

September 19, 2019

**FOR IMMEDIATE RELEASE**

**Nippon Prologis REIT Announces**  
**Acquisition of Domestic Real Estate Trust Beneficiary Interests**  
*Determination of acquisition price for Prologis Park Kobe 4*

Nippon Prologis REIT, Inc. (“NPR”) today announced the final determination of the acquisition price for Prologis Park Kobe 4, as shown below, previously described in the press release “Nippon Prologis REIT Announces Acquisition of Domestic Real Estate Trust Beneficiary Interests and Lease Contract with New Tenants” dated June 4, 2019.

In addition, some details regarding the property have changed and, thus, revised from that press release dated June 4, 2019. The changes are described below.

1. Overview of the Acquisition

Property Number	Property Name	Location	Scheduled Acquisition Date	Acquisition Price (yen in millions) (Note 1)	Previous Owner
B-17	Prologis Park Kobe 4	Kobe, Hyogo	October 1, 2019	5,020	Tateyama Special Purpose Company

(Note 1) “Acquisition price” does not include national/local consumption taxes and expenses which will be incurred in connection with the acquisition.

- (1) Signing date of the purchase and sale agreement: June 4, 2019
- (2) Type of specified asset: Beneficiary interest of real estate in trust
- (3) Financing for Acquisition: Proceeds from borrowing of funds and cash on hand. NPR will make an announcement regarding the borrowing of funds when the borrowing decision is made.
- (4) Settlement method: Full amount to be paid at the time of the acquisition

2. Changes and Revisions of Property Details from the Previous Press Release

The Description of the Property shown on page 16 to 19 of the previous press release is partially changed and revised as follows (changes and revisions shaded):

(Before Changes and Revisions)

B-17 Prologis Park Kobe 4

Property name	Prologis Park Kobe 4
Location	6-1, Mitsugaoka 7-chome, Nishi Ward, Kobe, Hyogo
Class of assets	Real estate trust beneficiary interests
Acquisition date	October 1, 2019
Acquisition price	5,000 million yen (Note 1)
Entrustment date	Acquisition date
Trustee	Sumitomo Mitsui Trust Bank, Limited
Trust maturity date	October 31, 2039

Land	Ownership form	Proprietary
	Land area	13,020.82 m <sup>2</sup>
	Zoning	Exclusive industrial zone
	BCR/FAR	60% / 200%
Building	Ownership form	Proprietary
	Gross floor area	24,767.82 m <sup>2</sup> (planned) (Note 2)
	Scheduled date of construction	June 30, 2019 (scheduled) (Note 2)
	Purpose	Warehouse (planned) (Note 2)
	Structure/No. of stories	S, 4-story building (planned)(Note 2)
	Property type	BTS
	Contractor	Asanuma Corporation
	Environmental appraisal	CASBEE Kobe Class A
Property manager		ProLogis K.K.
Master lessee		Prologis REIT Master Lease GK
Type of master lease		Pass-through
Collateral		None
Appraisal value		5,000 million yen
Real estate appraiser		Japan Real Estate Institute
Description of tenancy		
	Gross number of tenants	1
	Type of lease agreement	Fixed-term lease agreement
	Name of major tenant	Shinkai Transport Systems, Ltd.
	Annual rent	Not disclosed (Note 3)
	Security deposit	Not disclosed (Note 3)
	Leased area	24,143.74 m <sup>2</sup>
	Leasable area	24,143.74m <sup>2</sup>
	Occupancy rate	100.0%
Extra description		The seller and Kobe City have agreed that the seller must obtain prior written approval from Kobe City in the event of establishing or transferring any of the following: ownership rights, superficies, a right to lease or other rights relating to use and profit, and any mortgage, pledge or other security interest in the subject land and buildings built on the subject land until September 30, 2026. Trust beneficiary and NPR have obtained such approval from Kobe City.

(Note 1) The sale and purchase agreement pertaining to this property stipulates that acquisition price of this property may increase or decrease under certain circumstances, for the purpose of preserving the Asset Manager's expected yield for this property, regardless of any change in NCF of this property by the time when this property is acquired (the "Price Adjustment Clause").

Under the Price Adjustment Clause, it is stipulated that, in the event of any change in NCF of the this property by the time this property is acquired for any prescribed reason, such as any increase or decrease in estimated rent prescribed in the lease agreement, outsourcing expenses, or repair expenses or capital expenditure (the "Price Adjustment Event"), the transfer price of this property shall be increased or decreased, by a certain amount calculated based on a prescribed formula according to such change. Accordingly, the anticipated acquisition price of this property will be increased by a certain amount calculated by the Price Adjustment Clause when NCF is increased due to any Price Adjustment Event, while the price will be decreased by a certain amount calculated by the Price Adjustment Clause when NCF is decreased due to any Price Adjustment Event. Therefore, the anticipated acquisition price stated in this press release may differ from the actual acquisition price.

(Note 2) As this property is under construction and not completed as of today, the Gross floor area, Scheduled date of construction, Purpose and Structure/No. of stories are subject to change.

(Note 3) Not disclosed as the tenant's consent has not been obtained.

Summary of the appraisal report

Appraisal value	5,000 million yen
Real estate appraiser	Japan Real Estate Institute
Date of appraisal	March 31, 2019

Item	Detail (million yen, unless otherwise indicated)	Outline
Income approach value	5,000	Assessed based on the value by the direct capitalization method and the value by DCF method, giving same weight to each value
Direct capitalization method	5,050	
Operating revenues	Not disclosed (Note 1)	
Total potential revenue	Not disclosed (Note 1)	
Loss such as vacancy	Not disclosed (Note 1)	
Operating expenses	Not disclosed (Note 1)	
Maintenance costs	Not disclosed (Note 1)	
Property management fees		
Utilities costs	Not disclosed (Note 1)	
Repair costs	Not disclosed (Note 1)	
Tenant solicitation expenses	Not disclosed (Note 1)	
Property taxes	Not disclosed (Note 1)	
Non-life insurance Premiums	Not disclosed (Note 1)	
Other expenses	Not disclosed (Note 1)	
Net operating income	245	
Interest on deposit	Not disclosed (Note 2)	
Capital expenditure	Not disclosed (Note 2)	
Net income	242	
Capitalization rate	4.8%	Assessed by considering the characteristics of the subject property, future uncertainties and transaction yields, etc., for similar properties
Discounted cash flow method	4,950	
Discount rate	4.6%	Assessed by considering transaction cap rates, etc., for similar properties and the characteristics of the subject property, etc.
Terminal capitalization rate	5.0%	Assessed based on transaction cap rates, etc., for similar properties as well as the future forecasts, etc.
Cost method	4,960	
Proportion of land	36.3%	

Proportion of building	63.7%
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(Note 1) Not disclosed because this information is either confidential for the benefit of the lessees or could be used to calculate confidential information. Disclosure of this information could disadvantage NPR.

(Note 2) As the construction of the building is not completed as of the date of appraisal, values are based on the appraisal of uncompleted buildings, etc. according to the standards of real estate appraisal. The appraisal of the building of the property is based on the assumption that building construction work is completed according to the blueprint as of the date of appraisal, and use and profits thereof are available, etc.

Other points to be noted for the determination of appraisal value	N/A
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(After Change and Revision)

B-17 Prologis Park Kobe 4

Property name		Prologis Park Kobe 4
Location		6-1, Mitsugaoka 7-chome, Nishi Ward, Kobe, Hyogo 6-1, Mitsugaoka 7-chome, Nishi Ward, Kobe, Hyogo
Class of assets		Real estate trust beneficiary interests
Acquisition date		October 1, 2019
Acquisition price		5,020 million yen (Note 1)
Entrustment date		Acquisition date
Trustee		Sumitomo Mitsui Trust Bank, Limited
Trust maturity date		October 31, 2039
Land	Ownership form	Proprietary
	Land area	13,020.82 m <sup>2</sup>
	Zoning	Exclusive industrial zone
	BCR/FAR	60% / 200%
Building	Ownership form	Proprietary
	Gross floor area	24,137.60 m <sup>2</sup>
	Date of completion	May 22, 2019
	Purpose	Warehouse, Office
	Structure/No. of stories	S, 4-story building
	Property type	BTS
	Contractor	Asanuma Corporation
	Environmental appraisal	CASBEE Kobe Class A / BELS ★★★★★
Property manager		ProLogis K.K.
Master lessee		Prologis REIT Master Lease GK
Type of master lease		Pass-through
Collateral		None
Appraisal value		5,020 million yen
Real estate appraiser		Japan Real Estate Institute
Description of tenancy		
	Gross number of tenants	1
	Type of lease agreement	Fixed-term lease agreement
	Name of major tenant	Shinkai Transport Systems, Ltd.
	Annual rent	Not disclosed (Note 2)
	Security deposit	Not disclosed (Note 2)
	Leased area	24,154.17 m <sup>2</sup>
	Leasable area	24,154.17m <sup>2</sup>
	Occupancy rate	100.0%
Extra description		The seller and Kobe City have agreed that the seller must obtain prior written approval from Kobe City in the event of establishing

	or transferring any of the following: ownership rights, superficies, a right to lease or other rights relating to use and profit, and any mortgage, pledge or other security interest in the subject land and buildings built on the subject land until September 30, 2026. Trust beneficiary and NPR have obtained such approval from Kobe City.
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(Note 1) The “Price Adjustment Clause” in the sale and purchase agreement pertaining to this property stipulated that acquisition price of this property might increase or decrease by the time this property is acquired in the event of any change in NCF of this property for any prescribed reason, such as any increase or decrease in estimated rent prescribed in the lease agreement, outsourcing expenses, or repair expenses or capital expenditure (the “Price Adjustment Event”). The transfer price of this property was scheduled to be increased or decreased by a certain amount calculated based on a prescribed formula according to such change.

As a result of the calculation by the Price Adjustment Clause, the acquisition price of this property has been increased by 20 million yen because of the increase in NCF due to the Price Adjustment Event. Therefore, the actual acquisition price has been determined at 5,020 million yen.

(Note 2) Not disclosed as the tenant’s consent has not been obtained.

Summary of the appraisal report

Appraisal value	5,020 million yen
Real estate appraiser	Japan Real Estate Institute
Date of appraisal	July 31, 2019

Item	Detail (million yen, unless otherwise indicated)	Outline
Income approach value	5,020	Assessed based on the value by the direct capitalization method and the value by DCF method, giving same weight to each value
Direct capitalization method	5,070	
Operating revenues	Not disclosed (Note 1)	
Total potential revenue	Not disclosed (Note 1)	
Loss such as vacancy	Not disclosed (Note 1)	
Operating expenses	Not disclosed (Note 1)	
Maintenance costs	Not disclosed (Note 1)	
Property management fees		
Utilities costs	Not disclosed (Note 1)	
Repair costs	Not disclosed (Note 1)	
Tenant solicitation expenses	Not disclosed (Note 1)	
Property taxes	Not disclosed (Note 1)	
Non-life insurance Premiums	Not disclosed (Note 1)	
Other expenses	Not disclosed (Note 1)	
Net operating income	246	
Interest on deposit	Not disclosed (Note 2)	
Capital expenditure	Not disclosed (Note 2)	
Net income	243	
Capitalization rate	4.8%	Assessed by considering the characteristics of the subject property, future uncertainties and transaction yields, etc., for similar properties
Discounted cash flow method	4,960	
Discount rate	4.6%	Assessed by considering transaction cap rates, etc., for similar properties and the characteristics of the subject property, etc.
Terminal capitalization rate	5.0%	Assessed based on transaction cap rates, etc., for similar properties as well as the future forecasts, etc.
Cost method	4,960	
Proportion of land	36.3%	

	Proportion of building	63.7%	
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(Note 1) Not disclosed because this information is either confidential for the benefit of the lessees or could be used to calculate confidential information. Disclosure of this information could disadvantage NPR.

Other points to be noted for the determination of appraisal value	N/A
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### 3. Impact on Forecasts

The acquisition of Prologis Park Kobe 4 has been already reflected in NPR's forecasts of results for the fiscal period ending Nov. 30, 2019 (from June 1, 2019 to Nov. 30, 2019) and ending May 31, 2020 (from Dec. 1, 2019 to May 31, 2020) which NPR announced on July 18, 2019. In addition, the changes of NCF and acquisition price of Prologis Park Kobe 4 will not materially affect NPR's performance. Therefore, there is no change to the forecasts.

For more information about Nippon Prologis REIT, please visit:

<https://www.prologis-reit.co.jp/en/>

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

### <APPENDIX>

Appendix 1 Surrounding Area Map and Exterior Property Photograph

Appendix 2 Portfolio List after Acquisition of the New Property



<APPENDIX>

Appendix 1 Surrounding Area Map and Exterior Property Photograph

B-17 Prologis Park Kobe 4



## &lt;APPENDIX&gt;

## Appendix 2 Portfolio List after Acquisition of the New Property

Property number	Property name	Acquisition Price (million yen) (Note 1)	Appraisal Value (million yen) (Note 2)	Investment Ratio (%) (Note 3)
Acquired Assets				
M-01	Prologis Park Ichikawa 1	33,900	43,700	5.3
M-02	Prologis Park Zama 1	27,900	33,900	4.4
M-03	Prologis Park Kawajima	25,600	33,100	4.0
M-04	Prologis Park Osaka 2	25,000	32,800	3.9
M-05	Prologis Park Maishima 3	13,500	15,900	2.1
M-06	Prologis Park Kasugai	12,500	18,000	1.9
M-07	Prologis Park Kitanagoya	6,500	9,200	1.0
M-09	Prologis Park Tokyo-Ohta	29,500	38,200	4.6
M-10	Prologis Park Zama 2	21,900	29,000	3.4
M-11	Prologis Park Funabashi 5	9,500	14,000	1.7
	(Annex)	1,500		
M-12	Prologis Park Narita 1-A&B	8,420	10,400	1.3
M-13	Prologis Park Narita 1-C	4,810	5,900	0.7
M-14	Prologis Park Amagasaki 1	17,600	21,200	2.7
M-15	Prologis Park Amagasaki 2	19,200	22,300	3.0
M-16	Prologis Park Tokyo-Shinkiba	13,600	18,000	2.1
M-17	Prologis Park Yokohama-Tsurumi	13,800	18,400	2.2
M-18	Prologis Park Osaka 4	21,000	25,600	3.3
M-19	Prologis Park Iwanuma 1	5,670	7,880	0.9
M-20	Prologis Park Kawajima 2	8,180	9,640	1.3
M-21	Prologis Park Kitamoto	12,600	13,800	2.0
M-22	Prologis Park Joso	7,120	7,480	1.1
M-23	Prologis Park Osaka 5	17,600	19,200	2.7
M-24	Prologis Park Narita 3	9,240	10,500	1.4
M-25	Prologis Park Narashino 5	13,600	15,000	2.1
M-26	Prologis Park Ibaraki	38,300	41,400	6.0
M-27	Prologis Park Ichikawa 3	17,000	17,600	2.7
M-28	Prologis Park Narita 1-D	5,260	5,350	0.8
M-29	Prologis Park Yoshimi	21,300	21,800	3.3
M-30	Prologis Park Higashimatsuyama	12,600	12,600	2.0
M-31	Prologis Park Kyotanabe	35,800	35,800	5.6
B-02	Prologis Park Takatsuki	4,410	5,350	0.7
B-03	Prologis Park Tosu 2	3,030	3,870	0.5
B-04	Prologis Park Tosu 4	3,810	4,870	0.6
B-05	Prologis Park Narashino 4	20,000	26,100	3.1
B-06	Prologis Park Ebina	8,250	10,800	1.3
B-07	Prologis Park Kawanishi	13,600	15,000	2.1
B-08	Prologis Park Amagasaki 3	9,090	10,300	1.4
B-09	Prologis Park Kobe	6,410	7,330	1.0
B-10	Prologis Park Sendai Izumi	4,820	5,390	0.8
B-11	Prologis Park Koga 1	7,680	8,320	1.2
B-12	Prologis Park Kobe 2	13,700	14,400	2.1
B-13	Prologis Park Koga 2	3,930	4,020	0.6

B-14	Prologis Park Koga 3	5,440	5,550	0.8
B-15	Prologis Park Tsukuba 1-A	12,900	13,000	2.0
B-16	Prologis Park Sendai Izumi 2	9,250	9,250	1.4
Subtotal		636,320	751,200	99.2
New Property				
B-17	Prologis Park Kobe 4	5,020	5,020	0.8
Total		641,340	756,220	100.0

(Note 1) "Acquisition price" is represented by the transfer price of each property stated in the Sale and Purchase Agreement, which is rounded down to the nearest million yen. The transfer prices do not include consumption taxes, special local consumption tax and other acquisition costs. For Prologis Park Zama 1, the acquisition price is stated without accounting for the part of the land of which was sold and acquired as of October 3, 2018.

(Note 2) "Appraisal value" is as of May 31, 2019, except for Prologis Park Higashimatsuyama, Prologis Park Kyotanabe and Prologis Park Sendai Izumi 2 which are as of March 31, 2019 and for Prologis Park Kobe 4 which is as of July 31, 2019.

(Note 3) "Investment ratio" is the ratio of the acquisition price of each property to the total of acquisition prices, rounded to the nearest tenth. Therefore, the sum of the investment ratio of each property may differ from the subtotal or the total investment ratio.