

FOR IMMEDIATE RELEASE

Nippon Prologis REIT Announces Debt Financing, Completion of Interest Rate Swap Agreement and Prepayment of Bank Loans

Nippon Prologis REIT, Inc. (“NPR”) today announced that it will obtain debt financing (the “Borrowing”) and has executed an interest rate swap agreement for the Borrowing and will make a prepayment of bank loans.

The details are described below.

I. Borrowing Details

Category	Lender	Borrowing Amount	Interest Rate (Note 3) (Note 4)	Borrowing Date	Borrowing Method	Repayment Date (Note 7)	Repayment Method (Note 8)	Collateral
Short-term Borrowing	Sumitomo Mitsui Banking Corporation and MUFG Bank, Ltd.	7.3 billion Yen	Base interest rate (JBA 1-month Japanese yen TIBOR) +0.150% (Note 5)	December 13, 2021	Borrowing based on individual term loan agreements dated December 9, 2021, with the lenders shown on the left	December 13, 2022	Paid in full upon maturity	Unsecured and non-guaranteed
Long-term Borrowing (i)	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation and MUFG Bank, Ltd. (Note 1)	7.0 Billion Yen	Base interest rate (JBA 3-month Japanese yen TIBOR) +0.195% (Note 6)	December 13, 2021	Borrowing based on individual term loan agreements dated December 9, 2021, with the lenders shown on the left	December 13, 2027	Paid in full upon maturity	Unsecured and non-guaranteed
Long-term Borrowing (ii)	Syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation and MUFG Bank, Ltd. (Note 2)	7.0 Billion yen	Base interest rate (JBA 3-month Japanese yen TIBOR) +0.300% (Note 6)		Borrowing based on individual term loan agreements dated December 9, 2021, with the lenders shown on the left	December 12, 2031		

Notes:

- The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Mizuho Bank, Ltd., Development Bank of Japan Inc., Resona Bank, Limited., The Bank of Fukuoka, Ltd., The Nishi-Nippon City Bank, Ltd. and The 77 Bank, Ltd.
- The syndicate of lenders consists of Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Mizuho Bank, Ltd., Development Bank of Japan Inc., Resona Bank, Limited., The Nishi-Nippon City Bank, Ltd., The Iyo Bank Ltd., The Yamanashi Chuo Bank, Ltd. and The Bank of Yokohama, Ltd.
- The interest rate does not include financing-related costs to be paid to the financial institutions.
- The base interest rate refers to the Japanese yen Tokyo Interbank Offered Rate (“TIBOR”) for one-month and three-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 TIBOR 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 (<https://www.ibatibor.or.jp/english/>) for information about changes in the JBA Japanese yen TIBOR.
- The first interest payment date is December 30, 2021, 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 the preceding business day if the following business day carries over to the next month.

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6. The first interest payment date is February 28, 2022, and thereafter the interest payment date will be the last day of February, May, August and November 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.
7. The repayment date will be the following business day if the date falls on a non-business day, unless such day falls within the following month, in which case the repayment date will be the preceding business day.
8. We may repay the Borrowing either in whole or in part prior to the repayment date if certain requirements, including our advance written notice, are met.

II. Rationale:

The Borrowing will be made with the Offerings (Note 1) (on the business day following the payment date of the Offerings) for prepayment of the debt borrowed on December 1, 2021 (the “Bridge Loan”)(Note 2) for the purpose of funding a part of the acquisition costs and related expenses of the New Properties (Note 3). The prepayment will be made with the proceeds from the Offerings, the Borrowing and cash on hand.

(Note 1) 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 November 29, 2021 and “Nippon Prologis REIT Announces Board of Directors Decision Regarding the Pricing for the Issuance of New Investment Units (Green Equity Offering) and Secondary Offering of Investment Units” dated December 6, 2021 for details of the Offerings.

(Note 2) Please refer to the press release “Nippon Prologis REIT Announces Debt Financing” dated November 29, 2021, for details of the Bridge Loan.

(Note 3) 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 November 29, 2021, for details of the New Properties.

III. Total Amount, Purpose of Use and Scheduled Outlay Date of the Proceeds from the Offerings

- (1) Total amount: 21.3 billion yen in total
- (2) Purpose of use: Allocated to a part of repayment of the Bridge Loan and related expenses
- (3) Scheduled outlay date: December 13, 2021

IV. Summary of Interest Rate Swap Agreement

(1) Reasons 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 the Borrowing.

(2) Overview of Interest Rate Swap Agreements

Interest Rate Swap Agreement for the Long-term Borrowing (i)

1. Counterparty	Morgan Stanley MUFG Securities Co., Ltd.
2. Notional Amount	7.0 billion yen
3. Interest Rate	Fixed Interest Rate: 0.0967% Floating Interest Rate: JBA 3-month Japanese yen TIBOR
4. Trade Date	December 9, 2021
5. Effective Date	December 13, 2021
6. Termination Date	December 13, 2027
7. Interest Payment Date	The interest payment is set forth on February 28, 2022, for the first time, subsequently on the last day of February, May, August and November and the Termination Date, respectively (an interest payment date on a non-business day is moved to the following business day or the immediately preceding business day in case the following business day falls in the following month).

(Note) The subject interest rate swap agreement shall, in effect, fix the interest rate of the Long-term Borrowing (i) at 0.2917%.

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Interest Rate Swap Agreement for the Long-term Borrowing (ii)

1. Counterparty	Mizuho Securities Co., Ltd.
2. Notional Amount	7.0 billion yen
3. Interest Rate	Fixed Interest Rate: 0.1582% Floating Interest Rate: JBA 3-month Japanese yen TIBOR
4. Trade Date	December 9, 2021
5. Effective Date	December 13, 2021
6. Termination Date	December 12, 2031
7. Interest Payment Date	The interest payment is set forth on February 28, 2022, for the first time, subsequently on the last day of February, May, August and November and the Termination Date, respectively (an interest payment date on a non-business day is moved to the following business day or the immediately preceding business day in case the following business day falls in the following month).

(Note) The subject interest rate swap agreement shall, in effect, fix the interest rate of the Long-term Borrowing (ii) at 0.4582%.

V. Details of Bank Loans to be Prepaid

Lender	Borrowing Amount	Borrowing Date	Repayment Date	Repayment Method	Collateral
Sumitomo Mitsui Banking Corporation and MUFG Bank, Ltd.	57.1 billion Yen	December 1, 2021	December 1, 2022	Paid in full upon maturity	Unsecured and non-guaranteed

VI. Outstanding Interest-Bearing Debt after Borrowings

(Unit: Millions of yen)

	Before Borrowings	After Borrowings	Variance
Short-Term Loan (Note 1)	57,100	7,300	-49,800
Long-Term Loan (Note 1)	246,500	260,500	+14,000
Total Loan Amount	303,600	267,800	-35,800
Investment Corporation Bonds	36,000	36,000	0
Total Interest-Bearing Debt	339,600	303,800	-35,800

(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.

VII. 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 August 30, 2021 and "II Reference Information, 2. Supplementary Information on Reference Materials, 3 Investment Risks" of the Securities Registration Statement filed on November 29, 2021 (including the Amendment Statements filed on November 30, 2021 and December 6, 2021).

For more information about Nippon Prologis REIT, please visit:

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

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