

FOR IMMEDIATE RELEASE

**Nippon Prologis REIT Revises Forecast for Fiscal Periods
Ending May 31, 2023 and November 30, 2023, and
Announces Forecast for Fiscal Period Ending May 31, 2024**

Nippon Prologis REIT, Inc. (“NPR”) today revised its forecast for the fiscal periods ending May 31, 2023 (Dec. 1, 2022 to May 31, 2023) and Nov. 30, 2023 (June 1, 2023 to Nov. 30, 2023), as noted in “SUMMARY OF FINANCIAL RESULTS (REIT) For the 20th Fiscal Period Ended Nov. 30, 2022” dated January 18, 2023 (“SUMMARY OF FINANCIAL RESULTS (REIT) For the 20th Fiscal Period”), and announced its new forecast for the fiscal period ending May 31, 2024 (Dec. 1, 2023 to May 31, 2024).

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 Property (see Attachment 1: Forecast Assumptions for the Fiscal Periods Ending May 31, 2023, Nov. 30, 2023 and May 31, 2024), etc. The forecast of the results for the fiscal period ending Nov. 30, 2023, announced in SUMMARY OF FINANCIAL RESULTS (REIT) For the 20th Fiscal Period Ended Nov. 30, 2022, 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 May 31, 2024, based on these assumptions.

In addition, along with the above, NPR is revising the forecast of the results for the fiscal period ending May 31, 2023, announced in SUMMARY OF FINANCIAL RESULTS (REIT) for the 20th Fiscal Period Ended Nov. 30, 2022, according to the results of NPR’s operation during the fiscal period ending May 31, 2023.

2. Forecast Revisions for the Fiscal Periods Ending May 31, 2023 and Nov. 30, 2023, and Forecast Announcement for the Fiscal Period Ending May 31, 2024:

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

(the 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)	28,883	12,368	11,172	11,171	4,929	4,063	866
Revised forecast (B)	28,822	12,300	11,138	11,137	4,926	4,050	876

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Amount of increase/decrease (C) ((B) – (A))	▲60	▲68	▲34	▲34	▲3	▲13	10
Rate of increase/decrease ((C) / (A))	▲0.2%	▲0.6%	▲0.3%	▲0.3%	▲0.1%	▲0.3%	1.2%

(2) Details of the results of the forecast revisions for the fiscal period ending Nov. 30, 2023
(the 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)
Previously announced forecast (A)	29,529	12,506	11,365	11,364	4,962	4,133	829
Revised forecast (B)	31,006	13,303	11,967	11,966	5,044	4,216	828
Amount of increase/decrease (C) ((B) – (A))	1,476	797	602	602	82	83	▲1
Rate of increase/decrease ((C) / (A))	5.0%	6.4%	5.3%	5.3%	1.7%	2.0%	▲0.1%

(3) Details of the results of the forecast for the fiscal period ending May 31, 2024
(the 23rd Fiscal Period from Dec. 1, 2023 to May 31, 2024):

	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 23rd Fiscal Period	31,007	13,200	11,939	11,938	5,060	4,205	855

(Reference)

Fiscal period ending May 31, 2023: expected number of investment units outstanding at the end of the period: 2,749,499 units; expected net income per unit: 4,059 yen

Fiscal period ending Nov. 30, 2023: expected number of investment units outstanding at the end of the period: 2,838,900 units; expected net income per unit: 4,216 yen

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Fiscal period ending May 31, 2024: expected number of investment units outstanding at the end of the period: 2,838,900 units; expected net income per unit: 4,205 yen

Notes:

1. The above forecast (the "Forecast") is calculated based on the assumptions described in Attachment 1 "Forecast Assumptions for the Fiscal Periods Ending May 31, 2023, Nov. 30, 2023 and May 31, 2024". 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>

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【Attachment 1】

Forecast Assumptions for the Fiscal Periods Ending May 31, 2023, Nov. 30, 2023, and May 31, 2024

Item	Assumption
Accounting period	<ul style="list-style-type: none"> • Fiscal period ending May 31, 2023 (21st Fiscal Period) (from Dec. 1, 2022 to May 31, 2023) (182 days) • Fiscal period ending Nov. 30, 2023 (22nd Fiscal Period) (from June 1, 2023, to Nov. 30, 2023) (183 days) • Fiscal period ending May 31, 2024 (23rd Fiscal Period) (from Dec. 1, 2023, to May 31, 2024) (183 days)
Assets under management	<ul style="list-style-type: none"> • It is assumed that, in addition to the 58 properties held as of today, there will be no change (including acquisition of new properties and disposition of existing properties) in the operational status of the properties through May 31, 2024, other than the acquisition of Prologis Park Soka scheduled on June 2, 2023 (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). • Results may change due to the acquisition of new properties other than the above or the disposition of existing properties, etc.
Investment units	<ul style="list-style-type: none"> • It is assumed that the number of units is 2,749,499 for the fiscal period ending May 31, 2023, based on the number of investment units outstanding as of today. • It is assumed that the number of units will be 2,838,900 units (at a maximum) for the fiscal periods ending Nov. 30, 2023 and May 31, 2024, based on the current outstanding and issued 2,749,499 units as of today, to which the 86,851 units (at a maximum) to be issued through the Offerings (the total units to be underwritten and purchased by the Domestic Underwriters and the International Underwriters in the Domestic Public Offering and the International Offering, and units to be additionally issued subject to a purchase right granted to the International Underwriters in the International Offering), as well as the maximum 2,550 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.
Interest-bearing Debt	<ul style="list-style-type: none"> • The outstanding balance of NPR’s interest-bearing debt on its balance sheet as of today is 314,800 million yen. • 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 18,500 million yen on the anticipated acquisition date of the New Property. As a result, the balance of NPR’s interest-bearing debt after the Borrowings is assumed to be 333,300 million yen. • 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 May 31, 2024. • LTV was 37.8% as of Nov. 30, 2022, and is estimated to be 37.8% after the Borrowings. For LTV calculation, please refer to the following formula: $\text{LTV}(\%) = \text{total interest-bearing debt} / \text{total assets} \times 100$ • 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, the number of units to be issued through the Offerings, and the actual amount of the Third-party Allotment.
Operating revenues	<ul style="list-style-type: none"> • Operating revenues account for factors such as market trends and the competitiveness of each property, and are estimated to be 28,822 million yen, 31,006 million yen and 31,007 million yen for the fiscal periods ending May 31, 2023, Nov. 30, 2023 and May 31, 2024, respectively. The expected average occupancy rates of the properties in the portfolio are estimated to be 97.4%, 98.1% and 98.1% for the fiscal periods ending May 31, 2023, Nov. 30, 2023 and May 31, 2024, respectively. • Rent revenues from the New Property are calculated based on the lease agreements that are executed as of today and information about the New Property provided by the current owner. The terms and conditions of the lease agreements may be changed later. • For operating rent revenues, it is assumed that there is no impact due to delay or default on rent payment by tenants.

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<p>Operating expenses</p>	<ul style="list-style-type: none"> • Operating rental expenses except depreciation are calculated from variable factors, and are assumed to be 7,118 million yen, 7,826 million yen and 7,895 million yen for the fiscal periods ending May 31, 2023, Nov. 30, 2023 and May 31, 2024, respectively. • Depreciation expenses are calculated using the straight-line method in relation to the (anticipated) acquisition price including ancillary costs and are expected to be 6,920 million yen, 7,215 million yen and 7,249 million yen for the fiscal periods ending May 31, 2023, Nov. 30, 2023 and May 31, 2024, respectively. • 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 properties acquired during the 21st fiscal period (Prologis Park Inagawa 1 (50% co-ownership interest), Prologis Park Kobe 3 and Prologis Park Ogori) and the New Property will be expensed from the fiscal period ending May 31, 2023 and May 31, 2024, respectively. The total amount of property taxes and city planning taxes included in the purchase price of the properties acquired during the 21st fiscal period is assumed to be 11 million yen (equivalent to expenses for 17 days) for the fiscal period ending May 31, 2023, and of the New Property is assumed to be 121 million yen (equivalent to expenses for 182 days) and 21 million yen (equivalent to expenses for 31 days) for the fiscal periods ending Nov. 30, 2023 and May 31, 2024, respectively. • 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.
<p>Non-operating expenses</p>	<ul style="list-style-type: none"> • It is assumed that NPR will recognize 104 million yen and 110 million yen as total expenses incurred in relation to the 12th Public Offerings, the Offerings and the Third-party Allotment in the fiscal periods ending May 31, 2023 and Nov. 30, 2023, respectively. • It is assumed that 3 million yen will be incurred in the fiscal periods ending May 31, 2023 and Nov. 30, 2023, respectively, as debt-related expenses associated with the acquisition of the properties acquired during the 21st fiscal period and the New Property. • As for interest expenses and other debt-related costs, 1,048 million yen, 1,177 million yen and 1,192 million yen are expected to be incurred for the fiscal periods ending May 31, 2023, Nov. 30, 2023 and May 31, 2024, respectively. The non-cash expenditure, which is included in debt-related expenses, is expected to be 219 million yen, 215 million yen and 209 million yen for the fiscal periods ending May 31, 2023, Nov. 30, 2023 and May 31, 2024, respectively.
<p>Distributions per unit (excluding surplus cash distributions)</p>	<ul style="list-style-type: none"> • 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. • 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.
<p>Surplus cash distributions per unit</p>	<ul style="list-style-type: none"> • Surplus cash distributions per unit are calculated based on the fund distribution policy in the NPR's Articles of Incorporation. • It is assumed that surplus cash distributions (regular surplus cash distributions) in the fiscal periods ending May 31, 2023, Nov. 30, 2023 and May 31, 2024 will be 2,075 million yen, 2,163 million yen and 2,174 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. • As for the fiscal periods ending May 31, 2023, Nov. 30, 2023 and May 31, 2024, 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 332 million yen, 187 million yen and 252 million yen will be distributed for the fiscal periods ending May 31, 2023, Nov. 30, 2023 and May 31, 2024, respectively. • As a result, it is estimated that surplus cash distributions per unit in the fiscal periods ending May 31, 2023, Nov. 30, 2023 and May 31, 2024 will be 876 yen (regular surplus cash distributions of 755 yen and one-time surplus cash distributions of 121 yen), 828 yen (regular surplus cash distributions of 762 yen and one-time

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	surplus cash distributions of 66 yen) and 855 yen (regular surplus cash distributions of 766 yen and one-time surplus cash distributions of 89 yen), respectively.
Others	<ul style="list-style-type: none"> • 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 Exchange and rules of the Investment Trusts Association, Japan, etc. • It is assumed that no unexpected material change will arise in overall economic trends and real estate market conditions.

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【Attachment 2】

(Reference) Constructed Financial Performance Model: Adjusted Financial Performance

	Adjusted Financial Performance Based on Forecast as Announced on Jan. 18, 2023	Adjusted Financial Performance Based on Revised Forecast as Announced on May 22, 2023
Operating revenues	29,529 million yen	31,013 million yen
Operating income	12,513 million yen	13,193 million yen
Ordinary income	11,372 million yen	11,972 million yen
Net income	11,371 million yen	11,971 million yen
Number of investment units outstanding	2,749,499 units	2,838,900 units
Distributions per unit (including surplus cash distributions)	4,965 yen	5,045 yen
Distributions per unit (excluding surplus cash distributions)	4,136 yen	4,217 yen
Surplus cash distributions per unit	829 yen	828 yen

<Assumptions for calculating Adjusted Financial Performance Based on Forecast as Announced on Jan. 18, 2023>

The following adjustments and assumptions are made based on the forecast for the fiscal period ending Nov. 30, 2023, as announced on Jan. 18, 2023, without taking into account the Offerings, the acquisition of the New Property and other items:

- 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 deducted from operating expenses.

<Assumptions for calculating Adjusted Financial Performance Based on Revised Forecast as Announced on May 22, 2023>

The following adjustments and assumptions are made based on the forecast for the fiscal period ending Nov. 30, 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 Property and other items:

- Operating rental revenues and operating rental expenses (including depreciation) of the New Property are calculated based on the assumption that it is operated for the whole of the fiscal period ending Nov. 30, 2023.
- The total amount of property tax and city planning tax for the New Property is assumed to be 121 million yen for the fiscal period ending Nov. 30, 2023 and is to be additionally recorded as operating rental expenses.
- Operating expenses that were not incurred on a one-time basis are assumed to have been incurred at the

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time when such expenses are usually incurred.

- 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 Property, 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 Nov. 30, 2023, and other specific fiscal period may differ significantly from Adjusted Financial Performance Based on Revised Forecast as announced on May 22, 2023.

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