PROLOGIS®
Nippon Prologis REIT



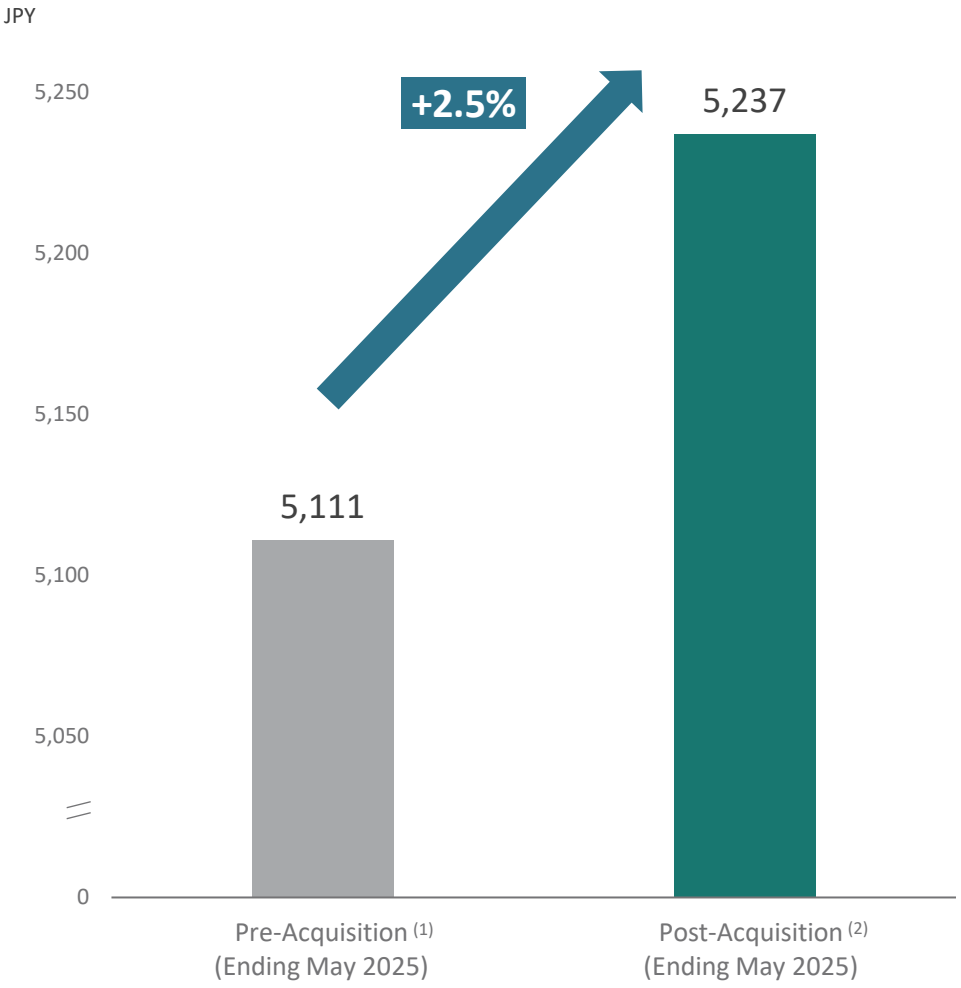
Prologis Park Yachiyo 1

Supplemental Materials for New Acquisition

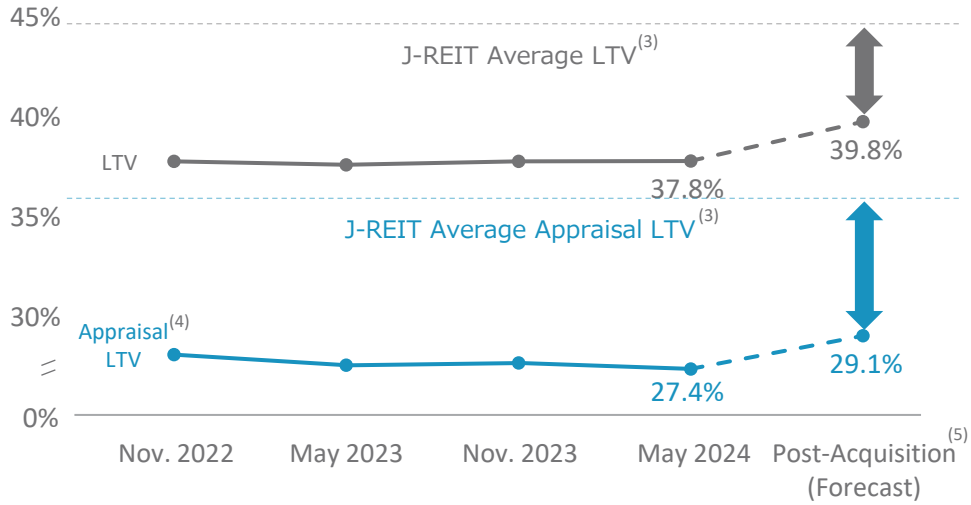
November 28, 2024

Accretive External Growth Leveraging Significant Investment Capacity

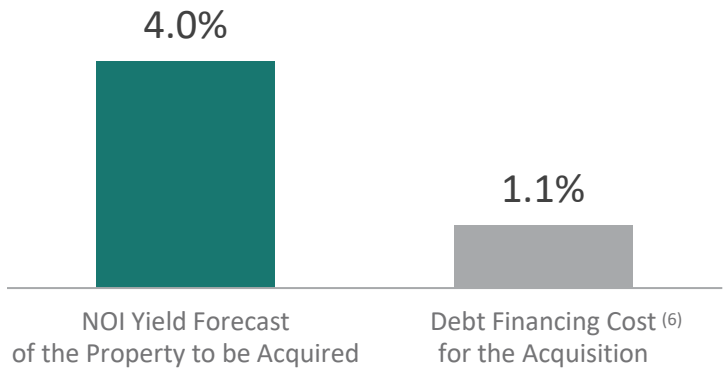
DPU (STABILIZED)



LTV



SIGNIFICANT YIELD SPREAD



Prologis Park Yachiyo 1 – Significant Internal Growth Potential



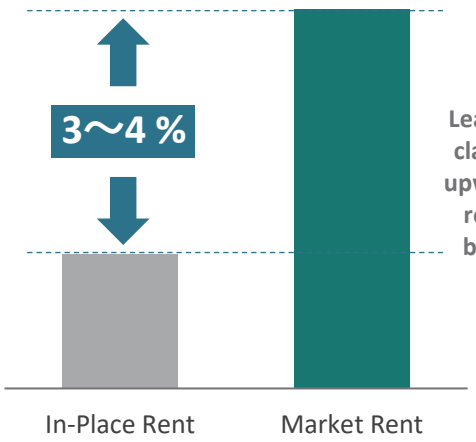




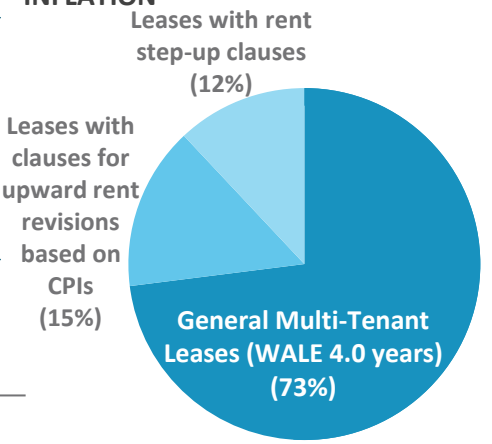
Overview

Acquisition Price	JPY 39,000 mn
Forecasted NOI Yield	4.0%
Location	Yachiyo, Chiba
GFA	138,119.42 sqm
Building Completion	September 20, 2022
Environmental Assessment	CASBEE A / BELS★★★★★
Occupancy Rate	100.0%
WALE [(1)]	5.6 years

CURRENT RENT GAP



LEASES FULLY RESILIENT AGAINST INFLATION

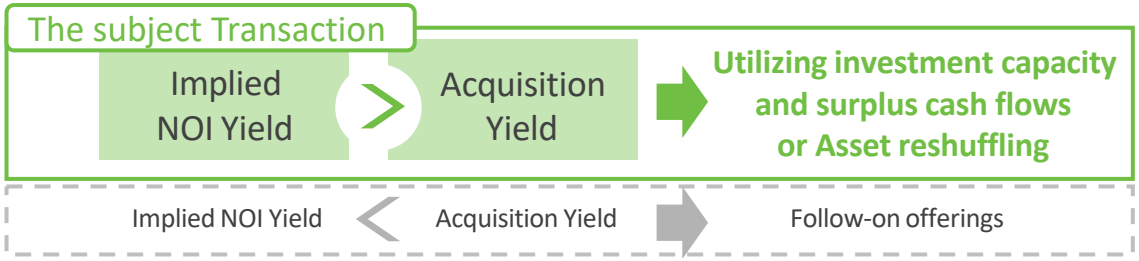


NPR's Long-Term Growth Strategies

Our Recent Capital Allocation Strategies

- ✓ Stable **JPY 1 trillion** portfolio
- ✓ **JPY 120 bn** of external growth opportunity
- ✓ Growing momentum for **asset reshuffling**
- ✓ Significant **unrealized gain**
- ✓ Significant **investment capacity**
- ✓ Abundant **surplus cash flows**
- ✕ Unit price is under NAV/U

➢ **Pursue long-term DPU growth by focusing on current cost of capital**



➢ **Optimize unitholder return through flexible payout ratio and potential buyback of units**

(Notes)

P1
Notes:

1. “Pre-Acquisition” number is based on forecasts for May 2025 Fiscal Period announced on July 18, 2024.
2. “Post-Acquisition” number is based on forecasts for May 2025 Fiscal Period announced today.
3. As of October 31. Calculated based on the total interest-bearing debt, total assets and appraisal values at the end of the most recent fiscal period for each J-REIT.
   (Source) Calculated by Asset Manager based on data published by Mizuho Securities “J-REIT Finance Monitor (October 2024)”
4. Appraisal LTV = total interest-bearing debt as of the end of each FP on balance sheet ÷ (total assets of each FP on balance sheet + the difference in aggregate appraisal value of portfolio of each FP and aggregate book value of portfolio of each FP).
5. “Post-Acquisition” LTV = (i) aggregate estimated amount of interest-bearing debt post acquisition / (ii) estimated amount of total assets post acquisition.
   “Post-Acquisition” Appraisal LTV = (i) aggregate estimated amount of interest-bearing debt post acquisition / {(ii) estimated amount of total assets post acquisition + the difference in aggregate appraisal value and aggregate book value of portfolio as of May 31, 2024}.
   (i) Aggregate estimated amount of interest-bearing debt post acquisition = total amount of interest-bearing debt as of today + new borrowings of 29 billion yen to be obtained on the day of the acquisition.
   (ii) Estimated amount of total assets post acquisition = total assets as of May 31, 2024 + new borrowings of 29 billion yen to be obtained on the day of the acquisition.
6. The debt financing cost of 29 billion yen for the acquisition is calculated as a weighted average of the borrowings. This cost includes the impact of interest rate swap agreements to hedge against rate fluctuations and accounts for financing-related fees and charges payable to financial institutions.

P2
Notes:

1. WALE stands for Weighted Average Lease Expiry. Calculated based on anticipated annual rent set forth in the lease agreements as of September 30, 2024. Same hereinafter.