

**FOR IMMEDIATE RELEASE**

### Nippon Prologis REIT Revises Forecast for Fiscal Period Ending May 31, 2021, and Announces Forecast for Fiscal Period Ending November 30, 2021

Nippon Prologis REIT, Inc. (“NPR”) today revised its forecast for the fiscal period ending May 31, 2021 (Dec. 1, 2020, to May 31, 2021), as noted in “SUMMARY OF FINANCIAL RESULTS (REIT) For the 15th Fiscal Period Ended May 31, 2020” dated July 22, 2020, and announced its new forecast for the fiscal period ending Nov. 30, 2021 (June 1, 2021, to Nov. 30, 2021).

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 through public offerings (the “Offerings”) and third-party allotment (the “Third-party Allotment”) 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, 2021, and Nov. 30, 2021). The forecast of the results for the six-month period ending May 31, 2021, announced in SUMMARY OF FINANCIAL RESULTS (REIT) For the 15th Fiscal Period Ended May 31, 2020, dated July 22, 2020, 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, 2021, based on these assumptions.

2. Forecast Revisions for the Fiscal Period Ending May 31, 2021, and Forecast Announcement for the Fiscal Period Ending Nov. 30, 2021:

(1) Details of the results of the forecast revisions for the fiscal period ending May 31, 2021

(17th Fiscal Period from Dec. 1, 2020, to May 31, 2021):

	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)	23,269	10,793	9,913	9,962	4,725	4,040	685
Revised forecast (B)	24,437	11,384	10,377	10,426	4,777	4,038	739
Amount of increase/decrease (C) ((B) – (A))	1,168	591	463	463	52	▲2	54
Rate of increase/decrease ((C) / (A))	5.0%	5.5%	4.7%	4.6%	1.1%	▲0.0%	7.9%

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(2) Details of the results of the forecast for the fiscal period ending Nov. 30, 2021  
(18th Fiscal Period from June 1, 2021, to Nov. 30, 2021):

	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 18th Fiscal Period	25,408	11,802	10,836	11,015	4,931	4,267	664

(Reference)

Fiscal period ending May 31, 2021: expected number of investment units outstanding at the end of the period: 2,581,850 units; expected net income per unit: 4,103 yen

Fiscal period ending Nov. 30, 2021: expected number of investment units outstanding at the end of the period: 2,581,850 units; expected net income per unit: 4,266 yen

Notes:

1. The above forecast (the "Forecast") is calculated based on the assumptions described in Attachment 1 "Forecast Assumptions for the fiscal periods Ending May 31, 2021, and Nov. 30, 2021". 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 various causes, including, but not limited to, the profit insurance income that NPR will receive from the profit insurance, changes in various expenses related to the fire at Prologis Park Iwanuma 1 (the "Fire"), 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. The Forecast should not be deemed a commitment or a guarantee of the amount of future cash distributions and surplus cash distributions.
2. The 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.

For more information about Nippon Prologis REIT, please visit:

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

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**【Attachment 1】**

**Forecast Assumptions for the Fiscal Periods Ending May 31, 2021, and Nov. 30, 2021**

Item	Assumption
Accounting period	<ul style="list-style-type: none"> <li>• Fiscal period ending May 31, 2021 (17th Fiscal Period) (from Dec. 1, 2020, to May 31, 2021) (182 days)</li> <li>• Fiscal period ending Nov. 30, 2021 (18th Fiscal Period) (from June 1, 2021, to Nov. 30, 2021) (183 days)</li> </ul>
Assets under management	<ul style="list-style-type: none"> <li>• It is assumed that, in addition to its 49 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, 2021, other than the acquisition of Prologis Park Chiba New Town, Prologis Park Chiba 2 and Prologis Park Tsukuba 2 scheduled on Feb. 8, 2021 (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.). For Prologis Park Iwanuma 1 (“PP Iwanuma”), since the building and other ancillary facilities excluding the land in trust were burned down due to the Fire in the fiscal period ended May 31, 2020 (15th Fiscal Period), only the land of PP Iwanuma is included in the calculation of the assets under management.</li> <li>• Results may change due to the acquisition of new properties other than above or the disposition of existing properties, etc.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>• Operating revenues account for factors such as market trends and the competitiveness of each property, and are estimated to be 24,437 million yen and 25,408 million yen for the fiscal periods ending May 31, 2021, and Nov. 30, 2021, respectively. The expected average occupancy rates of the properties in the portfolio are estimated to be 98.9% and 98.7% for the fiscal periods ending May 31, 2021 and Nov. 30, 2021, respectively.</li> <li>• 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 of each property. The terms and conditions of the lease agreements may be changed later.</li> <li>• For operating rent revenues, it is assumed that tenants will pay rents without delinquency or withholding.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>• Operating rental expenses except depreciation are calculated from variable factors, and are assumed to be 4,958 million yen and 5,229 million yen for the fiscal periods ending May 31, 2021, and Nov. 30, 2021, respectively.</li> <li>• Depreciation expenses are calculated using the straight-line method in relation to the (anticipated) acquisition price including ancillary costs and are assumed to be 5,825 million yen and 6,018 million yen for the fiscal periods ending May 31, 2021, and Nov. 30, 2021, respectively.</li> <li>• 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 from the fiscal period ending May 31, 2022. The total amount of property taxes and city planning taxes included in the purchase price of the 3 properties (Prologis Park Chiba 1, Prologis Park MFLP Kawagoe (50% co-ownership interest) and Prologis Park Tsukuba 1-B) acquired during the fiscal period ended May 31, 2020 (collectively, the “Acquisitions in the 15th Fiscal Period”), and in the purchase price of the New Properties are assumed to be 31 million yen (equivalent to expenses for 31 days) and 113 million yen (equivalent to expenses for 113 days) for the fiscal period ending May 31, 2021, respectively. The total amount of property taxes and city planning taxes included in the purchase price of the New Properties is assumed to be 182 million yen (equivalent to expenses for 183 days) for the fiscal period ending Nov. 30, 2021.</li> <li>• 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.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>• It is assumed NPR will recognize 112 million yen as total expenses incurred in relation to the Offerings in the fiscal period ending May 31, 2021.</li> <li>• It is assumed that 4 million yen will be incurred in the fiscal period ending May 31, 2021, as debt-related expenses in association with the acquisition of the New Properties.</li> <li>• As for interest expenses and other debt-related costs, 861 million yen and 902 million yen are expected to be incurred for the fiscal periods ending May 31, 2021, and Nov. 30, 2021, respectively. The non-cash expenditure,</li> </ul>

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	<p>which is included in debt-related expenses, is expected to be 207 million yen and 205 million yen for the fiscal periods ending May 31, 2021, and Nov. 30, 2021, respectively.</p>
Extraordinary income	<ul style="list-style-type: none"> <li>It is assumed that, in the fiscal periods ending May 31, 2021 and Nov. 30, 2021, the insurance payment from the business interruption insurance which is covering PP Iwanuma of 180 million yen shall be recorded as extraordinary income.</li> </ul>
Extraordinary losses	<ul style="list-style-type: none"> <li>It is assumed that, in the fiscal period ending May 31, 2021, a part of the anticipated Demolition Work Expenses of 130 million yen shall be recorded as extraordinary losses (the "Extraordinary Losses in the 17th Fiscal Period").</li> </ul>
Interest-bearing Debt	<ul style="list-style-type: none"> <li>The outstanding balance of NPR's interest-bearing debt on its balance sheet as of today is 260,200 million yen, which consists of the balance of borrowings and investment corporation bonds.</li> <li>It is assumed that NPR, along with the Offerings, will obtain new borrowings of 22,300 million yen on the anticipated acquisition date of the New Properties (the "Borrowings") (details of the Borrowings will be announced once a decision is made). The balance of NPR's interest-bearing debt after the Borrowings is assumed to be 282,500 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.</li> <li>It is assumed that NPR will refinance all of the borrowings and investment corporation bonds which are due by the end of the fiscal period ending Nov. 30, 2021.</li> <li>LTV was 37.5% as of Nov. 30, 2020, and is estimated to be 37.7% after the Borrowings. For LTV calculation, please refer to the following formula:</li> </ul> <p>LTV(%) as of Nov. 30, 2020 = total interest-bearing debt as of Nov. 30, 2020 / total assets×100(%) (as of Nov. 30, 2020)</p> <p>LTV(%) after the Borrowings = Estimated total of interest-bearing debt after the Borrowings / Estimated total assets after the Borrowings × 100(%)</p> <p>Estimated total of interest-bearing debt after the Borrowings = total interest-bearing debt as of Nov. 30, 2020 + estimated total of interest-bearing debt related to the Borrowings (Note 1)</p> <p>Estimated total assets after the Borrowings = total assets as of Nov. 30, 2020 + assumed net proceeds from the Offering (Note 2) + assumed net proceeds from the Third-party Allotment (Note 2) + estimated total of interest-bearing debt related to the Borrowings</p> <p>(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 Dec. 25, 2020. 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.</p> <p>(Note 2) The assumed 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 Dec. 25, 2020. 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. If the net proceeds from the Offering and the Third-party Allotment differ from the estimated amount, or if the Third-party Allotment does not take place in whole or in part, this may result in different LTV from the one aforementioned.</p>
The number of	<ul style="list-style-type: none"> <li>It is assumed that no additional units will be issued until the end of the fiscal periods ending Nov. 30, 2021,</li> </ul>

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investment units	aside from the current outstanding and issued 2,465,850 units as of today and the 110,480 units to be issued through the Offering as well as the maximum 5,520 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 (Green Equity Offering) and Secondary Offering of Investment Units", dated today.
Distributions per unit (excluding surplus cash distributions)	<ul style="list-style-type: none"> <li>• 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 the profit available for dividend shall be distributed.</li> <li>• Distributions per unit (excluding surplus cash distributions) may change due to various causes, including, but not limited to, changes in the profit insurance income that NPR will receive from the profit insurance insured on PP Iwanuma, changes in the anticipated various expenses related to the Fire, any additional acquisitions or dispositions of properties, changes in rent revenues attributable to tenant movements, changes in the property management environment including unexpected repairs, changes in interest rates, or any additional issuance of new investment units in the future.</li> </ul>
Surplus cash distributions per unit	<ul style="list-style-type: none"> <li>• Surplus cash distributions per unit are calculated based on the fund distribution policy in the NPR's Articles of Incorporation.</li> <li>• It is assumed that surplus cash distributions in the fiscal period ending May 31, 2021 will be 1,907 million yen, calculated by summing the amount of the regular surplus cash distributions and the one-time surplus cash distributions. The regular surplus cash distributions will be equivalent to approximately 28.5% of depreciation expenses for the fiscal period, and the one-time surplus cash distributions will be the total amount equivalent to the Extraordinary Losses in the 17th Fiscal Period and temporary diluted distributions due to the issuance of new investments units. It is also assumed that the regular surplus cash distributions in the fiscal period ending Nov. 30, 2021 will be equivalent to approximately 28.5% of depreciation expenses for the fiscal period, which is assumed to be 1,714 million yen.</li> <li>• As a result, it is estimated that surplus cash distributions per unit in the fiscal period ending May 31, 2021 will be 739 yen; 643 yen from regular surplus cash distributions, 96 yen from one-time surplus cash distributions and the surplus cash distributions (regular surplus cash distributions) per unit in the fiscal period ending Nov. 30, 2021 will be 664 yen.</li> <li>• NPR intends to continually pay surplus cash distributions for each fiscal period, in principle, and the maximum payable surplus cash distributions amount is 60% of depreciation expenses during the applicable fiscal period.</li> <li>• NPR intends to distribute approximately 30% of depreciation expense for an applicable accounting period as Regular surplus cash distributions generally. The amount will be determined based on a holistic consideration of various factors such as NPR's financial condition, etc. 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 financial conditions, as well as, macroeconomic real estate market conditions.</li> <li>• 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 certain inevitable and one-time events, 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 applicable fiscal period generally.</li> <li>• In addition, NPR may conduct surplus cash distributions in case of Allowance for Temporary Difference Adjustments according to laws and regulations (including rules stipulated by the Investment Trusts Association, Japan), in addition to distributions of regular surplus cash distributions and one-time surplus cash distributions.</li> </ul>
Others	<ul style="list-style-type: none"> <li>• 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.</li> <li>• It is assumed that no unexpected material change will arise in overall economic trends and real estate market conditions.</li> <li>• It is assumed that the spread of COVID-19 will neither continue for a significantly long period of time nor further significantly expand.</li> </ul>

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【Attachment 2】

(Reference) Constructed Financial Performance Model: Adjusted Net Income

	Adjusted Net Income Based on Forecast as Announced on July 22, 2020	Adjusted Net Income Based on Revised Forecast as Announced on January 20, 2021
Operating revenues	23,269 million yen	25,243 million yen
Operating income	10,797 million yen	11,646 million yen
Ordinary income	9,917 million yen	10,738 million yen
Net income	9,916 million yen	10,737 million yen
Number of investment units outstanding	2,465,850 units	2,581,850 units
Distributions per unit (including surplus cash distributions)	4,655 yen	4,822 yen
Distributions per unit (excluding surplus cash distributions)	4,022 yen	4,159 yen
Surplus cash distributions per unit	633 yen	663 yen

<Assumptions for calculating Adjusted Net Income Based on Forecast as Announced on July 22, 2020>

The following adjustments and assumptions are made based on the forecast for the fiscal period ending May 31, 2021, as of July 22, 2020, without taking into account the Offerings, the acquisition of the New Properties and other items:

- The total amount of property tax and city planning tax for the Acquisitions in the 15th Fiscal Period is assumed to be 31 million yen as operating rental expense for the fiscal period ending May 31, 2021.
- Operating rental revenues and operating rental expenses of PP Iwanuma, of which the building and other ancillary facilities excluding the land in trust were burned down due to the Fire, are excluded from the calculation.
- The various expenses related to the Fire and the profit insurance income which NPR will receive from the profit insurance insured on PP Iwanuma are excluded from the calculation.
- 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 deducted from operating expenses.
- Considering the adjustment mentioned above, one-time surplus cash distribution is excluded.

<Assumptions for calculating Adjusted Net Income Based on Revised Forecast as Announced on January 20, 2021>

The following adjustments and assumptions are made based on the forecast for the fiscal period ending May 31, 2021, as of today, taking into account the Offerings, the acquisition of the New Properties and other items:

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- Operating rental revenues and operating rental expenses (including depreciation) of 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, 2021.
- The total amount of property tax and city planning tax for the Acquisitions in the 15th Fiscal Period is assumed to be 31 million yen, and that of the New Properties is assumed to be 182 million yen, respectively, as operating rental expense for the fiscal period ending May 31, 2021.
- Expenses related to the issuance of new investment units and debt-related costs of 116 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 New Properties, are added to non-operating expenses.
- Operating rental revenues and operating rental expenses of PP Iwanuma, of which the building and other ancillary facilities excluding the land in trust were burned down due to the Fire, are excluded from the calculation.
- The various expenses related to the Fire and the profit insurance income which NPR will receive from the profit insurance insured on PP Iwanuma are excluded from the calculation.
- 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, 2021, and other specific fiscal period may differ significantly from Adjusted Net Income Based on Revised Forecast as announced on January 20, 2021.

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