

FOR IMMEDIATE RELEASE
**Notice Regarding Acquisition of Domestic Real Estate Trust Beneficiary Interests
 (Determination of Acquisition Price for Prologis Park Koga 3)**

Nippon Prologis REIT, Inc. (“NPR”) today announced the final determination of the acquisition price for Prologis Park Koga 3, as shown below, which was 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, regarding the property, some details are changed and revised from that press release dated Feb. 26, 2018. The changes of details 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-14	Prologis Park Koga 3	Koga, Ibaraki	October 1, 2018	5,440	Gassan 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 sales and purchase contract: 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 as soon as 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 18 to 21 of the previous press release is partially changed and revised as follows (changes and revisions shaded).

(Before Changes and Revisions)

B-14 Prologis Park Koga 3

Property name	Prologis Park Koga 3	
Location	8-14, Kita-tone, Koga, Ibaraki	
Class of assets	Real estate trust beneficiary interests	
Acquisition date	Oct. 1, 2018	
Acquisition price	5,440 million yen (Note 1)	
Entrustment date	Acquisition date	
Trustee	Mitsubishi UFJ Trust and Banking Corporation	
Trust maturity date	Corresponding date of the acquisition date in 20 years	
Land	Ownership form	Proprietary

	Land area	34,916.92 m ²
	Zoning	Industrial zone
	BCR/FAR	60% / 200%
Building	Ownership form	Proprietary
	Gross floor area	31,255.64 m ² (planned) (Note 2)
	Date of construction	Jul. 31, 2018 (scheduled) (Note 2)
	Purpose	Warehouse
	Structure/No. of stories	RC, 2-story building (planned)
	Property type	BTS
	Contractor	Fujita Corporation
	Environmental appraisal	—
Property manager		K.K. Prologis
Master lessee		Prologis REIT Master Lease GK
Type of master lease		Pass-through
Collateral		None
Appraisal value		5,440 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	SENKO Co., Ltd.
	Annual rent	Not disclosed (Note 3)
	Security deposit	Not disclosed (Note 3)
	Leased area	29,196.84 m ²
	Leasable area	29,196.84 m ²
	Occupancy rate	100.0%
Extra description	<p>Soil contamination (lead exceeding the specified standard) was confirmed in the subject land, and the area surrounding which is designated as an Area for which Changes to Form or Nature Require Notification, etc. as provided in Article 11 (1) of the Soil Contamination Countermeasures Act (Act No. 53 of 2002, as amended) (special areas with soil contamination coming from nature). To acquire this property, NPR contracted Earth-Appraisal Co., Ltd. to perform a soil contamination risk survey; feedback stated: "The construction of proper countermeasures, in accordance with laws and regulations, is planned to contain the contaminated soil that includes lead believed to arise from natural causes and exceeding the specified standard and seeped out through piling works, etc. under the earth floor. These countermeasures are also planned to prevent such contained soil from reaching the groundwater level. In addition, moisture-proof sheets are to be placed on the top and bottom surfaces of the contaminated soil to prevent infiltration during rainfall and to clarify the borders with non-contaminated soil. Therefore, it is expected that it will not be likely that the contaminated soil with lead exceeding the specified standard will affect the subject land and surrounding areas or will cause health damage. It is not likely that any use of the subject land as it stands causes a problem."</p>	

(Note 1) The sales 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 "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) As this property is under construction as of Feb. 26, 2018, the Gross floor area and Date are subject to change.

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

Summary of the appraisal report

Appraisal value	5,440 million yen
Real estate appraiser	Japan Real Estate Institute
Date of appraisal	Dec. 31, 2017

Item	Detail (million yen, unless otherwise indicated)	Outline
Income approach value	5,440	Assessed by correlating the price based on the direct capitalization method with the price based on the DCF method
Direct capitalization method	5,480	
Operating revenues	Not disclosed (Note 1)	
Total potential revenue	Not disclosed (Note 1)	
Loss such as vacancy	-	Not assessed because the long- and fixed-term lease agreement on the entire building is executed
Operating expenses	Not disclosed (Note 1)	
Maintenance costs	Not disclosed (Note 1)	
Property management fees	Not disclosed (Note 1)	
Utilities costs	-	Not recorded since the costs are borne by the lessee
Repair costs	Not disclosed (Note 1)	
Tenant solicitation expenses	-	Not assessed because the long- and fixed-term lease agreement on the entire building is executed
Property taxes	Not disclosed (Note 1)	
Non-life insurance Premiums	Not disclosed (Note 1)	
Other expenses	Not disclosed (Note 1)	
Net operating income	269	
One-time investment gains	Not disclosed (Note 1)	
Capital expenditure	Not disclosed (Note 1)	
Net income	263	
Capitalization rate	4.8%	Assessed by taking into account the factors specific to the subject real estate, future uncertainties and transaction yields for similar properties
Discounted cash flow method	5,400	
Discount rate	4.5%	Assessed by reference to the investment yield for similar properties' transactions, and by taking into account the factors specific to the subject real estate
Terminal capitalization rate	5.0%	Assessed by reference to transaction yields for similar properties, and by taking into account the future forecast, etc.
Cost method	5,360	

Proportion of land	25.3%
Proportion of building	74.7%

(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 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
---	-----

(After Change and Revision)

B-14 Prologis Park Koga 3

Property name	Prologis Park Koga 3	
Location	8-14, Kita-tone, Koga, Ibaraki 8-14, Kita-tone, Koga, Ibaraki	
Class of assets	Real estate trust beneficiary interests	
Acquisition date	Oct. 1, 2018	
Acquisition price	5,440 million yen	
Entrustment date	Acquisition date	
Trustee	Mitsubishi UFJ Trust and Banking Corporation	
Trust maturity date	Corresponding date of the acquisition date in 20 years	
Land	Ownership form	Proprietary
	Land area	34,916.92 m ²
	Zoning	Industrial zone
	BCR/FAR	60% / 200%
Building	Ownership form	Proprietary
	Gross floor area	29,228.86 m ²
	Date of construction	Jun. 27, 2018
	Purpose	Warehouse, Office
	Structure/No. of stories	SRC, 2-story building
	Property type	BTS
	Contractor	Fujita Corporation
Environmental appraisal	—	
Property manager	K.K. Prologis	
Master lessee	Prologis REIT Master Lease GK	
Type of master lease	Pass-through	
Collateral	None	
Appraisal value	5,440 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	SENKO Co., Ltd.
	Annual rent	Not disclosed (Note 1)
	Security deposit	Not disclosed (Note 1)
	Leased area	29,196.84 m ²
	Leasable area	29,196.84 m ²
	Occupancy rate	100.0%
Extra description	Soil contamination (lead exceeding the specified standard) was	

	<p>confirmed in the subject land, and the area surrounding which is designated as an Area for which Changes to Form or Nature Require Notification, etc. as provided in Article 11 (1) of the Soil Contamination Countermeasures Act (Act No. 53 of 2002, as amended) (special areas with soil contamination coming from nature). To acquire this property, NPR contracted Earth-Appraisal Co., Ltd. to perform a soil contamination risk survey; feedback stated: "The construction of proper countermeasures, in accordance with laws and regulations, is planned to contain the contaminated soil that includes lead believed to arise from natural causes and exceeding the specified standard and seeped out through piling works, etc. under the earth floor. These countermeasures are also planned to prevent such contained soil from reaching the groundwater level. In addition, moisture-proof sheets are to be placed on the top and bottom surfaces of the contaminated soil to prevent infiltration during rainfall and to clarify the borders with non-contaminated soil. Therefore, it is expected that it will not be likely that the contaminated soil with lead exceeding the specified standard will affect the subject land and surrounding areas or will cause health damage. It is not likely that any use of the subject land as it stands causes a problem."</p>
--	--

(Note 1) Not disclosed as the tenants' consent has not been obtained.

Summary of the appraisal report

Appraisal value	5,440 million yen
Real estate appraiser	Japan Real Estate Institute
Date of appraisal	Jul. 31, 2018

Item	Detail (million yen, unless otherwise indicated)	Outline
Income approach value	5,440	Assessed by correlating the price based on the direct capitalization method with the price based on the DCF method
Direct capitalization method	5,480	
Operating revenues	Not disclosed (Note 1)	
Total potential revenue	Not disclosed (Note 1)	
Loss such as vacancy	-	Not assessed because the long- and fixed-term lease agreement on the entire building is executed
Operating expenses	Not disclosed (Note 1)	
Maintenance costs	Not disclosed (Note 1)	
Property management fees		
Utilities costs	-	Not recorded since the costs are borne by the lessee
Repair costs	Not disclosed (Note 1)	
Tenant solicitation expenses	-	Not assessed because the long- and fixed-term lease agreement on the entire building is executed
Property taxes	Not disclosed (Note 1)	
Non-life insurance Premiums	Not disclosed (Note 1)	
Other expenses	Not disclosed (Note 1)	
Net operating income	269	
One-time investment gains	Not disclosed (Note 1)	
Capital expenditure	Not disclosed (Note 1)	
Net income	262	
Capitalization rate	4.8%	Assessed by taking into account the factors specific to the subject real estate, future uncertainties and transaction yields for similar properties
Discounted cash flow method	5,390	
Discount rate	4.5%	Assessed by reference to the investment yield for similar properties' transactions, and by taking into account the factors specific to the subject real estate
Terminal capitalization rate	5.0%	Assessed by reference to transaction yields for similar properties, and by taking into account the future forecast, etc.
Cost method	5,500	

Proportion of land	26.0%	
Proportion of building	74.0%	

(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
---	-----

3. Impact on Forecasts

As a result of the acquisition of the property, there is no change 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.

For more information about Nippon Prologis REIT, please visit:

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

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 Summary of the Appraisal Reports

Appendix 2 Surrounding Area Map and Exterior Property Photograph

<APPENDIX>

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
Subtotal				659,260	662,720	—	658,200	—	—
The New Properties									
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
Anticipated Acquisitions									

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 (%)
B-15	Prologis Park Tsukuba 1-A (Note)	Jones Lang Lasalle K.K.	May 31, 2018	12,900	12,800	4.7	12,900	4.5	4.9
Total				677,600	681,000	—	676,490	—	—

(Note) 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 blueprints as of the date of appraisal, and use and profits thereof are available, etc.

Appendix 2 Surrounding Area Map and Exterior Property Photograph

B-14 Prologis Park Koga 3

