

**FOR IMMEDIATE RELEASE**

**Nippon Prologis REIT Revises Forecast for Fiscal Periods  
 Ended November 30, 2022 and Ending May 31, 2023, and  
 Announces Forecast for Fiscal Period Ending November 30, 2023**

Nippon Prologis REIT, Inc. (“NPR”) today revised its forecast for the fiscal periods ended Nov. 30, 2022 (June 1, 2022 to Nov. 30, 2022) and ending May 31, 2023 (Dec. 1, 2022, to May 31, 2023), as noted in “SUMMARY OF FINANCIAL RESULTS (REIT) For the 19th Fiscal Period Ended May 31, 2022” dated July 15, 2022 (“SUMMARY OF FINANCIAL RESULTS (REIT) For the 19th Fiscal Period”), and announced its new forecast for the fiscal period ending Nov. 30, 2023 (June 1, 2023, to Nov. 30, 2023).

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 Ended Nov. 30, 2022, Ending May 31, 2023, and Nov. 30, 2023), etc. The forecast of the results for the fiscal period ending May 31, 2023, announced in SUMMARY OF FINANCIAL RESULTS (REIT) For the 19th Fiscal Period, requires a revision due to a change in the assumptions used to compute them. NPR is also announcing a new forecast of the results for the fiscal period ending Nov. 30, 2023, based on these assumptions.

In addition, along with the above, NPR is revising the forecast of the results for the fiscal period ended Nov. 30, 2022, announced in SUMMARY OF FINANCIAL RESULTS (REIT) For the 19th Fiscal Period, according to the results of NPR’s operation during the fiscal period ended Nov. 30, 2022.

2. Forecast Revisions for the Fiscal Periods Ended Nov. 30, 2022 and Ending May 31, 2023, and Forecast Announcement for the Fiscal Period Ending Nov. 30, 2023:

(1) Details of the results of the forecast revisions for the fiscal period ended Nov. 30, 2022 (20th Fiscal Period from June 1, 2022 to Nov. 30, 2022):

	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)	27,534	11,875	10,865	10,974	4,908	4,109	799
Revised forecast (B)	27,511	11,868	10,877	10,985	4,908	4,114	794

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Amount of increase/decrease (C) ((B) – (A))	▲ 22	▲ 6	11	11	0	5	▲ 5
Rate of increase/decrease ((C) / (A))	▲ 0.1%	▲ 0.1%	0.1%	0.1%	0.0%	0.1%	▲ 0.6%

(2) Details of the results of the forecast revisions for the fiscal period ending May 31, 2023

(21st Fiscal Period from Dec. 1, 2022, to May 31, 2023):

	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)	27,540	11,958	10,919	10,918	4,910	4,089	821
Revised forecast (B)	28,883	12,367	11,179	11,178	4,929	4,063	866
Amount of increase/decrease (C) ((B) – (A))	1,342	409	259	259	19	▲ 26	45
Rate of increase/decrease ((C) / (A))	4.9%	3.4%	2.4%	2.4%	0.4%	▲ 0.6%	5.5%

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(3) Details of the results of the forecast for the fiscal period ending Nov. 30, 2023  
(22nd Fiscal Period from June 1, 2023, to Nov. 30, 2023):

	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 22nd Fiscal Period	29,529	12,466	11,356	11,355	4,962	4,129	833

(Reference)

Fiscal period ended Nov. 30, 2022: number of investment units outstanding at the end of the period: 2,670,350 units; expected net income per unit: 4,113 yen

Fiscal period ending May 31, 2023: expected number of investment units outstanding at the end of the period: 2,750,750 units; expected net income per unit: 4,072 yen

Fiscal period ending Nov. 30, 2023: expected number of investment units outstanding at the end of the period: 2,750,750 units; expected net income per unit: 4,128 yen

Notes:

1. The above forecast (the "Forecast") is calculated based on the assumptions described in Attachment 1 "Forecast Assumptions for the Fiscal Periods Ended Nov. 30, 2022, Ending May 31, 2023, and Nov. 30, 2023". 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, 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>

Real Estate Investment Trust Securities Issuer: Nippon Prologis REIT, Inc. (Code 3283)

Tokyo Building 21F, 2-7-3, Marunouchi, Chiyoda-ku, Tokyo

Executive Director: Satoshi Yamaguchi

Asset Management Company: Prologis REIT Management K.K.

Representative: Representative Director and President/CEO Satoshi Yamaguchi

Inquiries: Director and Deputy President/CFO Atsushi Toda Tel: +81-3-6867-8585

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**【Attachment 1】**

**Forecast Assumptions for the Fiscal Periods Ended Nov. 30, 2022, Ending May 31, 2023, and Nov. 30, 2023**

Item	Assumption
Accounting period	<ul style="list-style-type: none"> <li>Fiscal period ended Nov. 30, 2022 (20th Fiscal Period) (from June 1, 2022, to Nov. 30, 2022) (183 days)</li> <li>Fiscal period ending May 31, 2023 (21st Fiscal Period) (from Dec. 1, 2022, to May 31, 2023) (182 days)</li> <li>Fiscal period ending Nov. 30, 2023 (22nd Fiscal Period) (from June 1, 2023, to Nov. 30, 2023) (183 days)</li> </ul>
Assets under management	<ul style="list-style-type: none"> <li>It is assumed that, in addition to the 55 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 through Nov. 30, 2023, other than the acquisition of Prologis Park Inagawa 1 (50% co-ownership interest), Prologis Park Kobe 3 and Prologis Park Ogori scheduled on Dec. 15, 2022 (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).</li> <li>Results may change due to the acquisition of new properties other than the above or the disposition of existing properties, etc.</li> </ul>
Investment units	<ul style="list-style-type: none"> <li>It is assumed that the number of units are 2,670,350 units for the fiscal period ended Nov. 30, 2022, based on the current outstanding and issued units as of today.</li> <li>It is assumed that the number of units will be 2,750,750 units for the fiscal periods ending May 31, 2023 and Nov. 30, 2023, based on the current outstanding and issued units as of today, to which the 76,570 units to be issued through the Offerings as well as the maximum 3,830 units to be issued through the Third-party Allotment as resolved at today’s NPR’s Board of Directors meeting will be added. 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.</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 303,800 million yen.</li> <li>It is assumed that NPR, along with the Offerings, will obtain new borrowings (the “Borrowings”) (details of the Borrowings will be announced once a decision is made) of 14,000 million yen on the anticipated acquisition date of the New Properties. As a result, the balance of NPR’s interest-bearing debt after the Borrowings is assumed to be 317,800 million yen.</li> <li>It is assumed that NPR will refinance all of the interest-bearing debt which become due or are to be redeemed by the end of the fiscal period ending Nov. 30, 2023.</li> <li>LTV was 37.9% as of May 31, 2022, and is estimated to be 37.9% after the Borrowings. For LTV calculation, please refer to the following formula:  LTV(%) = total interest-bearing debt / total assets ×100</li> <li>The amount of the Borrowings, the balance of NPR’s interest-bearing debt after the Borrowings and LTV after the Borrowings may vary due to the actual net proceeds from the Offerings and the actual amount of the Third-party Allotment.</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 27,511 million yen, 28,883 million yen and 29,529 million yen for the fiscal periods ended Nov. 30, 2022, ending May 31, 2023, and Nov. 30, 2023, respectively. The expected average occupancy rates of the properties in the portfolio are estimated to be 97.8%, 97.9% and 98.2% for the fiscal periods ended Nov. 30, 2022, ending May 31, 2023 and Nov. 30, 2023, 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 6,667 million yen, 7,105 million yen and 7,591 million yen for the fiscal periods ended Nov. 30, 2022, ending May 31, 2023, and Nov. 30, 2023, respectively.</li> </ul>

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	<ul style="list-style-type: none"> <li>• Depreciation expenses are calculated using the straight-line method in relation to the (anticipated) acquisition price including ancillary costs and are expected to be 6,565 million yen, 6,914 million yen and 6,954 million yen for the fiscal periods ended Nov. 30, 2022, ending May 31, 2023, and Nov. 30, 2023, respectively.</li> <li>• Upon the acquisition of the real estate, etc., property taxes and city planning taxes which settled with the seller of properties are included in the purchase price of properties. Therefore, such taxes for the New Properties will be expensed from the fiscal period ending May 31, 2023. The total amount of property taxes and city planning taxes included in the purchase price of the New Properties is assumed to be 11 million yen (equivalent to expenses for 17 days) for the fiscal period ending May 31, 2023. It is assumed that the property taxes and city planning taxes incurred on the new building of Prologis Park Iwanuma will be expensed from the fiscal period ending May 31, 2023.</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 that NPR will recognize 111 million yen as total expenses incurred in relation to the Offerings in the fiscal period ending May 31, 2023.</li> <li>• It is assumed that 3 million yen will be incurred in the fiscal period ending May 31, 2023, as debt-related expenses associated with the acquisition of the New Properties.</li> <li>• As for interest expenses and other debt-related costs, 987 million yen, 1,041 million yen and 1,075 million yen are expected to be incurred for the fiscal periods ended Nov. 30, 2022, ending May 31, 2023, and Nov. 30, 2023, respectively. The non-cash expenditure, which is included in debt-related expenses, is expected to be 219 million yen, 220 million yen and 208 million yen for the fiscal periods ended Nov. 30, 2022, ending May 31, 2023, and Nov. 30, 2023, respectively.</li> </ul>
Extraordinary income	<ul style="list-style-type: none"> <li>• It is assumed that the insurance payment from the profit insurance which is covering Prologis Park Iwanuma of 109 million yen shall be recorded as extraordinary income in the fiscal period ended Nov. 30, 2022.</li> </ul>
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 vary due to various causes, including 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 (regular surplus cash distributions) in the fiscal periods ended Nov. 30, 2022, ending May 31, 2023 and Nov. 30, 2023 will be 1,968 million yen, 2,074 million yen and 2,085 million yen, respectively, calculated based on the assumption that the surplus cash distributions will be equivalent to approximately 30% of depreciation expenses for the relevant fiscal period.</li> <li>• As for the fiscal periods ended Nov. 30, 2022, ending May 31, 2023 and Nov. 30, 2023, the distributions per unit (excluding surplus cash distributions) are anticipated to temporarily decrease due to temporary increases in operating expenses (primarily utility expenses). Thus, it is estimated that for the purpose of stabilizing distribution per unit, one-time surplus cash distributions of 152 million yen, 308 million yen and 206 million yen will be distributed for the fiscal periods ended Nov. 30, 2022, ending May 31, 2023 and Nov. 30, 2023, respectively.</li> <li>• As a result, it is estimated that surplus cash distributions per unit in the fiscal periods ended Nov. 30, 2022, ending May 31, 2023 and Nov. 30, 2023 will be 794 yen (regular surplus cash distributions of 737 yen and one-time surplus cash distributions of 57 yen), 866 yen (regular surplus cash distributions of 754 yen and one-time surplus cash distributions of 112 yen) and 833 yen (regular surplus cash distributions of 758 yen and one-time surplus cash distributions of 75 yen), respectively.</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</li> </ul>

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	<p>Exchange and rules of the Investment Trusts Association, Japan, etc.</p> <ul style="list-style-type: none"><li>• It is assumed that no unexpected material change will arise in overall economic trends and real estate market conditions.</li></ul>
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【Attachment 2】

(Reference) Constructed Financial Performance Model: Adjusted Financial Performance

	Adjusted Financial Performance Based on Forecast as Announced on July 15, 2022	Adjusted Financial Performance Based on Revised Forecast as Announced on Dec. 5, 2022
Operating revenues	27,540 million yen	28,974 million yen
Operating income	11,954 million yen	12,409 million yen
Ordinary income	10,915 million yen	11,331 million yen
Net income	10,914 million yen	11,330 million yen
Number of investment units outstanding	2,670,350 units	2,750,750 units
Distributions per unit (including surplus cash distributions)	4,909 yen	4,986 yen
Distributions per unit (excluding surplus cash distributions)	4,088 yen	4,119 yen
Surplus cash distributions per unit	821 yen	867 yen

<Assumptions for calculating Adjusted Financial Performance Based on Forecast as Announced on July 15, 2022>

The following adjustments and assumptions are made based on the forecast for the fiscal period ending May 31, 2023, as announced on July 15, 2022, without taking into account the Offerings, the acquisition of the New Properties and other items:

- The total amount of property taxes and city planning taxes incurred on the new building of Prologis Park Iwanuma is assumed to be 4 million yen, as operating rental expense for the fiscal period ending May 31, 2023.
- 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.

<Assumptions for calculating Adjusted Financial Performance Based on Revised Forecast as Announced on December 5, 2022>

The following adjustments and assumptions are made based on the forecast for the fiscal period ending May 31, 2023, as announced today, (see Attachment 1 for the Forecast Assumptions) taking into account the issuance of new investment units via the Offerings, the acquisition of the New Properties and other items:

- 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, 2023.
- The total amount of property taxes and city planning taxes for the New Properties and the new building of Prologis Park Iwanuma is assumed to be 16 million yen, as operating rental expense for the fiscal period

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ending May 31, 2023.

- Expenses related to the issuance of new investment units and debt-related costs of 114 million yen are excluded from non-operating expenses.
- Interest expenses and other debt-related costs, which may fluctuate due to adjustments of the operating period of the New Properties, are added to non-operating expenses.
- 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.

Please note that Adjusted Financial Performance is not intended to estimate the financial performance of certain specific fiscal periods. Accordingly, it cannot be regarded as a forecast for certain specific fiscal periods. Adjusted Financial Performance 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 Financial Performance 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, etc. for the fiscal period ending May 31, 2023, and other specific fiscal period may differ significantly from Adjusted Financial Performance Based on Revised Forecast as announced on Dec. 5, 2022.

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