July 24, 2017

FOR IMMEDIATE RELEASE

Nippon Prologis REIT Revises Forecast for the Fiscal Period Ending November 30, 2017, and Announces Forecast for the Fiscal Period Ending May 31, 2018

Nippon Prologis REIT, Inc. ("NPR") today revised its forecast for the fiscal period ending Nov. 30, 2017 (June 1, 2017, to Nov. 30, 2017), as noted in the press release "Nippon Prologis REIT Revises Forecast for Fiscal Periods Ending May 31, 2017, and Nov. 30, 2017," dated April 14, 2017, and announced its new forecast for the fiscal period ending May 31, 2018 (Dec. 1, 2017, to May 31, 2018). The revisions and calculations are described below.

1. Reasons for revision and announcement:
   A resolution was reached at an NPR board of directors meeting today concerning the issuance of new investment units to repay the portion of debt financing (39.5 billion yen) ("Bridge Loans") used to acquire three new properties (as defined in Attachment 1: Forecast Assumptions for the Fiscal Periods Ending Nov. 30, 2017, and May 31, 2018). A forecast of the results for the six-month period ending Nov. 30, 2017, announced April 14, 2017, requires revision due to a change in the assumptions used to compute them. In addition, NPR is announcing a new forecast of the results for the fiscal period ending May 31, 2018, based on these assumptions.

2. Forecast revisions for the fiscal period ending Nov. 30, 2017, and forecast announcement for the fiscal period ending May 31, 2018:

(1) Details of the results of the forecast revisions for the fiscal period ending Nov. 30, 2017 (tenth fiscal period from June 1, 2017, to Nov. 30, 2017):

	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)	18,200	9,749	8,797	8,796	4,614	4,614	0
Revised forecast (B)	19,326	10,276	9,513	9,512	4,625	4,625	0
Amount of increase/decrease (C) ((B) – (A))	1,126	526	715	715	11	11	0
Rate of increase/decrease ((C) / (A))	6.2%	5.4%	8.1%	8.1%	0.2%	0.2%	0%

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(2) Details of the results of the forecast for the fiscal period ending May 31, 2018 (eleventh fiscal period from Dec. 1, 2017, to May 31, 2018):

	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)
Forecast for the eleventh fiscal period	17,708	8,338	7,713	7,712	4,292	3,749	543

(Reference)
Fiscal period ending Nov. 30, 2017: expected number of investment units outstanding at the end of the period: 2,056,950 units; expected net income per unit: 4,756 yen
Fiscal period ending May 31, 2018: expected number of investment units outstanding at the end of the period: 2,056,950 units; expected net income per unit: 3,749 yen

Notes:
1. This forecast information is calculated based on the assumptions described in Attachment 1 “Forecast Assumptions for the Fiscal Periods Ending Nov. 30, 2017, and May 31, 2018.” 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. This forecast should not be deemed a commitment or guarantee of the amount of cash distributions and surplus cash distributions.
2. This forecast 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.

Note:
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【Attachment 1】

Forecast Assumptions for the Fiscal Periods Ending Nov. 30, 2017 and May 31, 2018

Item	Assumption
Accounting period	● Fiscal period ending Nov. 30, 2017 (10th fiscal period) (from June 1, 2017 to Nov. 30, 2017) (183 days) ● Fiscal period ending May 31, 2018 (11th fiscal period) (from Dec. 1, 2017 to May 31, 2018) (182 days)
Assets under management	● It is assumed NPR will acquire the real estate trust beneficiary interests in three new properties (the "three new properties") on Aug. 1, 2017, in addition to its 34 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 the properties held after the scheduled acquisitions on Aug. 1, 2017, up until May 31, 2018. Changes include acquisitions of new properties and dispositions of existing properties. ● The actual results may change due to the acquisition of new properties in addition to the three new properties or the 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 Prologis REIT Management K.K. (the "Asset Manager"), and are estimated to be 19,326 million yen and 17,708 million yen for the fiscal periods ending Nov. 30, 2017, and May 31, 2018, respectively. The expected overall occupancy rates of the three new properties and the current properties are estimated to be 97.6% and 97.7% for the periods ending Nov 30, 2017, and May 31, 2018, respectively. ● For capital gains from the disposition of Prologis Park Tagajo, the real estate trust beneficiary interest of which was dispositioned as of June 26, 2017, 2,069 million yen will be recorded for the fiscal period ending Nov. 30, 2017. ● For operating rental revenues, it is assumed tenants will pay rents without delinquency or withholding.
Operating expenses	● Operating rental 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 three new properties and information on the current properties held by the Asset Manager, and are assumed to be 3,674 million yen and 3,792 million yen for the fiscal periods ending Nov. 30, 2017, and May 31, 2018, respectively. ● Depreciation expenses are calculated using the straight-line method in relation to the acquisition price including ancillary costs and are assumed to be 3,774 million yen and 3,924 million yen for the fiscal periods ending Nov. 30, 2017 and May 31, 2018, respectively. ● Property tax and city planning 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, property tax and city planning tax for the three new properties will be expensed starting from the fiscal period ending May 31, 2018. The total amount of property tax and city planning tax included in the purchase price of the three new properties is assumed to be 119 million yen (equivalent to expenses for 122 days) and 30 million yen (equivalent to expenses for 31 days) for the fiscal periods ending Nov. 30, 2017, and May 31, 2018, respectively. ● 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 from the anticipated amount due to unexpected factors.
Non-operating expenses	● It is assumed NPR will recognize 106 million yen as total expenses incurred in relation to the offerings of the new investment units in the fiscal period ending Nov. 30, 2017 (the "Offerings"). ● It is assumed that 1 million yen will be incurred in the fiscal period ending Nov. 30, 2017, as debt-related expenses in association with the acquisition of the three new properties. ● It is assumed NPR will recognize 6 million yen for the fiscal periods ending Nov. 30, 2017, as amortization of organization expenses. ● As for interest expenses and other debt-related costs, 608 million yen and 605 million yen are expected

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	to be incurred for the fiscal periods ending Nov. 30, 2017, and May 31, 2018, respectively. The non-cash expenditure, which is included in debt-related expenses, is expected to be 164 million yen and 164 million yen for the periods ending Nov. 30, 2017, and May 31, 2018, respectively. ● It is assumed that 20 million yen will be incurred in the fiscal period ending Nov. 30, 2017, as non-deductible consumption taxes with regard to the disposition of Prologis Park Tagajo, which was disposed of as of June 26, 2017
Borrowings and bonds	● The balance of NPR's interest-bearing debt on an accounting basis as of today is assumed to be 188,200 million yen, including the balance of borrowings and investment corporation bonds. ● It is assumed that NPR will obtain the Bridge Loans as of Aug. 1, 2017. (For details of the Bridge Loans, please refer to the press release titled "Nippon Prologis REIT Announces Debt Financing" dated today.) Net proceeds from the offerings as resolved at today's NPR board of directors meeting (the "Offerings") will be used together with new concurrent borrowings, which will be conducted on the next business day of the payment date for the Offerings (the "Borrowings"), and cash on hand to repay the Bridge Loans. 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 titled "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 193,800 million yen. The actual amount of balance of interest-bearing debt may differ considerably from this assumption, depending on the final number of investment units to be issued and the final issue amount. ● NPR assumes there will be no investment corporate bonds due prior to the end of the fiscal period ending May 31, 2018. ● LTV as of May 31, 2017 was 39.0% and LTV is estimated to be 36.9% after the Borrowings. For LTV calculation, please refer to the following formula: LTV(%) = interest-bearing debt / total assets×100(%) (as of May 31, 2017) LTV(%) = interest-bearing debt after the Borrowings / total assets after the Borrowings×100(%) (After the Borrowings) (Note 1) Interest-bearing debt after the Borrowings = interest-bearing debt as of May 31, 2017 (190,200 million yen) + total amount of investment corporation bonds issued on June 15, 2017 (7,000 million yen) - total amount of repayment of long-term borrowings at maturity on June 13, 2017 (2,000 million yen) - total amount of prepayment of borrowings on June 16, 2017 (7,000 million yen) + estimated total of interest-bearing debt related to the Borrowings (5,600 million yen) (Note 2) Total assets after the Borrowings = total assets as of May 31, 2017 (487,739 million yen) + total amount of investment corporation bonds issued on June15, 2017 (7,000 million yen) - total amount of repayment of long-term borrowings at maturity on June 13, 2017 (2,000 million yen) - total amount of prepayment of borrowings on June 16, 2017 (7,000 million yen) + net proceeds through the Offerings (32,289 million yen) (Note 3) + net proceeds through the third-party allotment (1,614 million yen) (Note 3) + estimated total of interest-bearing debt related to the Borrowings (5,600 million yen) (Note 2) (Note 1) NPR will acquire the three new properties using the Bridge Loans and cash on hand and repay the Bridge Loans with net proceeds from the Offerings, the Borrowings and cash on hand before the expiry date of the Bridge Loans. LTV after the Borrowings is calculated based on figures after the repayment of the Bridge Loans. (Note 2) Represents the anticipated amount of interest-bearing debt as of today. The anticipated

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	amount of interest-bearing debt is based on the assumed net proceeds from the Offerings, which 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, July 7, 2017. The actual borrowing amounts may vary depending on the total net proceeds from the Offerings. NPR will announce details of the anticipated loans 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, July 7, 2017. 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 three 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 three new properties.
Investment units	● It is assumed that no additional units will be issued by the end of May 31, 2018, aside from the current outstanding and issued 1,906,350 units as of today and the 143,430 units to be issued through the Offerings as well as the maximum 7,170 units to be issued through the third-party allotment as resolved at NPR's board of directors meeting held on July 24, 2017. 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 premise 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, or any additional issuance of new investment units in the future.
Surplus cash distributions per unit	● Surplus cash distributions per unit are 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 (surplus cash distributions on an ongoing basis) in the fiscal period ending May 31, 2018, will be equal to approximately 28.5% of depreciation expenses for the fiscal period, which is assumed to be 1,116 million yen. ● The amount of depreciation expenses may change depending on the amount of total assets under management, ancillary costs, capital expenditure, the allocation method of purchase prices for each asset and depreciable life, etc. Surplus cash distributions, which will be based on the amount of depreciation expenses, may change accordingly. ● 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. However, NPR may decide not to make any surplus cash distributions for a fiscal period based on a consideration of factors such as economic or real estate market conditions and NPR's LTV ratio, credit rating, financial condition or the amount of anticipated profitability, which includes capital gains arising from property dispositions. In addition, in the event that NPR needs to allocate its cash to emergency capital expenditures for unexpected damages on NPR's assets, etc., surplus cash distributions per unit may be reduced. ● For the time being, NPR intends to target a level of surplus cash distributions on an ongoing basis at an amount equivalent to approximately 30% of the depreciation expense for the relevant fiscal period.

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	● 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 + non-cash expenditure included in debt-related expenses ● Capital expenditures are assumed to be 662 million yen and 662 million yen for the fiscal periods ending Nov. 30, 2017, and May 31, 2018, 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) ● No regular surplus cash distributions will be paid in consideration of a level of income including gains on sale of real estate that are expected to generate in the fiscal period ending Nov. 30, 2017.
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 overall 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

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

	Adjusted Net Income Based on Revised Forecast as Announced on April 14, 2017	Adjusted Net Income Based on Revised Forecast as Announced on July 24, 2017
Operating revenues	16,080 million yen	17,783 million yen
Operating income	7,631 million yen	8,354 million yen
Ordinary income	6,956 million yen	7,720 million yen
Net income	6,955 million yen	7,719 million yen
Number of investment units outstanding	1,906,350 units	2,056,950 units
Distributions per unit (including surplus cash distributions)	4,168 yen	4,294 yen
Distributions per unit (excluding surplus cash distributions)	3,649 yen	3,753 yen
Surplus cash distributions per unit	519 yen	541 yen

<Assumptions for calculating Adjusted Net Income Based on Revised Forecast as Announced on April 14, 2017>
The following adjustments are made based on the revised forecast for the fiscal period ending Nov. 30, 2017, as of April 14, 2017, without taking into account the offerings, the three new properties and other items:

- Operating rental revenues and expenses of the Prologis Park Tagajo, which was disposed of as of June 26 2017, is calculated based on the assumption that neither revenue nor expense is generated from the beginning of the fiscal period.
- Capital gains from the disposition of real estate properties in association with the disposition of Prologis Park Tagajo are excluded from operating revenues.
- Other one-time expenses are excluded from non-operating expenses.
- Considering the fluctuation of NOI and net income due to the adjustments mentioned above, 32 million yen of asset management fees based on NOI and net income is added to operating expenses.
- Considering the excluding of capital gains from the disposition, surplus cash distributions are included.

<Assumptions for calculating Adjusted Net Income Based on Revised Forecast as Announced on July 24, 2017>
The following adjustments are made based on the forecast for the fiscal period ending Nov 30, 2017, as of July 24, 2017, taking into account the offerings, the three new properties and other items:

- Operating rental revenues and expenses are calculated based on the assumption that all the three new properties are operated for the full fiscal period and that the period of operation lasts 183 days.
- The total amount of property tax and city planning tax for the new properties is assumed to be 179 million yen for the fiscal period ending Nov. 30, 2017.
- Expenses related to the issuance of new investment units and debt-related costs of 108 million yen are excluded from non-operating expenses.
- Interest expenses and other debt-related costs, which may fluctuate according to an adjustment of the period of operation of the three new properties, are added to non-operating expenses.

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- Operating rental revenues and expenses of the Prologis Park Tagajo, which was disposed of as of June 26 2017, is calculated based on the assumption that neither revenue nor expense is generated from the beginning of the fiscal period.
- Capital gains from the disposition of real estate properties in association with the disposition of Prologis Park Tagajo are excluded from operating revenues.
- Non-deductible consumption taxes imposed on the disposition of real estate properties in association with the disposition of Prologis Park Tagajo are excluded from non-operating expenses.
- In addition to above, adjustments are made on the assumption that one-time operating revenues and operating expenses that were incurred or recorded are not incurred and on the assumption that operating expenses that were not incurred on a one-time basis are incurred at the time when such expenses are usually incurred.
- Considering the fluctuation of NOI and net income due to the adjustments mentioned above, 41 million yen of asset management fees based on NOI and net income is added to operating expenses.
- Considering the excluding of capital gains from the disposition, surplus cash distributions are included.

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 NPR will make distributions in the future at a certain level or that NPR will make distributions at all. The actual net income for the fiscal period ending Nov. 30, 2017, and other specific fiscal period may differ significantly from Adjusted Net Income Based on Revised Forecast as announced on July 24, 2017.

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