

FOR IMMEDIATE RELEASE

Nippon Prologis REIT Announces Issuance of New Investment Units (Green Equity Offering) and Secondary Offering of Investment Units

Nippon Prologis REIT, Inc. (“NPR”) announced that its Board of Directors passed a resolution at a meeting held today regarding the issuance of new investment units as well as a secondary offering of units and issuance of new investment units through third-party allotment.

The issuance of new investment units through a public offering in Japan (the “Domestic Public Offering”) as well as international markets (the “International Offering”, and together with the Domestic Public Offering, the “Offerings”) shall be conducted as a green equity offering (Note).

(Note) For details of the green equity offering, please refer to the “<Reference> 4. Rationale of Green Equity Offering” described below.

1. Issuance of New Investment Units: Public Offering

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| (1) Number of investment units to be offered | 86,851 investment units of NPR (the “NPR Investment Units”), in total of (i) and (ii) below:
(i) 85,151 units to be underwritten and purchased by the Domestic Underwriters and the International Underwriters in the Domestic Public Offering and the International Offering as described in (6) (i) and (ii) below.
(ii) 1,700 units, the maximum number of the NPR Investment Units to be additionally issued subject to a purchase right granted to the International Underwriters in the International Offering as described in (6) (ii) below. |
| (2) Issue amount (amount to be paid) | To be determined
The issue amount (amount to be paid) shall be determined at a Board of Directors meeting to be held on a date between Thursday, May 25, 2023, and Tuesday, May 30, 2023 (the “Issue Price Determination Date”). The issue amount (amount to be paid) refers to the amount NPR shall receive from the Underwriters as described in (6) (ii) below as the payment proceeds per NPR Investment Unit. |
| (3) Net proceeds | To be determined |

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- (4) Issue price (offer price) To be determined
The issue price (offer price) shall be determined at the Board of Directors meeting held on the Issue Price Determination Date, taking into consideration the level of demand and other factors and using as a tentative price a figure obtained by multiplying a number from 0.90 to 1.00 by the amount calculated by deducting forecast distributions per unit (not including forecast surplus cash distributions) of 4,050 yen and forecast surplus cash distributions per unit of 876 yen, each for the fiscal period ending May 31, 2023, from the closing price for ordinary trading of the NPR Investment Units on Tokyo Stock Exchange Inc. (the “Tokyo Stock Exchange”) on the Issue Price Determination Date (in the event of no closing price on such date being available, the closing price on the preceding date) if the Issue Price Determination Date falls under any day from Thursday, May 25, 2023 to Monday, May 29, 2023, or by multiplying a number from 0.90 to 1.00 by the closing price for ordinary trading of the NPR Investment Units on the Tokyo Stock Exchange on the Issue Price Determination Date (in the event of no closing price on such date being available, the amount calculated by deducting the forecast distributions per unit and forecast surplus cash distributions per unit as above from the closing price on the preceding date) if the Issue Price Determination Date falls under Tuesday, May 30, 2023. Any fraction of one yen shall be rounded down to the nearest yen.
- (5) Total amount issued (total offer value) To be determined
- (6) Offering method All investment units shall be offered simultaneously in Japan and overseas (the Domestic Public Offering, the International Offering and the over-allotment secondary offering mentioned in “2. Secondary offering of investment units (secondary distribution via over-allotment)” shall be collectively referred to as the “Global Offerings”).
- (i) Domestic Public Offering
All investment units for the Domestic Public Offering shall be underwritten and purchased by domestic underwriters (collectively referred to as the “Domestic Underwriters”).
- (ii) International Offering
The International Offering shall be conducted in international markets, consisting mainly of the United States, European and Asian markets (provided, however, that the offering in the U.S. market shall be restricted to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act of 1933, as amended), and all investment units subject to the International Offering shall be purchased and underwritten severally and not jointly in the total amount by international underwriters (collectively referred to as the “International Underwriters” and together with the Domestic Underwriters, collectively referred to as the “Underwriters”). In addition, the International Underwriters will be granted a right to purchase the NPR Investment Units to be issued additionally as described in (1) (ii) above.
- (iii) The total number of units to be issued in the Offerings concerned shall be 86,851 units, consisting of 51,090 units for the Domestic Public Offering and 35,761 units for the International Offering (34,061 units to be underwritten and purchased by the International Underwriters and 1,700 units for which the right to purchase the NPR Investment Units to be issued additionally is granted), but the final breakdown shall be determined on the Issue Price Determination Date, taking into consideration the level of demand and other factors.

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- (7) Content of underwriting agreement The Underwriters shall pay NPR the net proceeds for the Offerings on the payment date stated below under (11), and the difference with the gross proceeds shall be the proceeds of the Underwriters. NPR shall not pay an underwriting fee to the Underwriters.
- (8) Unit of application One unit or more in multiples of one unit
- (9) Application period (Domestic Public Offering) The following business day of the Issue Price Determination Date
- (10) Payment period for deposit in securities From the following business day of the Issue Price Determination Date to two business days following the Issue Price Determination Date
- (11) Payment date A business day during the period from Thursday, June 1, 2023, to Monday, June 5, 2023. If the Issue Price Determination Date is either Thursday, May 25, 2023 or Friday, May 26, 2023, the payment date shall be Thursday, June 1, 2023. If the Issue Price Determination Date is Monday, May 29, 2023, the payment date shall be Friday, June 2, 2023. If the Issue Price Determination Date is Tuesday, May 30, 2023, the payment date shall be Monday, June 5, 2023.
- (12) Delivery date The following business day of the Payment Date
- (13) The issue amount (amount to be paid), the issue price (offer price), the final breakdown of units to be offered through the Domestic Public Offering and through the International Offering and other items required for the issuance of the new NPR Investment Units shall be determined at a future Board of Directors meeting.
- (14) Matters related to the Domestic Public Offering, among the above-mentioned items, shall be subject to the condition that the registration under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; referred to as the "Financial Instruments and Exchange Act") takes effect.

2. Secondary Offering of Investment Units (Secondary Distribution via Over-allotment)

- (1) Distributor A Domestic Underwriter
- (2) Number of investment units to be distributed 2,550 units
The number of investment units to be offered is the maximum number of investment units to be distributed in the secondary distribution via over-allotment by the bookrunner of the Domestic Public Offering, taking into consideration the status of demand and other factors of the Domestic Public Offering. There are cases where the number may decrease or the secondary distribution via over-allotment itself may not take place at all depending on the status of demand and other factors relating to the Domestic Public Offering. The number of investment units to be distributed shall be determined at a Board of Directors meeting to be held on the Issue Price Determination Date, taking into consideration the status of demand and other factors of the Domestic Public Offering.
- (3) Distribution price To be determined
The distribution price shall be determined at a Board of Directors meeting, to be held on the Issue Price Determination Date. Furthermore, the distribution price shall be the same price as the issue price (offer price) for the Domestic Public Offering.
- (4) Total amount of distribution price To be determined

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- (5) Distribution method The bookrunner of the Domestic Public Offering, shall conduct a domestic secondary distribution in Japan of the NPR Investment Units, which it shall borrow from Prologis Property Japan Special Purpose Company in a number not to exceed 2,550 units (“Borrowed NPR Investment Units”), taking into consideration the status of demand and other factors relating to the Domestic Public Offering.
- (6) Unit of application One unit or more in multiples of one unit
- (7) Application period The same as the Domestic Public Offering
- (8) Payment period for deposit in securities The same as the Domestic Public Offering
- (9) Delivery date The same as the Domestic Public Offering
- (10) This secondary distribution via over-allotment shall be cancelled upon the cancellation of the Domestic Public Offering.
- (11) The distribution price and other matters necessary for the secondary distribution via over-allotment shall be determined at a future Board of Directors meeting.
- (12) The items above shall be subject to the condition that the registration under the Financial Instruments and Exchange Act takes effect.

3. Issuance of New Investment Units through Third-party Allotment

- (1) Number of investment units to be offered 2,550 units
- (2) Issue amount (amount to be paid) To be determined
To be determined at a Board of Directors meeting to be held on the Issue Price Determination Date. The issue amount (amount to be paid) shall be identical to the issue amount (amount to be paid) for the Domestic Public Offering.
- (3) Net proceeds To be determined
- (4) Allottee and number of investment units to be allotted A Domestic Underwriter: 2,550 units
- (5) Unit of application One unit or more in multiples of one unit
- (6) Application period (Application due date) A business day during the period from Monday, June 26, 2023 to Monday, July 3, 2023.
The application due date shall be the next business day of the 30th day from the day immediately following the end of the application period of the Domestic Public Offering and secondary distribution via over-allotment (the preceding business day if the 30th day does not fall under a business day).
- (7) Payment date A business day during the period from Tuesday, June 27, 2023 to Tuesday, July 4, 2023.
The payment date shall be the following business day of the next business day of the 30th day from the day immediately following the end of the application period of the Domestic Public Offering and secondary distribution via over-allotment (the preceding business day if the 30th day does not fall under a business day).

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- (8) Investment units for which no application for subscription has been made during the application period (by the application due date), mentioned in (6) shown above, shall not be issued.
- (9) The issue amount (amount to be paid) and other matters necessary for the third-party allotment (the "Third-party Allotment") shall be determined at a future Board of Directors meeting.
- (10) The Third-party Allotment shall be cancelled upon the cancellation of the Domestic Public Offering.
- (11) The items above shall be subject to the condition that the registration under the Financial Instruments and Exchange Act takes effect.

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<Reference>

1. Secondary Distribution via Over-allotment and Related Matters

- (1) The secondary distribution via over-allotment shall be a domestic secondary distribution of the NPR Investment Units in Japan by a Domestic Underwriter, the bookrunner of the Domestic Public Offering, which shall borrow from Prologis Property Japan Special Purpose Company in a number not to exceed 2,550 units upon the Domestic Public Offering, taking into consideration the status of demand and other factors relating to the Domestic Public Offering. The number of investment units to be distributed in the secondary distribution via over-allotment is scheduled to be 2,550 units. The number of investment units above is the maximum number of investment units to be distributed; there may be instances in which the number may decrease or distribution via over-allotment itself may not take place at all, depending on the status of demand and other factors relating to the Domestic Public Offering.

Furthermore, in connection with the secondary distribution via over-allotment, for the purpose of allowing the Domestic Underwriter to acquire the NPR Investment Units required for returning the Borrowed NPR Investment Units, NPR resolved, by its Board of Directors meeting held today, to issue 2,550 new investment units by way of the Third-party Allotment to the Domestic Underwriter with the payment date on a day during the period from Tuesday, June 27, 2023 to Tuesday, July 4, 2023 (however, the payment date shall be the following business day of the next business day of the 30th day from the day immediately following the end of the application period of the Domestic Public Offering and secondary distribution via over-allotment (the preceding business day if the 30th day does not fall under a business day) (the "Payment Date of the Third-party Allotment").

In addition, during the period from the date following the application period date for the Domestic Public Offering and the secondary distribution via over-allotment to two business days prior to the Payment Date of the Third-party Allotment (the "Syndicate Covering Transaction Period"), there may be cases where the Domestic Underwriter purchases the NPR Investment Units on the Tokyo Stock Exchange, which shall be in a number not to exceed the number of investment units pertaining to the secondary distribution via over-allotment, for the purpose of returning the Borrowed NPR Investment Units (the "Syndicate Covering Transaction"). All of the NPR Investment Units acquired in the Syndicate Covering Transaction by the Domestic Underwriter shall be returned. During the Syndicate Covering Transaction Period, there may be instances in which the Domestic Underwriter decides not to engage in the Syndicate Covering Transaction at all or decides to end the Syndicate Covering Transaction without purchasing investment units in a number equal to the number of investment units pertaining to the secondary distribution via over-allotment.

Furthermore, the Domestic Underwriter may engage in stabilizing transactions related to the Domestic Public Offering and the secondary distribution via over-allotment, and the NPR Investment Units purchased through such stabilizing transactions may possibly be used, in whole or in part, to return the Borrowed NPR Investment Units. The NPR Investment Units purchased through such stabilizing transactions may possibly be transferred to the International Underwriters, in whole or in part, for the purpose of settlement of a part of the International Offering.

As for the remaining number of investment units after reducing the number of the NPR Investment

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Units purchased through the stabilizing transaction and the Syndicated Covering Transaction used to return the Borrowed NPR Investment Units from the number of the NPR Investment Units for the secondary distribution via over-allotment, the Domestic Underwriter intends to acquire the number of the NPR Investment Units through the Third-party Allotment. For this reason, it is possible that applications may not be filed for the number of investment units issued through the Third-party Allotment, in whole or in part, and as a result, the final number of investment units issued in the Third-party Allotment may decrease or the issuance itself may not take place due to forfeiture. Whether the secondary offering via over-allotment is exercised and the number of units to be subscribed when the secondary offering via over-allotment is exercised will be determined on the Issue Price Determination Date. If the secondary offering via over-allotment is not exercised, the Domestic Underwriter will not borrow the NPR Investment Units from Prologis Property Japan Special Purpose Company. Therefore, the Domestic Underwriter will not acquire such number of the NPR Investment Units by refusing the Third-party Allotment. In this event, the issuance of new investment units through the Third-party Allotment will not take place due to forfeiture. Similarly, the Syndicate Cover Transaction on the Tokyo Stock Exchange will not be exercised.

(2) The Domestic Underwriter will conduct the transactions described above upon consultation with the other Domestic Underwriters.

2. Change in the Number of Investment Units Outstanding after Issuance of New Investment Units

Current number of issued investment units outstanding:	2,749,499 units
Number of new investment units to be issued in the Offerings:	86,851 units (Note 1)
Total number of issued investment units after the Offerings:	2,836,350 units (Note 1)
Number of new investment units to be issued through the Third-party Allotment:	2,550 units (Note 2)
Total number of issued investment units after the Issuance of New Investment Units through the Third-party Allotment:	2,838,900 units (Note 1) (Note 2)

(Note 1) Represents the number of investment units in the case where the right to purchase the NPR Investment Units to be issued additionally granted to the International Underwriters by the International Underwriters as described in "1. Issuance of New Investment Units: Public Offering (1) (ii)" as above is fully exercised and all of such investment units are issued.

(Note 2) Represents the case where the Domestic Underwriter has required all the investment units to be issued through the Third-party Allotment, resulting in the issuance of such investment units.

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3. Objective and Rationale for the Issuance

The issuance of the new investment units was decided for the purpose of improving total unit holders' value taking into consideration the economic value of the NPR Investment Units shown in market trends, appraisal NAV per unit, levels of LTV (37.8% as of Nov. 30, 2022), distributions per unit and investment unit liquidity. Proceeds from the Offerings, along with proceeds from the borrowings to be completed on the same date (the business day following the Payment Date of this offering) and cash on hand will be used to acquire Prologis Park Soka (the "New Property") (for details of the New Property, please refer to the press release "Nippon Prologis REIT Announces Acquisition of Domestic Real Estate Trust Beneficiary Interest and Lease Contract with New Tenants" dated today). NPR's asset size will expand and the quality of its portfolio will improve through the acquisition of the New Property.

4. Rationale of Green Equity Offering

The Offering shall be also conducted as the fourth green equity offering (Note) of NPR. The New Property is the Eligible Green project (for details, please refer to "5. Amount, Use and Schedule of Expenditure of Net Proceeds from the Offerings (2)") and NPR will issue new investment units in accordance with the Green Equity Framework (the "Green Equity Framework") which has obtained a second-party opinion from DNV BUSINESS ASSURANCE JAPAN K.K. By conducting a green equity offering, NPR strives to further stimulate demand from investors with strong interest in ESG investment in order to strengthen its financing capabilities.

(Note) For the purpose of conducting the green equity offering, NPR established the Green Equity Framework in consideration of the four key criteria (1. Use of Proceeds, 2. Process for Project Evaluation and Selection, 3. Management of Proceeds, and 4. Reporting) specified by the ICMA Green Bond Principles 2018. Green equity offering is defined as an offering that is conducted based on the aforementioned principles in the Green Equity Framework.

5. Amount, Use and Schedule of Expenditure of Net Proceeds from the Offerings

(1) Amount of funds to be procured (estimated net proceeds) 25,243 million yen (maximum)

(Note) The above amount represents the total sum of 14,426 million yen in net proceeds from the Domestic Public Offering, 10,097 million yen in maximum net proceeds from the International Offering and 720 million yen in maximum net proceeds from the Third-party Allotment. The above figures represent estimated amounts calculated based on the closing price for ordinary trading on the Tokyo Stock Exchange as of Monday, April 24, 2023.

(2) Specific use of net proceeds and timing of expenditure

The net proceed from the Domestic Public Offering (14,426 million yen) and the maximum net proceed from the International Offering (10,097 million yen) are scheduled to be used to acquire the New Property by June 30, 2023. The New Property is a project which satisfies the eligibility criteria of the Green Equity Framework established by NPR.

The maximum proceeds from the issuance of new investment units through the Third-party Allotment (720 million yen), will be kept as cash on hand and be deposited with financial institutions until the time of expenditure. Such cash on hand will be used to fund future acquisitions of specified assets (as defined in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations of Japan (as amended)) or repay borrowings.

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6. Designation of Allottee

The Domestic Underwriters plan to allocate 13,410 units out of the investment units to be issued in the Domestic Public Offering to Prologis Property Japan Special Purpose Company, which plans to purchase 13,410 units in the Domestic Public Offering as a designated purchaser.

7. Restrictions on Sales and Additional Issuances

- (1) In connection with the Global Offerings, NPR will ask Prologis Property Japan Special Purpose Company to agree with the joint global coordinators and the Japanese joint lead managers, beginning on the Issue Price Determination Date and lasting for a period of 180 calendar days after the delivery date for the units sold in the Global Offerings, not to sell, pledge or issue any securities that represent the right to receive investment units or otherwise dispose of (whether by actual disposition, effective economic disposition or otherwise) the investment units it owns (412,310 units) and will purchase in the Domestic Public Offering (13,410 units) without the prior written consent of the joint global coordinators and the Japanese joint lead managers, except for, among others, (i) the borrowing of investment units by the Domestic Underwriter from Prologis Property Japan Special Purpose Company, (ii) in connection with any over-allotments in a public offering of NPR's investment units (other than the Domestic Public Offering), the lending of any investment units by Prologis Property Japan Special Purpose Company to the Domestic Underwriter, the grant of an option to purchase investment units from Prologis Property Japan Special Purpose Company and the sale of any investment units by Prologis Property Japan Special Purpose Company upon the exercise of such option or (iii) the lending of any of NPR's units by Prologis Property Japan Special Purpose Company to the Japan Securities Finance Co., Ltd. for the purpose of loan transactions.
- (2) In connection with the Global Offerings, Prologis K.K. has agreed with the joint global coordinators, beginning on the Issue Price Determination Date and lasting for a period of 180 calendar days from the delivery date for the investment units sold in the Global Offerings, not to sell, pledge or issue any securities that represent the rights to receive investment units or otherwise dispose (whether by actual disposition, effective economic disposition or otherwise) of NPR's investment units held by Prologis K.K. (2,000 investment units) prior to the Global Offerings without the prior written consent of the joint global coordinators.
- (3) In connection with the Global Offerings, NPR has agreed with the joint global coordinators, beginning on the Issue Price Determination Date and lasting for a period of 90 calendar days after the delivery date for the units sold in the Global Offerings, not to (i) issue, offer, pledge, lend, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of or permit any entities over which we exercise management control or any person acting at our direction, to issue, offer, pledge, lend, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to

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purchase or otherwise transfer or dispose of any investment units or any of our other capital stock, or any securities convertible into, or exercisable or exchangeable for, or that represent the right to receive, units or any of our other capital stock, or (ii) enter into any over-the-counter derivative transaction or any other transaction that transfers, in whole or in part, directly or indirectly, ownership (or any economic consequences thereof) of units or any of NPR's other capital stock, in each event, without the prior written consent of the joint global coordinators. Notwithstanding the foregoing, the restrictions described above will not apply to: (a) the issuance and sale of NPR's units in the Offerings; (b) the issuance and sale of NPR's units upon exercise of the option granted to the bookrunner of the Domestic Public Offering; (c) the issuance of NPR's units by way of a unit split; or (d) the sale of NPR's units in accordance with any requirements under any applicable law.

For more information about Nippon Prologis REIT, please visit:

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

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