

May 16, 2013

For Immediate Release

Notice Concerning Revisions to Forecasts of Results for the Fiscal Period Ending November 2013  
and Forecasts of Results for the Fiscal Period Ending May 2014

Nippon Prologis REIT, Inc. (“NPR”) announces revisions to its forecasts of results for the fiscal period ending November 2013 (from June 1, 2013 to November 30, 2013), which NPR announced on February 14, 2013, and its forecasts of results for the period ending May 2014 (from December 1, 2013 to May 31, 2014), as stated below.

Please note, however, that no revision to the forecasts of results for the periods ending May 2013 (from November 7, 2012 to May 31, 2013), which were announced on February 14, 2013.

1. Reasons for revisions to forecasts and announcement thereof

As a result of a resolution adopted at the meeting of the board of directors of NPR held today concerning the issuance of new units for the purpose of acquiring the Properties to be Acquired (defined in Exhibit 1 “Forecast Assumptions for the Fiscal Periods Ending November 2013 and May 2014”), the forecasts of results for the six-month period ending November 2013 announced on February 14, 2013 in “Notice Concerning Forecasts of Results for the Fiscal Periods Ending May 2013 and November 2013” need be revised according to a change in the preconditions used as the basis of their computation. In addition, the forecasts of results for the six-month period ending May 2014 are to be newly disclosed.

2. Details of revisions to its forecasts for the fiscal period ending November 2013 and forecasts for the six-month period ending May 2014.

(1) Revisions of forecasts for the fiscal period ending November 2013 (2nd period) (from June 1, 2013 to November 30, 2013)

	Operating revenues (Millions of yen)	Operating profit (Millions of yen)	Recurring profit (Millions of yen)	Net income (Millions of yen)	Distributions per unit (yen) (excluding surplus cash distributions)	Surplus cash distributions per unit (yen)
Previously announced forecast (A)	6,212	3,403	2,879	2,879	15,755	2,123
Revised forecast (B)	9,968	5,416	4,442	4,441	15,922	2,240
Amount of increase/decrease (C) ((B) – (A))	3,756	2,013	1,563	1,562	167	117

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Rate of increase/decrease (C) / (A)	60.5%	59.2%	54.3%	54.3%	1.1%	5.5%
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(2) Forecasts for the fiscal period ending May 2014 (3rd period) (from December 1, 2013 to May 31, 2014)

	Operating revenues (Millions of yen)	Operating profit (Millions of yen)	Recurring profit (Millions of yen)	Net income (Millions of yen)	Distributions per unit (yen) (excluding surplus cash distribution)	Surplus cash distributions per unit (yen)
Fiscal period ending May 2014 (3rd period)	10,710	5,278	4,319	4,318	15,482	2,334

(Reference)

Period ending November 2013: Expected number of investment units outstanding at the end of the period: 278,950; Expected net income per unit: 15,922 yen

Period ending May 2014: Expected number of investment units outstanding at the end of the period: 278,950; Expected net income per unit: 15,482 yen

Notes:

(Note 1) The forecast information is calculated based on the assumptions described in Exhibit 1 “Forecast Assumptions for the Fiscal Periods Ending November 2013 and May 2014”. Therefore, actual operating revenues, operating profit income, recurring profit income, net income, distributions per unit (excluding surplus cash distributions), and surplus cash distributions per unit may change due to factors such as the acquisition or sale of real estate, changes in rent revenues attributable to tenant movement, changes in the property management environment due to unexpected repair, changes in interest rates, the actual number of new units issued and the issue price of such units, or the issuance of additional investment units. Thus, the forecast information does not guarantee the amount of cash distributions and surplus cash distributions.

(Note 2) This forecast information may be revised if a substantial difference from the current forecast information is anticipated.

(Note 3) The figures are rounded down to the nearest million yen or yen, as the case may be.

(Reference)

The forecasts for the fiscal periods ending November 2013 and May 2014 will be impacted by certain short-term effects on earnings and expense items due to the offerings, anticipated acquisitions and other factors such as acquisitions during the fiscal period, expenses related to the offerings of the new investment units and tax related to the anticipated acquisitions. In order to show the effect of the offerings, anticipated acquisitions and others to the extent possible, NPR also prepared a constructed financial performance model calculating Net Income under the assumption that the Properties to be Acquired are held through full fiscal period and excluding the short-term impact of the acquisition of additional properties on earning and expense items (“Net Income Adjusted for Certain Short-term and Other Factors Including the Properties to be Acquired”). Moreover, for the purpose of comparison, with the same methodology, NPR calculated Net Income which does not take into account the offerings, Properties to be Acquired and Other factors based on the assets NPR currently owns (“Current Properties”) and the number of investment units as of this date (“Net Income with Adjusted for Certain Short-term and Other Factors Excluding the Properties to be Acquired”). Please note that Net Income Adjusted for Certain Short-term and Other Factors is not intended to estimate the Net Income of certain specific fiscal periods, thus cannot be regarded as forecasts for certain specific fiscal periods. Therefore, the actual Net Income for the fiscal periods ending November 2013, May

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2014 and other specific fiscal periods may differ from Net Income Adjusted for Certain Short-term and Other Factors Excluding the Properties to be Acquired. Please refer to Exhibit 2 “Constructed Financial Performance Model; Net Income Adjusted for Certain Short-term and Other Factors” for details.

NPR estimates that the Net Income Adjusted for Certain Short-term and Other Factors Including the Properties to be Acquired is 14,824 yen (without the Surplus Cash Distribution of 2,334 yen), which is larger than the estimated Net Income Adjusted for Certain Short-term and Other Factors Excluding the Properties to be Acquired.

Notes:

1. This material is distributed to the Tokyo Stock Exchange (Kabuto Club) Press Club; Ministry of Land, Infrastructure, Transport and Tourism Press Club; and Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications.
2. NPR website address: <http://www.prologis-reit.co.jp>

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【Exhibit 1】

Forecast Assumptions for the Fiscal Periods Ending November 2013 and May 2014

Item	Assumptions
Accounting period	<ul style="list-style-type: none"> <li>➤ Fiscal period ending November 2013 (2nd period) (from June 1, 2013 to November 30, 2013) (183 days)</li> <li>➤ Fiscal period ending May 2014 (3rd period) (from December 1, 2013 to May 31, 2014) (182 days)</li> </ul>
Assets under Management	<ul style="list-style-type: none"> <li>➤ It is assumed that NPR will acquire the real estate trust beneficiary rights in 8 properties (the “Properties to be Acquired”) in addition to its holding 12 properties (the “Current Properties”) as of today. Please refer to the press release titled “Notice Concerning Acquisition of Domestic Trust Beneficiary Interests” released today for details. Forecasts also assume that no other transfer of properties (acquisition of new properties and sales of existing portfolio properties etc.) except for the anticipated acquisitions will occur until the May 2014 fiscal period. Prologis Park Narashino 4 is currently under development and is expected to be completed on August 31, 2013 and acquired by NPR on October 1, 2013.</li> <li>➤ The actual results may change due to the acquisition of new properties other than the Properties to be Acquired or the sale of existing properties, etc.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>➤ Rental revenues are calculated based on information provided by the current owner of each of the Properties to be Acquired and information on the Current Properties, taking into account factors such as the market trends and competitiveness of each property and are assumed to be 9,968 million yen and 10,710 million yen for the period ending November 2013 and the period ending May 2014, respectively. The expected occupancy rate at the end of the period is 99.4% and 97.2% for the period ending November 2013 and the period ending May 2014, respectively.</li> <li>➤ It is assumed that tenants will pay rent without delinquency.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>➤ Expenses other than depreciation are calculated based on information provided by the current owner of each of the Properties to be Acquired and information on the Current Properties, taking into account fluctuation factors such as seasonal factor and are assumed to be 2,174 million yen and 2,276 million yen for the period ending November 2013 and the period ending May 2014, respectively..</li> <li>➤ Depreciation expenses including ancillary costs are calculated using the straight-line method and are assumed to be 2,193 million yen and 2,285 million yen for the period ending November 2013 and the period ending May 2014, respectively.</li> <li>➤ Although property taxes and city planning taxes on buying and selling of real estate properties are generally calculated on a <i>pro rata</i> basis with former owners and settled at the time of acquisition, the amount equivalent to the settlement money is not expensed in the period ending November 2013, as it is included in the acquisition cost in NPR. For the Properties to be Acquired, property taxes and city planning taxes for the fiscal year 2014 will be expensed from the period ending on May 31, 2014. The total amount of property taxes and city planning taxes on the Current Properties is assumed to be 989 million yen (equivalent to expenses for 320 days) and on the Properties to be Acquired is assumed to be 329 million yen (equivalent to expenses for 202 days).</li> <li>➤ With respect to building repair expenses, the amount assumed to be necessary for each property is based on the repair plan of the asset management company (Prologis REIT Management K.K.). However, repair expenses may be substantially different from the expected amount due to certain unexpected factors.</li> </ul>
Non-operating Expenses	<ul style="list-style-type: none"> <li>➤ We assume that we will recognize 135 million yen as the total expenses incurred in relation to the offerings of the new investment units in the period ending November 2013.</li> <li>➤ We assume that we will recognize 10 million yen for each of the fiscal periods ending November 2013 and May 2014, respectively, as amortization</li> </ul>

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	<p>of organization expenses.</p> <p>➤ For interest expenses and other debt-related costs, 829 million yen and 918 million yen are expected for the period ending November 2013 and the period ending May 2014, respectively. The debt-related amortization is expected to be 127 million yen and 134 million yen for the period ending November 2013 and the period ending May 2014, respectively.</p>
Borrowings	<p>➤ NPR's balance of interest-bearing liabilities outstanding as of today stands at 80,900 million yen, all of which is loans payable.</p> <p>➤ It is assumed that a total of up to 42,300 million yen in June 2013 and a total of up to 20,000 million yen in October 2013 will be borrowed from the qualified institutional investors provided for in Article 2, Paragraph 3, Item 1 of the Financial Instruments and Exchange Act.</p> <p>➤ It is assumed that 5,000 million yen of debt will be repaid at the end of November 2013 with the refunded consumption tax in connection with the acquisition of the Current Properties during the period ending November 2013 and that 3,400 million yen of debt will be repaid at the end of May 2014 with the refunded consumption tax in connection with the acquisition of the Properties to be Acquired during the period ending May 2014.</p>
Investment units	<p>➤ It is assumed that no additional units will be issued by the end of November 2013 other than the current outstanding and issued 182,750 units as of this date and 96,200 units to be issued through the Offerings as determined at the meeting of the board of directors of NPR held on May 16, 2013. Please refer to "Notice Concerning Issuance of New Investment Units and Secondary Distribution of Investment Units" as of today for details.</p>
Distributions per unit (excluding surplus cash distributions)	<p>➤ Distributions per unit (excluding surplus cash distributions) are calculated based on the premises of the distribution policy in the Articles of Association of NPR.</p> <p>➤ Distributions per unit (excluding surplus cash distributions) may change considerably due to various factors including any additional acquisitions or sales of real estate properties, changes in rent revenues attributable to any transfer of lessees, changes in the property management environment including unexpected repair, changes in interest rates, the actual number of new investment units issued and the unit price of such units, or any additional issuance of new investment units in the future.</p>
Surplus cash distributions per unit	<p>➤ Surplus cash distributions per unit is calculated based on the premises of the fund distribution policy in the Articles of Association of NPR. It is assumed that the surplus cash distributions in the periods ending November 2013 and May 2014 will be equal to 28.5% of depreciation expenses for each of the fiscal periods, which are assumed to be 625 million yen and 651 million yen, respectively.</p> <p>➤ Depreciation expenses may change depending on the amount of total assets under management, ancillary costs, capital expenditure, and the allocation method of purchase prices for each asset, depreciable life, etc. Surplus cash distributions, which will be based on depreciation expenses, may change accordingly.</p> <p>➤ NPR expects to make surplus cash distributions continuously only within an appropriate level for maintaining financial soundness and stability, after considering alternatives such as repairs and capital expenditures, the repayment of borrowings and acquisition opportunities and will not make surplus cash distribution that would cause our "depreciation payout ratio" (surplus cash distribution / depreciation expenses) to exceed 60%. NPR may decide not to make any amount of surplus cash distributions based on a consideration of factors such as economic or real estate conditions and its LTV ratio, credit rating or financial conditions.</p> <p>➤ For the time being, NPR expects to have a level of distributions in excess of retained earnings at an amount equivalent to approximately 30% of the depreciation expense for the relevant fiscal period.</p> <p>➤ NPR will consider the ratio of surplus cash distributions to adjusted FFO. NPR defines Adjusted Funds From Operations, or Adjusted FFO (AFFO), as net income plus depreciation (FFO) and amortization less capital</p>

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	<p>expenditures.</p> <ul style="list-style-type: none"> <li>➤ FFO = Net income + depreciation + property-related amortization + loss on sale of real estate, etc. - gain on sale of real estate, etc.</li> <li>➤ AFFO = FFO - capital expenditure + amortization of financial costs</li> <li>➤ Capital expenditures are assumed to be 120 million yen in the period ending November 2013 and 150 million yen in the period ending May 2014</li> <li>➤ NPR does not plan to make surplus cash distributions to the extent doing so would cause what it calls its “distribution LTV,” as calculated below, to exceed 60%: <ul style="list-style-type: none"> <li>➤ <math>\text{Distribution LTV(\%)} = A/B \times 100</math></li> <li>➤ A = interest-bearing debt (including investment corporation bonds) at the end of the fiscal period + balance of tenant leasehold deposits released at the end of the fiscal period.</li> <li>➤ B = total appraisal real estate value at the end of the fiscal period + the amount of cash deposits at the end of the fiscal period – the total amount distributions (including surplus cash distributions).</li> </ul> </li> </ul>
Other	<ul style="list-style-type: none"> <li>➤ It is assumed that any revision that will have an impact on the forecast information above will be made with regard to the laws and regulations, tax system, accounting standards, listing rules, and rules of the Investment Trusts Association, Japan, etc.</li> <li>➤ It is assumed that any unexpected material change will not arise in the general economic trend and real estate market conditions, etc.</li> </ul>

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【Exhibit 2】

(Reference)

Constructed Financial Performance Model Net Income Adjusted for Certain Short-term and Other Factors

	Adjusted for Certain Short-term and Other Factors Excluding the Properties to be Acquired	Adjusted for Certain Short-term and Other Factors Including the Properties to be Acquired
Operating revenues	6,212 million yen	10,688 million yen
Operating	2,905 million yen	5,055 million yen
Recurring profit	2,486 million yen	4,136 million yen
Net Income	2,485 million yen	4,135 million yen
Number of investment units outstanding	182,750 units	278,950 units
Net Income per unit	13,601 yen	14,824 yen
Surplus cash distributions per unit	2,123 yen	2,334 yen

<Assumptions for calculating the Net Income Adjusted for Certain Short-term and Other Factors Excluding the Properties to be Acquired>

Based on the Current Properties and the number of the investment units outstanding as of this date, the following adjustments are made based on the forecast for the fiscal period ending November 30, 2013, without taking into account the offerings, the anticipated acquisitions and other items:

- The total amount of property tax and city planning tax for the Current Properties is assumed to be 565 million yen (equivalent to expenses for 6 months)
- Temporary costs of 5 million yen incurred at the time of the initial public offering (“IPO”) such as expenses related to the issuance of new investment units and debt-related expense are deducted from the non-operating expenses.
- It is assumed that the loan payable which is to be repaid with the refunded consumption tax in connection with the acquisition of the Current Properties (5,000 million yen loan made as of February 2013) is fully repaid. Interest payments of 13 million yen, which fluctuate due to the adjustment of the loan amount, are deducted.
- Considering the fluctuation of the NOI and Net Income due to the adjustment as mentioned above, 72 million yen of asset management fees which are based on NOI and net income are deducted from operating expenses. Also, considering the fluctuation of the total asset due to adjustment of loan payable and others, 0 million yen of custodian fees which are based on the amount of total assets are deducted from the operating expenses.

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<Assumptions for calculating the Net Income Adjusted for Certain Short-term and Other Factors Including the Properties to be Acquired >

The following adjustments are made based on the forecast for the fiscal period ending November 30 2013, taking into account the offerings, anticipated acquisitions and others:

- Operating revenues and expenses (including depreciation) of the Properties to be Acquired are calculated on the assumption that these were held for the full fiscal period for 183 operating days.
- In particular, for Prologis Park Narashino 4 which the construction is expected to be completed in August 2013, operating revenues and expenses are calculated based on the figures for the period ending November 2014 (183 days) in which property taxes and city planning taxes is expensed for full fiscal period.
- The total amount of property tax and city planning tax for the Current Properties is assumed to be 919 million yen (equivalent to expenses for 6 months)
- Temporary costs of 166 million yen incurred at the time of the IPO and the offerings such as expenses related to the issuance of new investment units and debt-related expense are deducted from the non-operating expenses.
- It is assumed that the loan payables which are to be repaid with the refunded consumption tax in connection with the acquisition of the Current Properties and the Properties to be Acquired (5,000 million yen loan made in February 2013 and 3,400 million yen scheduled to be made in June 2013) are fully repaid. Interest payment of 110 million yen, which fluctuates due to the adjustment of the loan amount, is deducted.
- Considering the fluctuation of the NOI and Net Income due to the adjustments as mentioned above, 42 million yen of asset management fee which is based on NOI and net income is deducted from operating expenses. Also, considering the fluctuation of the total asset due to adjustment of loan payable and others, 0 million yen of custodian fee which is based on the amount of total asset is deducted from the operating expenses.

Please note that the Net Income Adjusted for Certain Short-term and Other Factors is not intended to estimate the Net Income of certain specific fiscal periods, thus cannot be regarded as forecasts for certain specific fiscal periods. Therefore, the actual Net Income for the fiscal period ending November 2013, May 2014 and other specific fiscal period may differ from the Net Income Adjusted for Certain Short-term and Other Factors Including the Properties to be Acquired.

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