

November 29, 2013

For Immediate Release

Notice Concerning Debt Financing as Borrowings to Be Held in Trust

Nippon Prologis REIT, Inc. (“NPR”) hereby announces that it has decided to obtain debt financing as borrowing to be held in trust (the “Borrowings to Be Held in Trust”), as outlined below:

I. Summary of the Borrowings to Be Held in Trust

Lender	Borrowing Amount	Interest Rate	Borrowing Date	Borrowing Method	Maturity Date	Repayment Method	Collateral
Prudential Mortgage Asset Holdings I Japan Investment Business Limited Partnership	6.9 billion yen (Note 1)	2.00% (Note 5)	Dec. 3, 2013	Borrowing based on loan agreements dated Nov. 29, 2013 with the lender shown on the left and Mitsubishi UFJ Trust and Banking Corporation as borrower	Dec. 22, 2021	(Note 3)	Secured and non-guaranteed
	7.15 billion yen (Note 2)					(Note 4)	

Notes:

1. Borrowing for Prologis Park Tokyo-Shinkiba
2. Borrowing for Prologis Park Yokohama-Tsurumi
3. Installment repayments of 32.5 million yen on the last business day of every three months starting on February 28, 2017. All remaining amount shall be payable on the maturity date.
4. Installment repayments of 46.0 million yen on the last business day of every three months starting on February 28, 2017. All remaining amount shall be payable on the maturity date.
5. Since the interest rates of the subject borrowings are higher than the current market borrowing cost of NPR, an adjustment of 443 million yen is being made in the form of cash deduction from the amount being paid for the purchase of trust beneficiary rights of Prologis Park Tokyo-Shinkiba and Prologis Park Yokohama-Tsurumi. This amount represents the present value of the difference of the terms and conditions between the subject borrowings and NPR’s possible market borrowing as of the end of September, 2013.

II. Profiles of Lender and Trustee of the Borrowings to Be Held in Trust

Profile of Lender

Name	Prudential Mortgage Asset Holdings I Japan Investment Business Limited Partnership
Head Office Address	Prudential Tower, 2-13-10, Nagatacho, Chiyoda-ku, Tokyo
Unlimited Liability Partner	Prudential Mortgage Capital Company, LLC
Relationship with NPR or its asset management company	N/A

Disclaimer: This press release is an announcement concerning NPR’s decision to obtain debt financing and has not been prepared for the purpose of solicitation for investment.

In addition, this press release does not constitute an offer of securities for sale in the U.S. Securities may not be offered or sold in the U.S. without registration or an exemption from registration of securities under the U.S. Securities Act of 1933. Any public offering of securities to be made in the U.S. will be made by means of an English language prospectus prepared in accordance with the U.S. Securities Act of 1933 that may be obtained from the issuer of the securities or any holder of the securities and that will contain detailed information about the issuer and its management, as well as its financial statements.

Profile of the Trustee (Technical Borrower of the Borrowings to Be Held in Trust)

Company Name	Mitsubishi UFJ Trust and Banking Corporation
Head Office Address	1-4-5, Marunouchi, Chiyoda-ku, Tokyo
Representative	Tatsuo Wakabayashi, President
Paid-in Capital	324,279 million yen (as of March 31, 2013)
Major Shareholder	Mitsubishi UFJ Financial Group, Inc.
Main Business	Trust business and banking business
Relationship with NPR or its asset management company	N/A

III. Reasons for the Borrowings to Be Held in Trust

NPR is entering into the subject scheme of borrowings, in which the trustee is a technical borrower, for the purpose of making NPR virtually assume the existing borrowings by the sellers, Tokyo Shinkiba Special Purpose Company and Yokohama Tsurumi Special Purpose Company, from Prudential Mortgage Asset Holdings 1 Japan Investment Business Limited Partnership, in connection with NPR's acquisition of the trust beneficiary rights of Prologis Park Tokyo-Shinkiba and Prologis Park Yokohama-Tsurumi, respectively. The trustee is entering into the Borrowings to Be Held in Trust as of December 3, 2013 from Prudential Mortgage Asset Holdings 1 Japan Investment Business Limited Partnership under substantially identical terms and conditions to those that apply to the existing borrowings by the sellers.

IV. Total Borrowing Amount, Use of Proceeds and Scheduled Disbursement Date

- (1) Total borrowing amount
14.05 billion yen in total
- (2) Specific use of proceeds
Allocated to a part of the acquisition costs of the trust beneficiary rights of Prologis Park Tokyo-Shinkiba and Prologis Park Yokohama-Tsurumi and related expenses, as described above.
- (3) Scheduled disbursement date
December 3, 2013

V. Outstanding Loan Balance after the Borrowings to Be Held in Trust

(Unit: Millions of yen)

	Before Borrowings	After Borrowings	Increase/Decrease
Short-Term Loan (Note)	4,850	4,850	-
Long-Term Loan (Note)	142,200	156,250	14,050
Total Loan Amount	147,050	161,100	14,050
Investment Corporation Bonds	-	-	-
Total Interest-Bearing Debt	147,050	161,100	14,050

(Note) Short-Term Loan refers to loans which are due within one year, and Long-Term Loan refers to loans which are due within a period longer than one year.

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VI. Other Matters Necessary for Investors' Appropriate Understanding/Judgment of the Subject Information

In terms of the risks associated with the Borrowings to Be Held in Trust, there is no material change in "II Fund Information, 1. Overview of the Fund, 3 Investment Risks" stated in the Securities Registration Statement which was filed on November 5, 2013.

Notes:

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

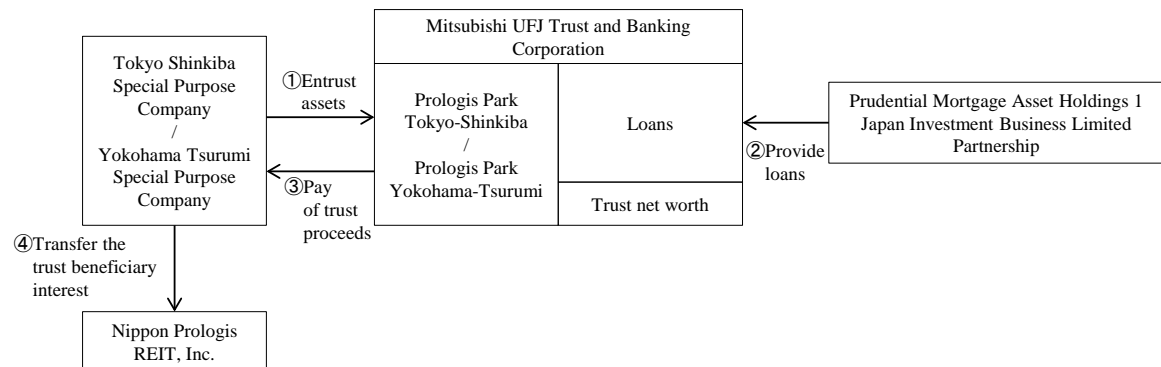
Real Estate Investment Trust Securities Issuer: Nippon Prologis REIT, Inc. (Code 3283)
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【Appendix】
Scheme Diagram



(Notes)

- ① Tokyo Shinkiba Special Purpose Company and Yokohama Tsurumi Special Purpose Company, respectively entrust Prologis Park Tokyo-Shinkiba and Prologis Park Yokohama-Tsurumi to Mitsubishi UFJ Trust and Banking Corporation.
- ② Prudential Mortgage Asset Holdings 1 Japan Investment Business Limited Partnership provides loans to Mitsubishi UFJ Trust and Banking Corporation.
- ③ Mitsubishi UFJ Trust and Banking Corporation pays trust proceeds equivalent to the loan amount to Tokyo Shinkiba Special Purpose Company and Yokohama Tsurumi Special Purpose Company.
- ④ Tokyo Shinkiba Special Purpose Company and Yokohama Tsurumi Special Purpose Company respectively transfer the trust beneficiary interest of Prologis Park Tokyo-Shinkiba and Prologis Park Yokohama-Tsurumi to NPR.

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