NPR / the Asset Manager.

(Note) Not disclosed because the broker's consent has not been obtained.

(2) Details of Brokerage Fee

Not disclosed because the broker's consent has not been obtained.

6. Disposition Schedule

B-01 Prologis Park Maishima 4

Date of Determination of Disposition	April 14, 2017
Date of Sale and Purchase Agreement	April 17, 2017 (scheduled)
Date of Payment	April 17, 2017 (scheduled)
Date of Settlement	April 17, 2017 (scheduled)

M-08 Prologis Park Tagajo

Date of Determination of Disposition	April 14, 2017
Date of Sale and Purchase Agreement	April 17, 2017 (scheduled)
Date of Payment	June 26, 2017 (scheduled)
Date of Settlement	June 26, 2017 (scheduled)

7. Future Outlook

Please refer to the press release titled "Nippon Prologis REIT Revises Forecast for the Fiscal Periods Ending May 31, 2017, and Nov. 30, 2017," dated April 14, 2017.

Note:

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.

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

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<APPENDIX>

Appendix 1 Summary of the Appraisal Reports

Appendix 2 Portfolio List after Disposition of the Two Properties

<APPENDIX>

Appendix 1 Summary of the Appraisal Reports

Property Name	Prologis Park Maishima 4
Appraisal value	13,400 million yen
Real estate appraiser	CBRE K.K.
Date of appraisal	Nov. 30, 2016

Item	Detail (million yen, unless otherwise indicated)	Outline
Income approach value	13,400	Assessed by placing importance on the value based on the DCF method
Direct capitalization method	13,300	
Operating revenues	Not disclosed (Note)	
Total potential revenue	Not disclosed (Note)	
Loss such as vacancy	Not disclosed (Note)	
Operating expenses	Not disclosed (Note)	
Maintenance costs	Not disclosed (Note)	
Property management fees		
Utility costs	—	Not assessed since the costs are borne by tenant
Repair costs	Not disclosed (Note)	
Tenant solicitation expenses	Not disclosed (Note)	
Property taxes	Not disclosed (Note)	
Non-life insurance premiums	Not disclosed (Note)	
Other expenses	—	
Net operating income	640	
One-time investment gains	Not disclosed (Note)	
Capital expenditure	Not disclosed (Note)	
Net income	625	
Capitalization rate	4.7%	Assessed on the basis of the yield calculated based on the transaction yields for similar properties, and by taking into account the factors specific to the subject real estate and fluctuations in cash flow from the stabilized cash flow.
Discounted cash flow method	13,400	
Discount rate	4.5%	Assessed in consideration of the nature and feasibility of earnings for each fiscal period and with attention to uncertainties in future forecast that are not fully covered by the forecast
Terminal capitalization rate	4.8%	Assessed on the basis of the yield calculated based on the transaction yields for similar properties, and by taking into account the remaining durable years and other attributes of the subject real estate and risks related to future forecast

(Note) Not disclosed because this information is either confidential for the benefit of lessees or could be used to calculate confidential information. Disclosure of this information could disadvantage NPR by conflicting with confidentiality obligations and could also eventually harm our unit holders.

Other points to be noted for the determination of appraisal value	N/A

Property Name	Prologis Park Tagajo
Appraisal value	5,710 million yen
Real estate appraiser	Jones Lang LaSalle K.K.
Date of appraisal	Nov. 30, 2016

Item	Detail (million yen, unless otherwise indicated)	Outline
Income approach value	5,710	Assessed on the basis of the value derived by the DCF method, by reference to the value based on the direct capitalization method
Direct capitalization method	5,790	
Operating revenues	423	
Total potential revenue	445	Recorded based on the terms and conditions of the existing contract and assessed market rents
Loss such as vacancy	21	Assessed based on market trends and future forecasts
Operating expenses	108	
Maintenance costs	32 (Note)	Assessed by reference to the terms and conditions of the existing contracts, past track records and levels for similar properties
Property management fees		
Utilities costs	29	Assessed by reference to past track records, etc.
Repair costs	1	Assessed by reference to the engineering report, past track records and level for similar properties, etc.
Tenant solicitation expenses	8	Assessed based on the anticipated turnover period of the tenants
Property taxes	34	Recorded based on the actual amount for the latest fiscal period
Non-life insurance premiums	0	Recorded based on the actual amount for the latest fiscal period
Other expenses	0	Recorded based on the past actual amount
Net operating income	314	
One-time investment gains	1	Assessed based on the assumption that the investment yield is 1.0%
Capital expenditure	3	Assessed by reference to the engineering report, past track records and level for similar properties, etc.
Net income	312	
Capitalization rate	5.4%	Assessed based on the transaction yields for similar properties, etc.
Discounted cash flow method	5,710	
Discount rate	5.2%	Assessed based on yields of financial assets, factors specific to the subject real estate, and costs of capital equity, etc.
Terminal capitalization rate	5.6%	Assessed on the basis of capitalization rate, and based on the circumstances of the transaction market, adjacent areas and subject real estate, and uncertainties in future forecast, etc.

(Note) We do not disclose maintenance costs and property management fees separately because this could influence the other businesses of the intended companies that are entrusted with operations for both the building management and the property management, and this could hinder the efficient outsourcing of business by NPR and harm its unitholders. Accordingly, we disclose the sum of the maintenance costs and the property management fees.

Other points to be noted for the determination of appraisal value	N/A

<APPENDIX>

Appendix 2 Portfolio List after Disposition of the Two Properties

Property number	Property name	Acquisition Price (Yen in millions) (Note 1)	Appraisal Value (Yen in millions) (Note 2)	Investment Ratio (%) (Note 3)
M-01	Prologis Park Ichikawa 1	33,900	41,000	7.4
M-02	Prologis Park Zama 1	27,900	31,900	6.1
M-03	Prologis Park Kawajima	25,600	31,700	5.6
M-04	Prologis Park Osaka 2	25,000	29,800	5.4
M-05	Prologis Park Maishima 3	13,500	15,200	2.9
M-06	Prologis Park Kasugai	12,500	16,100	2.7
M-07	Prologis Park Kitanagoya	6,500	7,960	1.4
M-08	Prologis Park Tagajo	-	-	-
M-09	Prologis Park Tokyo-Ohta	29,500	34,900	6.4
M-10	Prologis Park Zama 2	21,900	26,400	4.8
M-11	Prologis Park Funabashi 5	9,500	13,300	2.4
	(Annex)	1,500		
M-12	Prologis Park Narita 1-A&B	8,420	9,640	1.8
M-13	Prologis Park Narita 1-C	4,810	5,540	1.0
M-14	Prologis Park Amagasaki 1	17,600	20,200	3.8
M-15	Prologis Park Amagasaki 2	19,200	21,400	4.2
M-16	Prologis Park Tokyo-Shinkiba	13,600	15,600	3.0
M-17	Prologis Park Yokohama-Tsurumi	13,800	16,000	3.0
M-18	Prologis Park Osaka 4	21,000	23,500	4.6
M-19	Prologis Park Iwanuma 1	5,670	6,490	1.2
M-20	Prologis Park Kawajima 2	8,180	8,970	1.8
M-21	Prologis Park Kitamoto	12,600	13,300	2.7
M-22	Prologis Park Joso	7,120	7,250	1.5
M-23	Prologis Park Osaka 5	17,600	18,100	3.8
M-24	Prologis Park Narita 3	9,240	9,240	2.0
B-01	Prologis Park Maishima 4	-	-	-
B-02	Prologis Park Takatsuki	4,410	5,050	1.0
B-03	Prologis Park Tosu 2	3,030	3,530	0.7
B-04	Prologis Park Tosu 4	3,810	4,370	0.8
B-05	Prologis Park Narashino 4	20,000	23,000	4.3
B-06	Prologis Park Ebina	8,250	9,140	1.8
B-07	Prologis Park Kawanishi	13,600	14,500	3.0
B-08	Prologis Park Amagasaki 3	9,090	9,910	2.0
B-09	Prologis Park Kobe	6,410	7,050	1.4
B-10	Prologis Park Sendai Izumi	4,820	5,060	1.0
B-11	Prologis Park Koga 1	7,680	7,680	1.7
B-12	Prologis Park Kobe 2	13,700	13,700	3.0
Total		460,940	526,480	100.0

(Note 1) “Acquisition price” represents the purchase price of each property or beneficiary right in trust by NPR as set forth on the relevant purchase agreement and does not include expenses such as consumption taxes, and is rounded down to nearest million yen.

(Note 2) NPR has retained Jones Lang LaSalle K.K., CBRE K.K. and Japan Real Estate Institute to appraise the properties. "Appraisal value as of the end of the reporting fiscal period” represents the appraisal value as set forth on the relevant study reports by real estate appraisers as of Nov. 30, 2016, except September 30, 2016 for Prologis Park Narita 3 and October 31, 2016 for Prologis Park Koga 1 and Prologis Park Kobe 2.

(Note 3) “Investment ratio” is calculated by dividing the acquisition price for each property by the total acquisition price and is rounded to nearest second decimal place. Thus the sum of the figures in total may not add up to the figure in the total column.