

**FOR IMMEDIATE RELEASE**

**Notice Regarding Acquisition of Domestic Real Estate Trust Beneficiary Interests**  
*Determination of acquisition price for Prologis Park Tsukuba 1-A*

Nippon Prologis REIT, Inc. (“NPR”) today announced the final determination of the acquisition price for Prologis Park Tsukuba 1-A, 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 Feb. 26, 2018.

In addition, some details regarding the property have changed and, thus, revised from that press release dated Feb. 26, 2018. 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-15	Prologis Park Tsukuba 1-A	Tsukuba, Ibaraki	December 3, 2018	12,900	Tsukuba 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: Feb. 26, 2018
- (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 22 to 25 of the previous press release is partially changed and revised as follows (changes and revisions shaded):

(Before Changes and Revisions)

B-15 Prologis Park Tsukuba 1-A

Property name	Prologis Park Tsukuba 1-A	
Location	5-6-2, Tokodai, Tsukuba, Ibaraki	
Class of assets	Real estate trust beneficiary interests	
Acquisition date	Dec. 3, 2018	
Acquisition price	12,900 million yen (Note 1)	
Entrustment date	Acquisition date	
Trustee	Sumitomo Mitsui Trust Bank, Limited	
Trust maturity date	Dec. 31, 2038	
Land	Ownership form	Proprietary

(Note 2)	Land area	32,807.23 m <sup>2</sup>
	Zoning	Industrial zone
	BCR/FAR	60% / 200%
Building (Note 2)	Ownership form	Proprietary
	Gross floor area	70,354.31 m <sup>2</sup> (planned) (Note 3)
	Date of completion	Sep. 28, 2018 (scheduled) (Note 3) (Note 4)
	Purpose	Warehouse
	Structure/No. of stories	S, 4-story building (Scheduled)
	Property type	BTS
	Contractor	Nishimatsu Construction
	Environmental appraisal	—
Property manager		ProLogis K.K.
Master lessee		Prologis REIT Master Lease GK
Type of master lease		Pass-through
Collateral		None
Appraisal value		12,900 million yen
Real estate appraiser		Jones Lang LaSalle K.K.
Description of tenancy		
	Gross number of tenants	1
	Type of lease agreement	Fixed-term lease agreement
	Name of major tenant	START TODAY CO.,LTD.
	Annual rent	Not disclosed (Note 5)
	Security deposit	Not disclosed (Note 5)
	Leased area	65,168.84 m <sup>2</sup>
	Leasable area	65,168.84 m <sup>2</sup>
	Occupancy rate	100.0%
Extra description		<p>This property, under construction as of Feb. 26, 2018, is regarded (under the Building Standards Act) (Act No. 201 of 1950, as amended) as one building together with Prologis Park Tsukuba 1-B, which is expected to be constructed on an adjacent piece of land. Prologis Park Tsukuba 1-A is intended to be used in an integrated manner with Prologis Park Tsukuba 1-B. Thus, before acquiring this property, NPR will agree with the seller of Prologis Park Tsukuba 1-A, also the owner of the adjacent land and developer of Prologis Park Tsukuba 1-B, on shared use of passages and facilities, etc., and to establish a servitude, etc. for the purpose of mutual traffic on part of this property and the adjacent land.</p> <p>In addition, as this property is being constructed so as to constitute (under the Building Standards Act) a single building together with Prologis Park Tsukuba 1-B, which is scheduled to be built on an adjacent piece of land, the construction completion date of this property in which an inspection at completion based on the Building Standards Act is completed for the entire building will be after the completion of construction work for Prologis Park Tsukuba 1-B. The seller intends to begin use of this property before completion by receiving an approval of tentative use based on Article 7-6 of the Building Standards Act, which would allow for use prior to full completion and upon statutory inspection. NPR thus agrees with the seller on an acquisition of this property, subject to receipt of such approval of tentative use regarding this property.</p>

(Note 1) The sales and purchase agreement pertaining to this property stipulates that acquisition price of this properties 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 are acquired (the "Price Adjustment Clause"). Under the Price Adjustment Clause, it is stipulated that, in the event of any change in NCF of 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 "Reasons for Price Adjustment"), the transfer price of this property shall be increased or decreased, when NCF is increased or decreased, respectively, by a certain amount calculated based on a prescribed formula according to such change.

Based on that, the anticipated acquisition price of this property will be increased by an amount calculated according to the Price Adjustment Clause when NCF is increased because of any reason for Price Adjustment, while that will be decreased by an amount calculated according to the Price Adjustment Clause when NCF is decreased because of any reason for Price Adjustment. Therefore, the anticipated acquisition price stated in this press release may differ from the actual acquisition price of this property.

(Note 2) Although this property is being constructed so as to constitute (under the Building Standards Act) a single building together with Prologis Park Tsukuba 1-B, which is scheduled to be built on an adjacent piece of land, the information in "Land" and "Building" relates only to Prologis Park Tsukuba 1-A.

(Note 3) As this property is under construction as of Feb. 26, 2018, the gross floor area and date of construction may be changed later.

(Note 4) The date of completion as above represents the scheduled date of constructions works on this property, except Prologis Park Tsukuba 1-B, and differs from the date of construction of the entire building, including this property.

(Note 5) Not disclosed as the tenants' consent has not been obtained.

Summary of the appraisal report

Appraisal value	12,900 million yen
Real estate appraiser	Jones Lang LaSalle K.K.
Date of appraisal	Dec. 31, 2017

Item	Detail (million yen, unless otherwise indicated)	Outline
Income approach value	12,900	Assessed on the basis of the value derived by the DCF method, by reference to the value based on the direct capitalization method
Direct capitalization method	12,800	
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	Not disclosed (Note 1)	
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	624	
One-time investment gains	Not disclosed (Note 1)	
Capital expenditure	Not disclosed (Note 1)	
Net income	602	
Capitalization rate	4.7%	Assessed based on the transaction yields for similar properties
Discounted cash flow method	12,900	
Discount rate	4.5%	Assessed based on yields of financial assets, factors specific to the subject real estate and costs of capital equity, etc.
Terminal capitalization rate	4.9%	Assessed on the basis of capitalization rate, and based on the circumstances of the transaction market, adjacent areas, subject real estate and uncertainties in future forecast, etc.
Cost method	13,000	
Proportion of land	10.7%	
Proportion of building	89.3%	

(Note 1) Not disclosed because this information is either confidential for the benefit of lessees or could be used to

calculate confidential information. Disclosure of this information could disadvantage NPR by conflicting with confidentiality obligations and could also eventually harm our unitholders.

(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 works are 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-15 Prologis Park Tsukuba 1-A

Property name	Prologis Park Tsukuba 1-A	
Location	5-6-2, Tokodai, Tsukuba, Ibaraki 5-6-2, Tokodai, Tsukuba, Ibaraki	
Class of assets	Real estate trust beneficiary interests	
Acquisition date	Dec. 3, 2018	
Acquisition price	12,900 million yen (Note 1)	
Entrustment date	Acquisition date	
Trustee	Sumitomo Mitsui Trust Bank, Limited	
Trust maturity date	Dec. 31, 2038	
Land (Note 1)	Ownership form	Proprietary
	Land area	32,807.23 m <sup>2</sup>
	Zoning	Industrial zone
	BCR/FAR	60% / 200%
Building (Note 1)	Ownership form	Proprietary
	Gross floor area	65,301.41 m <sup>2</sup>
	Date of completion	Sep. 4, 2018 (Note 2)
	Purpose	Warehouse, Office
	Structure/No. of stories	S, 4-story building
	Property type	BTS
	Contractor	Nishimatsu Construction
Environmental appraisal	—	
Property manager	ProLogis K.K.	
Master lessee	Prologis REIT Master Lease GK	
Type of master lease	Pass-through	
Collateral	None	
Appraisal value	12,900 million yen	
Real estate appraiser	Jones Lang LaSalle K.K.	
Description of tenancy		
	Gross number of tenants	1
	Type of lease agreement	Fixed-term lease agreement
	Name of major tenant	ZOZO, Inc. (Note 3)
	Annual rent	Not disclosed (Note 4)
	Security deposit	Not disclosed (Note 4)
	Leased area	65,168.90 m <sup>2</sup>
	Leasable area	65,168.90 m <sup>2</sup>
	Occupancy rate	100.0%
Extra description	This property is scheduled to be construed (under the Building Standards Act) (Act No. 201 of 1950, as amended) as one building together with Prologis Park Tsukuba 1-B, which is currently under construction on an adjacent land site. Prologis Park Tsukuba 1-A is	

	<p>intended to be used in an integrated manner with Prologis Park Tsukuba 1-B. Therefore, NPR has, before acquiring this property, agreed with the seller of Prologis Park Tsukuba 1-A, who is also the owner of the adjacent land site and developer of Prologis Park Tsukuba 1-B, on shared use of passages and facilities, etc., and to establish a servitude for the purpose of mutual traffic, etc. on part of this property and the adjacent land site.</p> <p>In addition, as this property is constructed so as to constitute (under the Building Standards Act) a single building together with Prologis Park Tsukuba 1-B, which is being built on an adjacent piece of land, the construction completion date of this property in which a statutory inspection at completion based on the Building Standards Act is consummated for the entire building will be after the completion of construction work for Prologis Park Tsukuba 1-B. The seller has begun use of this property prior to completion by receiving an approval of tentative use based on Article 7-6 of the Building Standards Act, as well as the consummation of a statutory inspection.</p>
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(Note 1) Although Prologis Park Tsukuba 1-A is being constructed so as to constitute (under the Building Standards Act) a single building together with Prologis Park Tsukuba 1-B, which is being built on an adjacent of land site, the above information described as “Land” and “Building” relates only to Prologis Park Tsukuba 1-A.

(Note 2) The date of completion as above represents the scheduled date of constructions works on this property, except Prologis Park Tsukuba 1-B, and differs from the date of construction of the entire building including this property.

(Note 3) “Start Today Co., Ltd.” has changed its name to “ZOZO, Inc.” effective on October 1, 2018.

(Note 4) Not disclosed as the tenants’ consent has not been obtained.

Summary of the appraisal report

Appraisal value	12,900 million yen
Real estate appraiser	Jones Lang LaSalle K.K.
Date of appraisal	Sep. 30, 2018

Item	Detail (million yen, unless otherwise indicated)	Outline
Income approach value	12,900	Assessed on the basis of the value derived by the DCF method, by reference to the value based on the direct capitalization method
Direct capitalization method	12,800	
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	Not disclosed (Note 1)	
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	622	
One-time investment gains	Not disclosed (Note 1)	
Capital expenditure	Not disclosed (Note 1)	
Net income	600	
Capitalization rate	4.7%	Assessed based on the transaction yields for similar properties
Discounted cash flow method	12,900	
Discount rate	4.5%	Assessed based on yields of financial assets, factors specific to the subject real estate and costs of capital equity, etc.
Terminal capitalization rate	4.9%	Assessed on the basis of capitalization rate, and based on the circumstances of the transaction market, adjacent areas, subject real estate and uncertainties in future forecast, etc.
Cost method	13,500	
Proportion of land	10.5%	
Proportion of building	89.5%	

(Note 1) Not disclosed because this information is either confidential for the benefit of lessees or could be used to

calculate confidential information. Disclosure of this information could disadvantage NPR by conflicting with confidentiality obligations and could also eventually harm our unitholders.

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 Tsukuba 1-A has been reflected in NPR's forecasts of results for the fiscal period ending May 31, 2019 (from Dec. 1, 2018 to May 31, 2019) which NPR announced on July 17, 2018, and therefore, there is no change to the forecast.

For more information about Nippon Prologis REIT, please visit:

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

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<APPENDIX>

Appendix 1 Summary of the Appraisal Reports

Appendix 2 Surrounding Area Map and Exterior Property Photograph

## &lt;APPENDIX&gt;

## Appendix 1 Summary of the Appraisal Reports

Property Number	Property Name	Appraiser	Appraisal Date	Appraisal Value (Yen in millions)	Direct Capitalization Method		Discounted Cash Flow Method		
					Estimated Value (Yen in millions)	Capitalization Rate (%)	Estimated Value (Yen in millions)	Discount Rate (%)	Terminal Capitalization Rate (%)
Current Properties									
M-01	Prologis Park Ichikawa 1	Jones Lang Lasalle K.K.	May 31, 2018	43,700	44,300	4.0	43,700	3.8	4.2
M-02	Prologis Park Zama 1	Jones Lang Lasalle K.K.	May 31, 2018	33,500	34,000	4.3	33,500	4.1	4.5
M-03	Prologis Park Kawajima	Jones Lang Lasalle K.K.	May 31, 2018	32,800	33,200	4.6	32,800	4.4	4.8
M-04	Prologis Park Osaka2	CBRE K.K.	May 31, 2018	31,700	31,600	4.4	31,700	4.2	4.5
M-05	Prologis Park Maishima 3	CBRE K.K.	May 31, 2018	15,500	15,600	4.5	15,500	4.3	4.6
M-06	Prologis Park Kasugai	CBRE K.K.	May 31, 2018	17,000	17,200	4.8	17,000	4.6	4.9
M-07	Prologis Park Kitanagoya	CBRE K.K.	May 31, 2018	8,960	9,260	4.5	8,960	4.4	4.7
M-09	Prologis Park Tokyo-Ohta	Jones Lang Lasalle K.K.	May 31, 2018	36,500	37,200	3.8	36,500	3.6	4.0
M-10	Prologis Park Zama 2	Jones Lang Lasalle K.K.	May 31, 2018	28,200	28,600	4.3	28,200	4.1	4.5
M-11	Prologis Park Funabashi 5 (Annex)	Jones Lang Lasalle K.K.	May 31, 2018	13,700	13,800	4.2	13,700	4.0	4.4
M-12	Prologis Park Narita 1-A&B	Japan Real Estate Institute	May 31, 2018	10,300	10,300	4.9	10,200	4.6	5.1
M-13	Prologis Park Narita 1-C	Japan Real Estate Institute	May 31, 2018	5,890	5,920	4.9	5,850	4.6	5.1
M-14	Prologis Park Amagasaki 1	Japan Real Estate Institute	May 31, 2018	20,700	20,800	4.6	20,500	4.3	4.7
M-15	Prologis Park Amagasaki 2	Japan Real Estate Institute	May 31, 2018	21,800	21,800	4.6	21,700	4.3	4.7
M-16	Prologis Park Tokyo-Shinkiba	CBRE K.K.	May 31, 2018	17,000	16,900	3.8	17,000	3.6	3.9
M-17	Prologis Park Yokohama-Tsurumi	CBRE K.K.	May 31, 2018	17,300	17,500	4.1	17,300	3.9	4.2
M-18	Prologis Park Osaka 4	CBRE K.K.	May 31, 2018	25,000	24,900	4.4	25,000	4.2	4.5
M-19	Prologis Park Iwanuma 1	CBRE K.K.	May 31, 2018	7,320	7,340	5.0	7,320	4.8	5.1
M-20	Prologis Park Kawajima 2	Jones Lang Lasalle K.K.	May 31, 2018	9,480	9,560	4.6	9,480	4.4	4.8
M-21	Prologis Park Kitamoto	Japan Real Estate Institute	May 31, 2018	13,800	13,800	4.7	13,700	4.4	4.9
M-22	Prologis Park Joso	Jones Lang Lasalle K.K.	May 31, 2018	7,560	7,660	4.7	7,560	4.5	4.9

Property Number	Property Name	Appraiser	Appraisal Date	Appraisal Value (Yen in millions)	Direct Capitalization Method		Discounted Cash Flow Method		
					Estimated Value (Yen in millions)	Capitalization Rate (%)	Estimated Value (Yen in millions)	Discount Rate (%)	Terminal Capitalization Rate (%)
M-23	Prologis Park Osaka 5	Jones Lang Lasalle K.K.	May 31, 2018	18,500	18,600	4.5	18,500	4.3	4.7
M-24	Prologis Park Narita 3	Japan Real Estate Institute	May 31, 2018	10,300	10,400	4.7	10,100	4.5	4.9
M-25	Prologis Park Narashino 5	CBRE K.K.	May 31, 2018	14,200	14,200	4.2	14,200	4.0	4.3
M-26	Prologis Park Ibaraki	CBRE K.K.	May 31, 2018	40,600	39,800	4.2	40,600	4.0	4.3
M-27	Prologis Park Ichikawa 3	Jones Lang Lasalle K.K.	May 31, 2018	17,300	17,300	4.0	17,300	3.8	4.2
M-28	Prologis Park Narita 1-D	Japan Real Estate Institute	May 31, 2018	5,340	5,370	4.9	5,310	4.6	5.1
M-29	Prologis Park Yoshimi	Jones Lang Lasalle K.K.	May 31, 2018	21,400	21,400	4.6	21,400	4.4	4.8
B-02	Prologis Park Takatsuki	Jones Lang Lasalle K.K.	May 31, 2018	5,250	5,310	4.7	5,250	4.4	4.8
B-03	Prologis Park Tosu 2	CBRE K.K.	May 31, 2018	3,850	3,830	4.7	3,850	4.4	4.8
B-04	Prologis Park Tosu 4	CBRE K.K.	May 31, 2018	4,770	4,870	4.7	4,770	4.4	4.8
B-05	Prologis Park Narashino 4	CBRE K.K.	May 31, 2018	25,200	25,200	4.1	25,200	3.9	4.2
B-06	Prologis Park Ebina	CBRE K.K.	May 31, 2018	10,300	10,300	4.2	10,300	4.0	4.3
B-07	Prologis Park Kawanishi	Jones Lang Lasalle K.K.	May 31, 2018	14,800	14,900	4.6	14,800	4.4	4.9
B-08	Prologis Park Amagasaki 3	Japan Real Estate Institute	May 31, 2018	10,300	10,400	4.4	10,200	4.2	4.6
B-09	Prologis Park Kobe	Japan Real Estate Institute	May 31, 2018	7,340	7,390	4.8	7,280	4.6	5.1
B-10	Prologis Park Sendai Izumi	Japan Real Estate Institute	May 31, 2018	5,290	5,320	5.1	5,250	4.9	5.5
B-11	Prologis Park Koga 1	Japan Real Estate Institute	May 31, 2018	8,400	8,450	4.8	8,340	4.5	5.0
B-12	Prologis Park Kobe 2	Japan Real Estate Institute	May 31, 2018	14,400	14,400	4.8	14,400	4.6	5.1
B-13	Prologis Park Koga 2	Japan Real Estate Institute	May 31, 2018	4,010	4,040	4.8	3,980	4.5	5.0
B-14	Prologis Park Koga 3	Japan Real Estate Institute	Jul. 31, 2018	5,440	5,480	4.8	5,390	4.5	5.0
Subtotal				664,700	668,200	—	663,590	—	—
Anticipated Acquisitions									
B-15	Prologis Park Tsukuba 1-A	Jones Lang Lasalle K.K.	Sep 30, 2018	12,900	12,800	4.7	12,900	4.5	4.9
Total				677,600	681,000	—	676,490	—	—

Appendix 2 Surrounding Area Map and Exterior Property Photograph

B-15 Prologis Park Tsukuba 1-A

