



May 16, 2013

For Immediate Release

Notice Concerning Issuance of New Investment Units
and Secondary Distribution of Investment Units

Nippon Prologis REIT, Inc. (“NPR”) announces that, at a meeting of the board of directors of NPR held on May 16, 2013, a resolution was passed concerning the issuance of new investment units and secondary distribution of investment units to be implemented as outlined below.

1. Issuance of New Investment Units through Public Offering

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|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Number of investment units to be offered: | 96,200 units |
| (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 June 3, 2013 (Monday) and June 5, 2013 (Wednesday) (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 |
| (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, using as a tentative price a figure obtained by multiplying a number from 0.90 to 1.00 by the closing price for ordinary trading of an investment unit of NPR at the 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) (any fraction of one yen shall be rounded down to the nearest yen). |
| (5) Total amount issued (total offer value) | To be determined |

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- (6) Offering method All investment units shall be offered simultaneously in Japan and overseas (the domestic 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 Offering”).
- (i) Domestic Public Offering
Investment Units shall be offered through a public offering in Japan (the “Domestic Public Offering”) and 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 offering overseas (referred to as the “International Offering” and, collectively with the Domestic Public Offering, the “Offerings”) shall be an offering in international markets, consisting mainly of the U.S. and European 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) in which 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”).
- (iii) The total number of units to be issued in the Offerings concerned shall be 96,200 units, consisting of 57,720 units for the Domestic Public Offering and 38,480 units for the International Offering, but the final breakdown shall be determined on the Issue Price Determination Date, taking into consideration the level of demand and other factors.
- (7) Content of underwriting agreement The Underwriters shall pay NPR the net proceeds for the Domestic Public Offering and International Offering on the payment date stated below under (10), 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) From the following business day of the Issue Price Determination Date to two business days following the Issue Price Determination Date.
- (10) Payment date A date between June 10, 2013 (Monday) and June 12, 2013 (Wednesday), which shall be five Japanese business days after the Issue Price Determination Date.
- (11) Delivery date The business day following the Payment Date.
- (12) 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 board of directors meeting to be held in the future.
- (13) The Domestic Public Offering-related matters, among the above-mentioned items, shall be subject to the condition that the registration under the Financial Instruments and Exchange Act takes effect.
2. Secondary distribution of investment units (secondary distribution via over-allotment)
- (1) Distributor: A Domestic Underwriter

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- (2) Number of investment units to be distributed: 4,810 units
The number of investment units to be distributed above 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 of the Domestic Public Offering. The number of investment units to be distributed shall be determined at a meeting of the board of directors 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 meeting of the board of directors to be held on the Issue Price Determination Date. Furthermore, the distribution price shall be the same price as the issue price (offering price) for the Domestic Public Offering.
- (4) Total amount of distribution price: To be determined
- (5) Distribution method: The bookrunner of the Domestic Public Offering shall conduct a domestic secondary distribution in Japan of NPR investment units, which it shall borrow from Prologis Property Japan in a number not to exceed 4,810 units, taking into consideration the status of demand and other factors of the Domestic Public Offering. However, the borrowing shall be subject to the condition that the 4,810 units shall be sold to Prologis Property Japan in the Domestic Public Offering.
- (6) Unit of application: One unit or more in multiples of one unit
- (7) Subscription period: The same as the Domestic Public Offering
- (8) Delivery date: The same as the Domestic Public Offering
- (9) This secondary distribution via over-allotment shall be cancelled upon the cancellation of the Domestic Public Offering.
- (10) The distribution price and other matters necessary for the secondary distribution via over-allotment shall be determined at a future meeting of the board of directors.
- (11) The items above shall be subject to the condition that the registration under the Financial Instruments and Exchange Act takes effect.

<Reference>

1. Secondary distribution via over-allotment and related matters

- (1) The secondary distribution via over-allotment shall be a domestic secondary distribution of NPR investment units in Japan by a Domestic Underwriter, the bookrunner of the Domestic Public Offering, which it shall borrow from Prologis Property Japan in a number not to exceed 4,810 units (however, the borrowing shall be subject to the condition that 4,810 units of NPR investment units in the Domestic Public Offering are sold to Prologis Property Japan as described in 5. "Designation of allottee" below) upon the Domestic Public Offering, taking into consideration the status of demand and other factors of the Domestic Public Offering. The number of investment units to be distributed in the secondary distribution via over-allotment is scheduled to be 4,810 units. The number of investment units above is the maximum number of investment units to be distributed, and there may be 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 of the Domestic Public Offering. Furthermore, in connection with the secondary distribution via over-allotment, if the Domestic Underwriter is required to return the NPR investment units

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borrowed from Prologis Property Japan, the Domestic Underwriter shall be entitled to have rights to purchase up to 4,810 units of NPR investment units at the same price as the issue price (the “greenshoe options”) from the date following the last subscription period date, for the Domestic Public Offering and the secondary distribution via over allotment, to July 5, 2013 (Friday) from Prologis Property Japan.

In addition, during the period from the date following the last subscription period date for the Domestic Public Offering and the secondary distribution via over-allotment to July 5, 2013 (Friday) (the “syndicate covering transaction period”), there may be cases where the Domestic Underwriter purchases 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 investment units (the “syndicate covering transaction”). All of the NPR investment units acquired in the syndicate covering transaction by a Domestic Underwriter shall be returned. Furthermore, during the syndicate covering transaction period, there may be cases where the Domestic Underwriter decides to not engage in the syndicate covering transaction at all or to end the syndicate covering transaction without purchasing 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.

As for the remaining number of units after reducing the number of NPR investment units purchased through the syndicated covering transaction and the stabilizing transaction used to return the borrowed NPR investment units from the number of NPR investment units for the Offering through Over-Allotment, the Domestic Underwriter intends to exercise the greenshoe option and buy NPR investment units from Prologis Property Japan.

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. In the case that the secondary offering via over-allotment is not exercised, the Domestic Underwriter will not borrow units of the Company from the aforementioned investor of the Company, and the greenshoe option will not be granted to the Domestic Underwriter by the aforementioned investor. Similarly, the syndicate cover transaction on the Tokyo Stock Exchange will not be exercised.

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

2. Change in the number of investment units outstanding after the issuance of the new investment units
- | | |
|---------------------------------------------------------------|---------------|
| Current number of issued investment units outstanding: | 182,750 units |
| Number of new investment units to be issued in the Offerings: | 96,200 units |
| Total number of issued investment units after the Offerings: | 278,950 units |

3. Objective and rationale for the issuance

By financing through the issuance of new investment units and acquiring new specified assets which consist of first-class logistics facilities, the asset size of NPR will expand and the quality of the portfolio will further improve. The issuance of the new investment units was decided for the

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purpose of improving total investors' value taking into consideration the economic value of NPR investment units shown in market trends, NAV per unit, distributions per unit and investment unit liquidity.

Some part of the real estate trust beneficiary interests which NPR plans to acquire using the proceeds obtained from the Offerings will be acquired from Prologis Japan Fund 1, a closed-end fund established by the Prologis Group which invests in logistics facilities in Japan. Prior to the maturity of JF1's fund management period in June 2013, NPR was provided by the Prologis Group with information regarding these assets through its preferential information rights under the sponsor support agreement. NPR made the determination to acquire these assets on a one-on-one basis concurrently with the maturity of such fund management period. The issuance of the new investment units was decided as a result of the acquisition of these assets becoming possible.

(Note):

Appraisal NAV per unit presented on a pro forma basis as adjusted to give effect to the Offerings and the anticipated acquisitions reflect the appraisal values of the anticipated acquisitions, which may differ materially from the acquisition prices of such properties. Investors should thus assume that appraisal NAV per unit on a pro forma basis does not accurately reflect the fair value of such new properties. In addition, appraisal NAV per unit presented on a pro forma basis as adjusted to give effect to the Offerings and the anticipated acquisitions does not reflect NPR's forecast of appraisal NAV per unit in future periods. Rather, such pro forma information is presented based on the most recently available appraisal reports, and there is no assurance that future appraisals obtained for the same properties will provide the same or similar appraisal values

$$\text{NAV} = \text{Total issue value} + \text{Appraisal gain of NPR's current properties and 8 properties to be acquired}$$

$$\text{NAV per unit} = \text{NAV} / \text{the number of units outstanding}$$

$$(\text{Appraisal gain of NPR's current properties and 8 properties to be acquired}) = (\text{Appraisal value of NPR's current properties and 8 properties to be acquired based on the most recently available appraisal reports}) - ((\text{anticipated}) \text{ acquisition price of NPR's current properties and 8 properties to be acquired})$$

The details of the properties to be acquired are as stated in the "Notice Concerning Acquisition of Domestic

Trust Beneficiary Interests" announcement dated today.

4. Amount, use and schedule of expenditure of proceeds from the Offering

(1) Amount of funds to be procured (estimated net proceeds)

72,030,000,000 yen

(Note) The above amount represents the total sum of 43,218,000,000 yen proceeds from the Domestic Public Offering and 28,812,000,000 yen in proceeds from the International Offering. The above figures represent estimated amounts calculated based on the closing price for regular trading on the Tokyo Stock Exchange as of May 14, 2013 (Tuesday).

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

Proceeds from the Domestic Public Offering and International Offering (72,030,000,000 yen in total) are scheduled to be used to fund the acquisition of anticipated real estate trust beneficiary interests.

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5. Designation of allottee

The Domestic Underwriters plan to allocate, and Prologis Property Japan SPC and Prologis Property Japan, each an indirect subsidiary of Prologis, Inc., plan to purchase, 14,430 units and 4,810 units, respectively, in the Domestic Public Offering as designated purchasers.

6. Restrictions on Sales and Additional Issuances

- (1) In connection with the Offerings, we will ask Prologis Property Japan and Prologis Property Japan SPC 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 Offerings, not to sell, pledge or issue any securities that represent the right to receive units or otherwise dispose (whether by actual disposition, effective economic disposition or otherwise) of the units it will purchase in the Japanese offering without the prior written consent of the joint global coordinators and the Japanese joint lead managers, except for, among others, the borrowing of units by the Domestic Underwriter from Prologis Property Japan, and (b) the sale of any units by Prologis Property Japan to the Domestic Underwriter upon the exercise of the greenshoe option pursuant to an agreement concerning the grant of an option and the borrowing of units in connection with the Japanese offering and the over-allotment; (ii) in connection with any over-allotments in a public offering of our units (other than the Japanese offering), the lending of any units by Prologis Property Japan or Prologis Property Japan SPC to any representative of underwriters of such offering, the grant of an option by Prologis Property Japan to such representative to purchase units from Prologis Property Japan or the sale of any units by Prologis Property Japan to such representative upon the exercise of such option, for the purpose of over-allotments; or (iii) the lending of any of our units by Prologis Property Japan or Prologis Property Japan SPC to the Japan Securities Finance Co., Ltd. for the purpose of loan transactions.
- (2) In connection with the initial public offering completed on February 14, 2013, ProLogis K.K., or Prologis Japan, agreed with the initial public offering joint global coordinators (the “IPO joint global coordinators”) that, without the prior written consent of the IPO joint global coordinators, no sale, etc. of NPR investment units held by Prologis Japan (400 units) before the initial public offering would, in principle, be conducted during the period beginning on the pricing date and ending on the date that is the 360th day after the delivery date of the units sold in the initial public offering. The IPO joint global coordinators have the right to cancel the lock-up agreement in whole or in part or to shorten the period mentioned above at their discretion even during such period.
- (3) In connection with the Offerings, we will agree 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 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 purchase or otherwise transfer or dispose of, any 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 our other capital stock, in each case, without the prior written consent of the joint global coordinators.

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Notwithstanding the foregoing, the restrictions described above will not apply to (a) the issuance and sale of our units in the Offerings, (b) the issuance of our units by way of a unit split, or (c) the sale of our units in accordance with any requirements under any applicable law.

- (4) In connection with the initial public offering completed on February 14, 2013, we agreed with the IPO joint global coordinators, beginning on the pricing date on February 4, 2013 and lasting for a period of 180 calendar days from the delivery date for the units sold in such offering on February 14, 2013 to August 12, 2013, not to issue or offer any units or any of our other capital stock, without the prior written consent of such joint global coordinators. Pursuant to such agreement, we have obtained from the IPO joint global coordinators their prior written consent to the issuance and offering of the units being sold in the Offerings.
- (5) Moreover, separate from the restrictions stated above under (2), in the listing of NPR investment units on the Tokyo Stock Exchange, Prologis Japan has made a commitment to NPR pertaining to continued holding of the investment units Prologis Japan holds as of today, based on which Prologis Japan shall continue to hold the investment units until the date on which one year has elapsed from November 7, 2012, pursuant to Tokyo Stock Exchange regulations.

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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