

FOR IMMEDIATE RELEASE

Notice Regarding Debt Financing and Completion of Interest Rate Swap Agreement

Nippon Prologis REIT, Inc. (“NPR”) today announced that it will obtain debt financing (“Borrowing A” and “Borrowing B”) and has executed an interest rate swap agreement for Borrowing B.

Basic terms of the subject borrowings are summarized below:

I. Summary of Borrowings

A) Borrowing A

① Overview of Borrowing A

Category	Lenders	Borrowing Amount	Interest Rate (Note 1) (Note 2)	Borrowing Date	Borrowing Method	Repayment Date (Note 3)	Repayment Method (Note 4)	Collateral
Short-term	Sumitomo Mitsui Banking Corporation	4.55 billion Yen	Base interest rate (JBA 1-month Japanese yen TIBOR) +0.17%	December 3, 2018	Borrowing based on an individual term loan agreement dated November 29, 2018, with the lenders shown on the left	November 29, 2019	Paid in full upon maturity	Unsecured and non-guaranteed
	MUFG Bank, Ltd.	1.95 billion Yen						

Notes:

- The first interest payment date is the last day of December 2018 and thereafter the interest payment date will be the last day of every month until and including the repayment date. An interest payment date that falls on a non-business day will be moved to the following business day or to the preceding business day if the following business day carries over to the next month.
- The base interest rate refers to the Japanese yen Tokyo Interbank Offered Rate (TIBOR) for one-month deposits announced by the JBA TIBOR Association (a general incorporated association) two business days prior to the interest payment date for the immediately preceding interest calculation period. The base interest rate will be revised on each interest payment date. However, if there is no corresponding to the interest calculation period of such deposits, the base interest rate defined in the loan agreements will be applied according to the terms and conditions of the loan agreement.
Please refer to the JBA TIBOR Association’s website (<http://www.jbatibor.or.jp/english/>) for changes in the JBA Japanese yen TIBOR.
- The repayment date will be the following business day if the date falls on a non-business day or the preceding business day if the date falls into the next month.
- Borrowing A will be repayable either in whole or in part prior to the maturity date if certain requirements, including the submission of our prior written notice to the lenders, are satisfied.

② Reasons for Borrowing A

Borrowing A will be made for funding the acquisition cost of Prologis Park Tsukuba 1-A and related

expenses, which was previously described in the press releases “Nippon Prologis REIT Announces Acquisition of Domestic Real Estate Trust Beneficiary Interests and Lease Contract with New Tenants” dated Feb. 26, 2018 and “Notice Regarding Acquisition of Domestic Real Estate Trust Beneficiary Interests (Determination of Acquisition Price for Prologis Park Tsukuba 1-A)” dated Nov. 22, 2018.

(Note) For details of properties to be acquired, such as an acquisition price, please refer to the press releases “Nippon Prologis REIT Announces Acquisition of Domestic Real Estate Trust Beneficiary Interests and Lease Contract with New Tenants” and “Notice Regarding Acquisition of Domestic Real Estate Trust Beneficiary Interests (Determination of Acquisition Price for Prologis Park Tsukuba 1-A).”

③ Total Amount, Use of Proceeds and Scheduled Outlay Date of Borrowing A

(1) Total amount: 6.5 billion yen

(2) Use of Proceeds: To be allocated to an acquisition cost of Prologis Park Tsukuba 1-A and related expenses

(3) Scheduled outlay date: December 3, 2018

B) Borrowing B

① Overview of Borrowing B

Category	Lender	Borrowing Amount	Interest Rate (Note 2) (Note 3) (Note 4)	Borrowing Date	Borrowing Method	Repayment Date (Note 5)	Repayment Method (Note 6)	Collateral
Long-term	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation and MUFG Bank, Ltd. (Note 1)	6.4 billion Yen	Base interest rate (JBA 1-month Japanese yen TIBOR) +0.25%	December 3, 2018	Borrowing based on individual term loan agreements dated November 29, 2018, with the lenders shown on the left	December 30, 2026	Paid in full upon maturity	Unsecured and non-guaranteed

Notes:

- The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Sumitomo Trust Bank, Limited, Mizuho Bank, Ltd., Development Bank of Japan Inc., Resona Bank, Limited and The Norinchukin Bank.
- The interest rate does not include financing-related costs to be paid to the financial institutions.
- The first interest payment date is the last day of December 2018 and thereafter the interest payment date will be the last day of every month until and including the repayment date. An interest payment date that falls on a non-business day will be moved to the following business day or to the preceding business day if the following business day carries over to the next month.
- The base interest rate refers to the Japanese yen Tokyo Interbank Offered Rate (“TIBOR”) for one-month deposits announced by the JBA TIBOR Association (General Incorporated Association) two business days before the interest payment date for the immediately preceding interest calculation period. The base interest rate will be revised on each interest payment date. However, if there is no corresponding to the interest calculation period of such deposits, the base interest rate defined in the loan agreements will be applied according to the terms and conditions of the loan agreements.
Please refer to the JBA TIBOR Association’s website (<http://www.jbatibor.or.jp/english/>) for information about changes in the JBA Japanese yen TIBOR.
- The repayment date will be the following business day if the date falls on a non-business day or the preceding business day if the date falls into the next month.
- Borrowing B will be repayable either in whole or in part prior to the maturity date if certain requirements, including the submission of our prior written notice to the lenders, are satisfied.

② Reasons for Borrowing B

Borrowing B will be made for the refinancing of existing long-term borrowings (total borrowing amount: 6.4 billion yen) with a repayment date of Dec. 3, 2018 (Note).

(Note) Please refer to the press release "Notice Concerning Debt Financing" dated Nov. 28, 2013, for details of the subject repayment.

③ Total Amount, Use of Proceeds and Scheduled Outlay Date of the Borrowing B

- (1) Total amount: 6.4 billion yen
- (2) Use of Proceeds: To be allocated to the refinancing of existing long-term borrowings described above ②
- (3) Scheduled outlay date: December 3, 2018

C) Outstanding Loan Balance after Borrowing A and Borrowing B

(Unit: Millions of yen)

	Before Borrowing	After Borrowing	Variance
Short-Term Loan (Note 1)	0	6,500	+6,500
Long-Term Loan (Note 1)	193,000	193,000	0
Total Loan Amount	193,000	199,500	+6,500
Investment Corporation Bonds	18,000	18,000	0
Total Interest-Bearing Debt	211,000	217,500	+6,500

(Note 1) Short-term loan refers to loans that are due within one year from the borrowing date, and long-term loan refers to loans due within a period longer than one year from the borrowing date.

(Note 2) In addition to the above, NPR maintains a commitment line of 20 billion yen with three banks; there is no outstanding loan balance under this commitment line.

II. Summary of Interest Rate Swap Agreement

A) Reason for the Execution of Interest Rate Swap Agreement

NPR has executed the interest rate swap agreement to hedge the risks of interest rate volatility by converting the floating interest rates payable to fixed interest rates for Borrowing B.

B) Interest Rate Swap Agreement for Borrowing B

1. Counterparty	Nomura Securities Co., Ltd.
2. Notional Amount	6.4 billion yen
3. Interest Rate	Fixed Interest Rate: 0.2638% Floating Interest Rate: JBA 1-month Japanese yen TIBOR
4. Trade Date	November 29, 2018
5. Effective Date	December 3, 2018
6. Termination Date	November 30, 2026
7. Interest Payment Date	The interest payment is set forth on the last day of December 2018 for the first time, subsequently on the last day of every month and the Termination Date, respectively (the repayment date will be the following business day if the date falls on a non-business day or the preceding business day if the date falls into the next month).

(Note) The subject interest rate swap agreement shall, in effect, fix the interest rate of the Borrowing B at 0.5138%.

III. Impact on Forecasts

There will be no changes to NPR's forecasts of results for the fiscal period ending Nov. 30, 2018 (from June 1, 2018, to Nov. 30, 2018) and the fiscal period ending May 31, 2019 (from Dec. 1, 2018, to May 31, 2019) which NPR announced on July 17, 2018, since the effects of Borrowing A and

Borrowing B are not material.

IV. Additional Information for Investors

There is no material change to the risks stated in “I Fund Information, 1. Fund Status, 3 Investment Risks” as noted in the securities report filed on Aug. 30, 2018 (Japanese only).

For more information about Nippon Prologis REIT, please visit:

<http://www.prologis-reit.co.jp/english/index.html>

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