January 17, 2020

FOR IMMEDIATE RELEASE

Nippon Prologis REIT Revises Forecast for Fiscal Period Ending May 31, 2020, and Announces Forecast for Fiscal Period Ending November 30, 2020

Nippon Prologis REIT, Inc. ("NPR") today revised its forecast for the fiscal period ending May 31, 2020 (Dec. 1, 2019, to May 31, 2020), as noted in "SUMMARY OF FINANCIAL RESULTS (REIT) For the 13th Fiscal Period Ended May 31, 2019," dated July 18, 2019, and announced its new forecast for the fiscal period ending Nov. 30, 2020 (June 1, 2020, to Nov. 30, 2020).

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 finance a portion of the acquisition costs, etc. of the New Properties (see Attachment 1: Forecast Assumptions for the fiscal periods Ending May 31, 2020, and Nov. 30, 2020) (the "Offerings"). The forecast of the results for the six-month period ending May 31, 2020, announced in SUMMARY OF FINANCIAL RESULTS (REIT) For the 13th Fiscal Period Ended May 31, 2019, dated July 18, 2019, requires a 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 Nov. 30, 2020, based on these assumptions.

2. Forecast revisions for the fiscal period ending May 31, 2020, and forecast announcement for the fiscal period ending Nov. 30, 2020:

(1) Details of the results of the forecast revisions for the fiscal period ending May 31, 2020 (15th Fiscal Period from Dec. 1, 2019, to May 31, 2020):

	Operating revenues (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million 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)	21,400	9,812	9,029	9,028	4,454	3,844	610
Revised forecast (B)	22,535	10,489	9,551	9,550	4,572	3,874	698
Amount of increase/decrease (C) ((B) – (A))	1,134	676	522	522	118	30	88
Rate of increase/decrease ((C) / (A))	5.3%	6.9%	5.8%	5.8%	2.6%	0.8%	14.4%

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(2) Details of the results of the forecast for the fiscal period ending Nov. 30, 2020 (16th Fiscal Period from June 1, 2020, to Nov. 30, 2020):

	Operating revenues (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million 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 16th Fiscal Period	23,657	11,030	10,161	10,160	4,760	4,120	640

(Reference)
Fiscal period ending May 31, 2020: expected number of investment units outstanding at the end of the period: 2,465,850 units; expected net income per unit: 3,936 yen
Fiscal period ending Nov. 30, 2020: expected number of investment units outstanding at the end of the period: 2,465,850 units; expected net income per unit: 4,120 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, 2020, and Nov. 30, 2020." 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, etc., changes in the property management environment due to unexpected repairs, etc., changes in interest rates, the actual number of new units issued and the final issue price of the new investment units, or the issuance of additional investment units. This forecast should not be deemed a commitment or a 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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For more information about Nippon Prologis REIT, please visit:
https://www.prologis-reit.co.jp/en/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

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【Attachment 1】

Forecast Assumptions for the fiscal periods Ending May 31, 2020, and Nov. 30, 2020

Item	Assumption
Accounting period	• Fiscal period ending May 31, 2020 (15th Fiscal Period) (from Dec. 1, 2019, to May 31, 2020) (183 days) • Fiscal period ending November 30, 2020 (16th Fiscal Period) (from June 1, 2020, to Nov. 30, 2020) (183 days)
Assets under management	• It is assumed that, in addition to its 46 properties held as of today, there will be no change (including acquisition of new properties and dispositions of existing properties) in the operational status of the properties until Nov. 30, 2020, other than the acquisition of Prologis Park Chiba 1, 50% co-ownership interest of Prologis Park MFLP Kawagoe and Prologis Park Tsukuba 1-B scheduled on Feb. 5, 2020 (collectively, the "New Properties") (for details of the New Properties, 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 today.). • Results may change due to the acquisition of new properties other than above or the disposition of existing properties, etc.
Operating revenues	• Operating revenues account for factors such as market trends and the competitiveness of each property, and are estimated to be 22,535 million yen and 23,657 million yen for the fiscal periods ending May 31, 2020, and Nov. 30, 2020, respectively. The expected average occupancy rates of the properties in the portfolio are estimated to be 98.8% for the both fiscal periods ending May 31, 2020 and Nov. 30, 2020. • Rent revenues from the New Properties are calculated based on the lease agreements that are executed as of today and information about the New Properties provided by the current owner or current trust beneficiary interest holder of each property. The terms and conditions of the lease agreements may be changed later. • For operating rent revenues, it is assumed that tenants will pay rents without delinquency or withholding.
Operating expenses	• Operating rental expenses except depreciation are calculated from variable factors, and are assumed to be 4,600 million yen and 4,888 million yen for the fiscal periods ending May 31, 2020, and Nov. 30, 2020, respectively. • Depreciation expenses are calculated using the straight-line method in relation to the (anticipated) acquisition price including ancillary costs and are assumed to be 5,361 million yen and 5,538 million yen for the fiscal periods ending May 31, 2020, and Nov. 30, 2020, respectively. • In general, in case of real estate sales/purchases, property taxes and city planning taxes are 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 taxes and city planning taxes for the New Properties will be expensed starting from the fiscal period ending May 31, 2021. The total amount of property taxes and city planning taxes included in the purchase price of the 4 properties (Prologis Park Higashimatsuyama, Prologis Park Kyotanabe, Prologis Park Sendai Izumi 2 and Prologis Park Kobe 4) acquired during the fiscal period ended Nov. 30, 2019 (collectively, the "Acquisitions in the 14th Fiscal Period"), and in the purchase price of the New Properties are assumed to be 33 million yen (equivalent to expenses for 31 days) and 123 million yen (equivalent to expenses for 117 days) for the fiscal period ending May 31, 2020, respectively. The total amount of property taxes and city planning taxes included in the purchase price of the New Properties is assumed to be 192 million yen (equivalent to expenses for 183 days) for the fiscal period ending Nov. 30, 2020. • 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 due to unexpected factors.
Non-operating expenses	• It is assumed NPR will recognize 110 million yen as total expenses incurred in relation to the Offerings in the fiscal period ending May 31, 2020. • It is assumed that 4 million yen will be incurred in the fiscal period ending May 31, 2020, as debt-related expenses in association with the acquisition of the New Properties. • As for interest expenses and other debt-related costs, 790 million yen and 805 million yen are expected to be incurred for the fiscal periods ending May 31, 2020, and Nov. 30, 2020, respectively. The non-cash

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	expenditure, which is included in debt-related expenses, is expected to be 202 million yen and 204 million yen for the fiscal periods ending May 31, 2020, and Nov. 30, 2020, respectively.
Interest-bearing Debt	• The outstanding balance of NPR's interest-bearing debt on its balance sheet as of today is 241,100 million yen, which consist of the balance of borrowings and investment corporation bonds. • It is assumed that NPR, along with the Offerings, will obtain new borrowings on the anticipated acquisition date of the New Properties (the "Borrowings") (details of the Borrowings will be announced once a decision is made). Additionally, it is assumed that NPR will, out of the Borrowings, repay the short-term borrowings of 3,800 million yen before its maturity date, with refunds of consumption taxes related to the New Properties that will be reimbursed after the acquisition of the New Properties (the following figures defined as the "interest-bearing debt after the Borrowings" and the "interest-bearing debt related to the Borrowings" are figures from which an amount of such short-term borrowings is deducted). Thus, the balance of NPR's interest-bearing debt after the Borrowings is assumed to be 261,200 million yen. The actual amount of balance of interest-bearing debt may differ considerably from this assumption, depending on the actual number of new investment units to be issued in the Offerings and the final issue price of such units. • It is assumed that there will be no maturity of investment corporation bonds until the end of the fiscal period ending Nov. 30, 2020. • LTV was 37.8% as of Nov. 30, 2019, and is estimated to be 37.9% after the Borrowings. For LTV calculation, please refer to the following formula: LTV(%) = interest-bearing debt / total assets×100(%) (as of Nov. 30, 2019) LTV(%) after the Borrowings = Estimated total of interest-bearing debt after the Borrowings / total assets after the Borrowings × 100(%) Estimated total of interest-bearing debt after the Borrowings = total interest-bearing debt as of November 30, 2019 (241,100 million yen) + estimated total of interest-bearing debt related to the Borrowings (20,100 million yen) (Note 1) Total assets after the Borrowings = total assets as of Nov. 30, 2019 (638,461 million yen) + net proceeds from the Offering (29,230 million yen) (Note 2) + net proceeds from the Third-party Allotment (1,462 million yen) (Note 2) + estimated total of interest-bearing debt related to the Borrowings (20,100 million yen) (Note 1) Represents the anticipated amount of interest-bearing debt related to the Borrowings to be obtained on the acquisition date of the New Properties as of today. The anticipated amount of interest-bearing debt related to the Borrowings 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, December 20, 2019. The actual borrowing amounts may vary depending on the total net proceeds from the Offerings. Therefore, the amount of estimated total of interest-bearing debt related to the Borrowings may not necessarily correspond to an actual amount. NPR will announce details of the Borrowings once they are determined. (Note 2) The net proceeds from the Offering 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, December 20, 2019. Also, it is assumed that the domestic underwriter will apply to purchase the whole number of investment units of the Third-party Allotment and pay to NPR the total issue amount of the Third-party Allotment. The net proceeds from the Offering and the Third-party Allotment may be smaller, and as a result, the actual LTV after the Borrowings may be higher, if the actual issue price of the investment units issued through the Offering and the Third-party Allotment is lower than expected. However, the net proceeds from the Offering and the Third-party Allotment may be larger if the actual issue price of units issued through the

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	Offering and the Third-party Allotment is higher than expected, which would result in a lower LTV after the Borrowings. If the Third-party Allotment does not take place in whole or in part, the actual total issue value of the Third-party Allotment and the number of investment units outstanding after the acquisition of the New Properties may be smaller than expected, which would result in different LTV from one aforementioned.
Investment units	• It is assumed that no additional units will be issued until the end of Nov. 30, 2020, aside from the current outstanding and issued 2,349,150 units as of today and the 111,140 units to be issued through the Offering as well as the maximum 5,560 units to be issued through the Third-party Allotment as resolved at today's NPR's board of directors meeting. For details, please refer to the press release "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 repairment, 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 fund distribution policy in the NPR's Articles of Incorporation. • It is assumed that the surplus cash distributions (representing the total of regular surplus cash distributions and one-time surplus cash distributions) in the fiscal period ending May 31, 2020 will be equivalent to approximately 32.1% of depreciation expenses for the fiscal period, which is assumed to be 1,721 million yen. It is also assumed that the regular surplus cash distributions in the fiscal period ending Nov. 30, 2020 will be equivalent to approximately 28.5% of depreciation expenses for the relevant fiscal period, which is assumed to be 1,578 million yen. • Depreciation expenses may change depending on the amount of total assets under management, ancillary costs, capital expenditures, the allocation method of purchase prices for each asset and depreciable life of each asset, etc. Surplus cash distributions, which will be based on the amount of depreciation expenses, may change accordingly. • NPR intends to continually pay surplus cash distributions only to the extent that it can maintain appropriate levels of financial soundness and stability after considering alternatives of cash uses such as repairs and capital expenditures, repayment of borrowings and property acquisition opportunities. The maximum payable surplus cash distributions amount is 60% of depreciation expenses during the applicable fiscal period. • NPR intends to distribute approximately 30% of depreciation expense for an applicable accounting period as surplus cash distributions. The amount will be determined based on a holistic consideration of various factors such as NPR's level of anticipated profitability for a particular fiscal period, which includes NPR's net income and one-time profits arising as capital gains from asset dispositions and/or penalties received from lease contract cancellations, etc., the total amount of distributions for a particular fiscal period, which includes surplus cash distributions, NPR's LTV ratio and financial condition, etc. • However, NPR may adjust, reduce, or suspend the amount of surplus cash distributions for a particular fiscal period, as a whole or partially, with considerations toward a level of NPR's profitability for a particular fiscal period which reflects NPR's net income and one-time profits arising as capital gains from asset disposition and/or penalties received from lease contract cancellations, etc., the total amount of distributions which include surplus cash distributions, NPR's LTV ratio, credit rating and financial conditions, as well as, macroeconomic real estate market conditions. • To maintain the stability of NPR's distributions per unit ("DPU") in the event that DPU is expected to decline to a certain degree as a result of financing activities, such as the issuance of new investment units, etc., which may cause NPR to incur short-term dilution of investment units and/or substantial increases in financing-related costs, as well as, certain inevitable and one-time events such as repair expenses and capital losses due to damages caused by natural disasters (e.g., earthquakes), accidents/incidents (e.g., fire) and/or

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	other one-time expenses such as litigation settlements and capital losses from property dispositions, etc., NPR may make distributions as one-time surplus cash distributions. NPR intends to limit the maximum total amount of surplus cash distributions at 40% of the depreciation expense for the relevant fiscal period. • 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 750 million yen and 668 million yen for the fiscal periods ending May 31, 2020, and Nov. 30, 2020, 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 no revision that will have an impact on the forecast information above will be made in accordance with 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.

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

	Adjusted Net Income Based on Forecast as Announced on July 18, 2019	Adjusted Net Income Based on Revised Forecast as Announced on January 17, 2020
Operating revenues	21,415 million yen	23,397 million yen
Operating income	9,796 million yen	10,791 million yen
Ordinary income	9,013 million yen	9,955 million yen
Net income	9,012 million yen	9,954 million yen
Number of investment units outstanding	2,349,150 units	2,465,850 units
Distributions per unit (including surplus cash distributions)	4,447 yen	4,675 yen
Distributions per unit (excluding surplus cash distributions)	3,837 yen	4,037 yen
Surplus cash distributions per unit	610 yen	638 yen

<Assumptions for calculating Adjusted Net Income Based on Forecast as Announced on July 18, 2019>
The following adjustments and assumptions are made based on the forecast for the fiscal period ending May 31, 2020, as of July 18, 2019, without taking into account the Offerings, the acquisition of the New Properties and other items:

- Operating rent revenues of the Acquisitions in the 14th Fiscal Period are calculated based on the assumption that all of them are operated for the whole of the fiscal period ending May 31, 2020.
- The total amount of property tax and city planning tax for the Acquisitions in the 14th Fiscal Period is assumed to be 33 million yen as operating rental expense for the fiscal period ending May 31, 2020.
- Considering the fluctuation of net income due to the adjustments mentioned above, asset management fees based on net income are deducted from operating expenses.

<Assumptions for calculating Adjusted Net Income Based on Revised Forecast as Announced on January 17, 2020>
The following adjustments and assumptions are made based on the forecast for the fiscal period ending May 31, 2020, as of today, taking into account the Offerings, the acquisition of the New Properties and other items:

- Operating rent revenues of the Acquisitions in the 14th Fiscal Period and the New Properties are calculated based on the assumption that all of them are operated for the whole of the fiscal period ending May 31, 2020.
- The total amount of property tax and city planning tax for the Acquisitions in the 14th Fiscal Period is assumed to be 33 million, and that of the New Properties is assumed to be 123 million yen, respectively, as operating rental expense for the fiscal period ending May 31, 2020.
- Expenses related to the issuance of new investment units and debt-related costs of 114 million yen are excluded from non-operating expenses.

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- Interest expenses and other debt-related costs, which may fluctuate according to an adjustment of the period of operation of the New Properties, are added to non-operating expenses.
- Interest expenses regarding the borrowings made for the purpose of securing funds equivalent to the consumption taxes on the New Properties are deducted from non-operating expenses.
- One-time other operating expenses are excluded from operating expenses.
- Considering the fluctuation of NOI and net income due to the adjustments mentioned above, asset management fees based on NOI and net income are added to operating expenses.
- Considering the adjustment mentioned above, one-time surplus cash distribution is excluded.

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 May 31, 2020, and other specific fiscal period may differ significantly from Adjusted Net Income Based on Revised Forecast as announced on January 17, 2020.

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