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For Immediate Release

REIT Issuer

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Notice Concerning Property Transfer (NU Kannai Building)

Premier Investment Corporation ("PIC") announces that Premier REIT Advisors Co., Ltd. ("PRA"), the asset management company for PIC, today decided on the transfer of asset of an office building (the "Transfer") as described below.

1. Overview of the Transfer

| | |
|-------------------------|--|
| Property Name | NU Kannai Building |
| Type of Asset for Sale | Beneficiary interest in a real estate trust |
| Sale Price (Note 1) | 3,550 million yen |
| Book Value | 3,341 million yen (as of April 30, 2017) |
| Gain on Sale (estimate) | 95 million yen (Note 2) |
| Buyer | A domestic corporation (Note 3) |
| Planned Delivery Date | November 9, 2017 |
| Settlement Method | Lump-sum settlement upon delivery |
| Use of Sale Price | PIC plans to use the proceeds to fund repayment of borrowings. |

(Note 1) "Sale price" represents the transaction price before taxes, not deducting various expenses (such as real estate taxes) required for the transfer of the property.

(Note 2) "The gain on Sale (estimate)" has been calculated by deducting 3,455 million yen (a combined amount of the assumed book value upon delivery of the properties, obtained by taking into account the estimated capital expenditures and the estimated depreciation amount until the planned date of delivery for the book value as of April 30, 2017, and the estimated expenses related to the transfer) from the sale price of 3,550 million yen.

(Note 3) The name of the domestic corporation is not disclosed as no consent to disclosure of its name, etc. has been obtained from the said corporation.

2. Reason for the Transfer

NU Kannai Building, the property to be transferred, is an office building PIC acquired in November 2011. Comprehensive investigations were made from a medium- to long-term perspective, with considerations given to the real estate market conditions, forecasts of future earnings and composition of the entire portfolio, among other items. As a result, the Transfer has been decided on, with its timing, prices and other factors determined to be reasonable.

3. Details of the Property for Transfer

| | | |
|----------------------------------|---|---|
| Property Name | NU Kannai building | |
| Type of Specified Asset | Beneficiary interest in a real estate trust | |
| Name of Trustee | Sumitomo Mitsui Trust Bank, Limited | |
| Agreement Term | From May 31, 2007 to November 30, 2021 | |
| Location (Note 1) | Land | 223-1, 223-3, 223-4, 223-5, 225-2 and 225-3 Yamashitacho, Naka Ward, Yokohama City, Kanagawa Prefecture |
| | Building | 223-1, 225-2 and 225-3 Yamashitacho, Naka Ward, Yokohama City, Kanagawa Prefecture <Residential Indication> 223-1 Yamashitacho, Naka Ward, Yokohama City, Kanagawa Prefecture |
| Area (Note 1) | Land | 1,726.58 m ² |
| | Building | 10,963.91 m ² |
| Type of Ownership | Fee simple ownership for both land and building | |
| Use of Building (Note 1) | Office | |
| Structure of Building (Note 1) | Steel-framed, reinforced concrete structure with a flat-topped roof; 10 stories with a basement floor | |
| Construction Completion (Note 1) | February 1987 | |
| Sell Price | 3,550 million yen | |
| Book Value | 3,341 million yen (as of April 30, 2017) | |
| Gain on Sale (estimate) | 95 million yen | |
| Appraisal | | |
| | Appraiser | Aoyama Realty Advisors Inc. |

| | | | | | |
|-----------------------------------|--|-----------|-----------|-----------|-----------|
| Appraisal Value | 2,930 million yen | | | | |
| Survey Date | September 15, 2017 | | | | |
| Tenant Details (Note 2) | | | | | |
| Total Number of Tenants | 20 | | | | |
| Monthly Rent | 19 million yen (including common area charges) | | | | |
| Tenant Security Deposits (Note 3) | 83 million yen | | | | |
| Total Leased Space | 6,526.16 m ² | | | | |
| Total Leasable Space | 8,025.75 m ² | | | | |
| Change in Occupancy Rate | July 2013 | July 2014 | July 2015 | July 2016 | July 2017 |
| | 96.0% | 98.3% | 80.1% | 81.7% | 81.3% |
| Other Special Notes | None | | | | |

(Note 1) Each piece of information in "Location (excluding residential indication)," "Area," "Use of Building," "Structure of Building" and "Construction Completion" is described based on the information indicated in the certificate of registered matters.

(Note 2) "Tenant Details" indicate the figure as of July 31, 2017.

4. Buyer Profile

The buyer of the property to be transferred is a business company in Japan. However, its profile is not disclosed as no consent to disclosure has been obtained from the company. As of today, the concerned buyer has no capital, personal or business relationship with PIC or PRA. The concerned buyer is not a related party of PIC or PRA, either.

5. Overview of Intermediary

(As of September 29, 2017)

| | |
|------------------------------|---|
| Company Name | Sumitomo Mitsui Trust Bank, Limited |
| Head Office Address | 1-4-1 Marunouchi, Chiyoda Ward, Tokyo |
| Representative | Masaru Hashimoto, President |
| Paid-in Capital | 342.0 billion yen (as of March 31, 2017) |
| Established Date | July 28, 1925 |
| Principal Business | (1) Trust operations (2) Bank operations (3) Real estate brokerage, securities brokerage and other concurrent Bank operations (4) Registered financial institution operations Etc. |
| Relationship with PIC or PRA | |
| Capital Relationship | As of today, the intermediary owns 4.9% of PRA's total shares outstanding and falls under the category of an interested party, etc. as defined in an internal rule of PRA. |
| Personal Relationship | There is no personal relationship to note between the intermediary and PIC or PRA. |
| Business Relationship | The intermediary is the asset custodian, general administrator, transfer agent, special accounts management institution, corporate bond manager, general administrator on corporate bonds, trustee and lender, etc. of PIC. |
| Related Parties | The intermediary does not fall under the category of related parties of either PIC or PRA. |

(Note) The intermediary fee is not disclosed as no consent to disclosure has been obtained from the intermediary.

6. Transaction with Interested Party, Etc.

PRA's board of directors discussed and made a resolution concerning the following transactions with interested parties, etc., in accordance with the Regulations on Transactions with Related Party, etc., an internal rule of PRA.

- (1) Transaction with interested party, etc., as stipulated in the Act on Investment Trusts and Investment Corporations
Not applicable
- (2) Transaction with interested party, etc., as stipulated in the internal rules of PRA
Consignment of intermediary services regarding the Transfer to Sumitomo Mitsui Trust Bank

7. Schedule of the Transfer

| | |
|-----------------------|--------------------|
| Date of Decision Made | September 29, 2017 |
| Conclusion Date | September 29, 2017 |
| Planned Delivery Date | November 9, 2017 |

8. Outlook

As the property is planned to be delivered on November 9, 2017, the Transfer will have no impact on the management status for the fiscal period ending October 2017 (the 30th fiscal period: May 1, 2017 - October 31, 2017). Moreover, the Transfer will have a minimal impact on the forecast of results for the fiscal period ending April 2018 (the 31st fiscal period: November 1, 2017 - April 30, 2018). Accordingly, PIC makes no change to the performance forecast for the 31st fiscal period that was described in the "Forecast of the 30th Fiscal Period (May 1, 2017 - October 31, 2017) and 31st Fiscal Period (November 1, 2017 - April 30, 2018)" of the "Financial Report for the Fiscal Period Ended April 30, 2017 (November 1, 2016 - April 30, 2017)" announced on June 16, 2017.

9. Overview of Appraisal Report

| | |
|-----------------|-----------------------------|
| Property Name | NU Kannai Building |
| Appraisal Value | 2,930 million yen |
| Appraiser | Aoyama Realty Advisors Inc. |
| Survey Date | September 15, 2017 |

| Item | Contents (thousand yen) | Remarks, Etc. | |
|--|---|--|---|
| The value estimated by income approach | 2,930,000 | Estimated by associating the value estimated by direct capitalization method and the value estimated by the DCF method | |
| The value estimated by direct capitalization method [[5]+[6]] | 2,970,000 | | |
| Operating Revenues | (a) Rental revenue | 259,669 | Estimated rental revenue and common service charges that are stable over the medium to long term, based on adopted materials and with reference to the rent levels of similar buildings |
| | (b) Common service charges | 46,191 | |
| | (c) Rental revenue including common service charges [(a)+(b)] | 305,860 | |
| | (d) Utilities | 28,000 | Estimated based on adopted materials and with reference to the utilities revenue of similar buildings |
| | (e) Parking and bicycle parking fees | 16,560 | Estimated based on adopted materials and with reference to the use fees of similar facilities |
| | (f) Other income | 3,354 | Estimated based on adopted materials |
| | [1] Latent Gross Revenues [(c)+(d)+(e)+(f)] | 353,774 | |
| | (g) Losses due to vacancies, etc. | 32,490 | Estimated losses due to vacancies, etc. that are stable over the medium to long term, with reference to adopted materials as well as the vacancy rates of similar buildings |
| | (h) Bad debt loss | - | Bad debt loss is not recorded taking into account the credibility, etc. of the tenants and because tenant security deposits serve as security |
| | [2] Operating Revenues [[1]-(g)-(h)] | 321,284 | |
| Operating Expenses | (i) Maintenance | 44,120 | Estimated based on adopted materials and with reference to the maintenance and management expenses of similar buildings |
| | (j) Utilities | 42,000 | Estimated based on adopted materials and with reference to the utilities expenses of similar buildings |
| | (k) Repair costs | 15,606 | Estimated based on adopted materials and with reference to the repair costs of similar buildings |
| | (l) Property management fee | 7,395 | Estimated with reference to adopted materials the property management fees of similar buildings |
| | (m) Advertisement for leasing, etc. | 3,410 | Estimated expenses for advertisement for leasing, etc. that is stable over the medium to long term, based on adopted materials and with reference to the intermediary and advertisement fees, etc. for leasing of similar buildings |
| | (n) Tax and public dues | 27,333 | Estimated based on adopted materials |
| | (o) Insurance | 858 | Estimated based on adopted materials |
| | (p) Other expenses | - | Not recorded as no amount is recorded for the item in adopted materials |
| [3] Operating Expenses [(i)+(j)+(k)+(l)+(m)+(n)+(o)+(p)] | 140,722 | | |
| [4] Net Operating Income [[2]-[3]] | 180,562 | | |
| (q) Profit through management of temporary deposits, etc. | 1,255 | Estimated with reference to adopted materials and repair costs of similar buildings | |
| (r) Capital expenditures | 36,414 | Estimated based on adopted materials | |
| [5] Net Cash Flow [[4]+(q)-(r)] | 145,403 | | |
| [6] Capitalization rate | 4.9% | Estimated based on the yield at low investment risks and taking into account the spread attributable to the location conditions and building conditions, etc. of the property. | |
| The value estimated by discounted cash flow (DCF) method | 2,890,000 | | |
| Discount rate | 4.6% | | |
| Terminal capitalization rate | 5.1% | | |
| The value estimated by cost approach | 3,170,000 | | |
| Land ratio | 73.5% | | |
| Building ratio | 26.5% | | |

| | |
|--|------|
| Other matters noted by the appraiser in conducting appraisal | None |
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[Attachment]

Reference

Table of Portfolio Following the Transfer

- * The Japanese original document was distributed to press clubs within the Tokyo Stock Exchange, Ministry of Land, Infrastructure, Transport and Tourism, and the construction trade newspaper of the Ministry of Land, Infrastructure, Transport and Tourism.
- * PIC's website is <http://www.pic-reit.co.jp/en/>
- ** Neither PIC nor Premier REIT Advisors Co., Ltd. makes any assurance or warranty with respect to the completeness or accuracy of this English translation. For more complete and accurate information, please refer to the original announcement in Japanese.

[Reference] Table of Portfolio Following the Transfer

| Use | Area | No. | Property Name | Acquisition Date | Acquisition Price (million yen) (Note) | Share | |
|------------------|-------------------------------|--------------------------|--|--------------------------|--|---------|-------|
| Office Buildings | 5 Central Wards of Tokyo | A01 | Landic Shimbashi Building 1 | Sep 11, 2002 | 6,341 | 2.6% | |
| | | A02 | Landic Shimbashi 2 Building | Sep 11, 2002 | 7,045 | 2.9% | |
| | | A03 | Premier Dogenzaka Building | Sep 10, 2002 | 1,727 | 0.7% | |
| | | A04 | KN Shibuya No.3 | Sep 11, 2002 | 5,348 | 2.2% | |
| | | A05 | Takadanobaba Center Building | Sep 11, 2002 | 5,118 | 2.1% | |
| | | A06 | Rokubancho Building | Mar 26, 2004 | 7,860 | 3.2% | |
| | | A07 | Ougaku Building | Jun 1, 2005 | 1,796 | 0.7% | |
| | | A08 | Premier Kaigan Building | Jun 29, 2007 | 5,100 | 2.1% | |
| | | A10 | Urbannet Mita Building | Nov 18, 2011 | 10,300 | 4.2% | |
| | | A11 | Urbannet Azabu Building | Nov 18, 2011 | 5,000 | 2.0% | |
| | | A12 | Urbannet Ichigaya Building | Nov 18, 2011 | 1,650 | 0.7% | |
| | | A14 | Urbannet Irifune Building | May 10, 2013 | 2,900 | 1.2% | |
| | | A15 | Granpark | Nov 8, 2013 | 11,490 | 4.7% | |
| | | A16 | Urbannet Kojimachi Building | Jan. 22, 2015 | 3,600 | 1.5% | |
| | | Other 18 Wards of Tokyo | B02 | Premier Toyochō Building | May 18, 2007 | 4,310 | 1.8% |
| | B03 | | Ueno TH Building | Mar 27, 2008 | 4,380 | 1.8% | |
| | B04 | | Gotanda NT Building | Mar 27, 2008 | 4,100 | 1.7% | |
| | B05 | | Ueno Tosei Building | Nov 18, 2011 | 5,900 | 2.4% | |
| | B06 | | Urbannet Ikebukuro Building | Jan. 22, 2015 | 13,600 | 5.5% | |
| | B07 | | Urbannet Omori Building | Jan. 22, 2015 | 4,800 | 2.0% | |
| | B08 | | Sphere Tower Tennozu | Jun. 21, 2017 | 15,000 | 6.1% | |
| | Urban Areas Surrounding Tokyo | C01 | Premier Yokohama Nishiguchi Bulding | Sep 11, 2002 | 3,558 | 1.4% | |
| | | C02 | The Kanagawa Science Park R&D Building | Sep 11, 2002 | 6,556 | 2.7% | |
| | Regional Cities | G02 | NTT CRED Okayama Building | May 15, 2015 | 3,600 | 1.5% | |
| | | G03 | Urbannet Shizuoka Ote-machi Building | Feb 19, 2016 | 1,628 | 0.7% | |
| | | G04 | Urbannet Shizuoka Building | Feb 19, 2016 | 1,119 | 0.5% | |
| | | G05 | Urban Ace Higobashi Building | Dec 20, 2016 | 4,600 | 1.9% | |
| | Subtotal | | | | | 148,426 | 60.4% |
| | Residential Properties | 5 Central Wards of Tokyo | D01 | Park Axis Yotsuya Stage | Sep 11, 2002 | 5,208 | 2.1% |
| | | | D02 | Park Axis Meiji-Jingumae | Sep 11, 2002 | 2,604 | 1.1% |
| D04 | | | Cabin Arena Akasaka | Apr 4, 2003 | 1,330 | 0.5% | |
| D05 | | | Cabin Arena Minami-Aoyama | Sep 1, 2003 | 1,070 | 0.4% | |
| D06 | | | Bureau Kioicho | Jul 1, 2003 | 1,840 | 0.7% | |
| D08 | | | Roppongi Green Terrace | Nov 18, 2003 | 4,678 | 1.9% | |
| D09 | | | Premier Stage Shibakoen II | Nov 18, 2003 | 2,181 | 0.9% | |
| D11 | | | Langue Tower Kyobashi | Dec 22, 2003 | 927 | 0.4% | |
| D12 | | | Premier Stage MitaKeidaimae | Nov 30, 2004 | 1,580 | 0.6% | |
| D13 | | | Premier Rosso | Jan 14, 2005 | 1,662 | 0.7% | |
| D14 | | | Premier Blanc Yoyogikouen | Jul 15, 2005 | 2,330 | 0.9% | |
| D15 | | | Premier Stage Uchikanda | Sep 20, 2005 | 1,723 | 0.7% | |
| D16 | | | Premier Stage Ichigayakawadacho | Jul 21, 2005 | 1,460 | 0.6% | |
| D17 | | | Walk Akasaka | Jun 1, 2005 | 2,043 | 0.8% | |
| D18 | | | Premier Stage Shibakoen | Oct 13, 2006 | 1,585 | 0.6% | |
| D19 | | | MEW | Jul 31, 2006 | 1,556 | 0.6% | |
| D20 | | | Shibaura Island Air Tower | Dec 3, 2007 | 7,590 | 3.1% | |
| D21 | | | Storia Akasaka | May 22, 2008 | 3,930 | 1.6% | |
| D22 | | | Renai Shinjuku-Gyoen Tower | May 22, 2008 | 6,500 | 2.6% | |
| D23 | | | Shibaura Island Bloom Tower | Dec 9, 2010 | 5,500 | 2.2% | |
| D24 | | | Questcourt Harajuku | Nov 18, 2011 | 4,500 | 1.8% | |
| D25 | | | Urban Court Ichigaya | Nov 8, 2013 | 1,385 | 0.6% | |

| Use | Area | No. | Property Name | Acquisition Date | Acquisition Price (million yen) (Note) | Share |
|------------------------|-------------------------------|----------|---|------------------|--|--------|
| Residential Properties | Other 18 Wards of Tokyo | E01 | B-Site Osaki | Nov 18, 2003 | 1,072 | 0.4% |
| | | E02 | Premier Garden Hongo | Apr 1, 2004 | 975 | 0.4% |
| | | E03 | Premier Grande Magome | Jun 1, 2005 | 1,560 | 0.6% |
| | | E04 | Premier Nozze Yutenji | Mar 28, 2006 | 1,525 | 0.6% |
| | | E05 | Premier Stage Yushima | Sep 1, 2006 | 1,803 | 0.7% |
| | | E06 | Premier Stage Komagome | Feb 9, 2007 | 1,830 | 0.7% |
| | | E07 | Premier Stage Otsuka | Jun 18, 2007 | 1,310 | 0.5% |
| | | E08 | Premier Stage Honjo-Azumabashi | Nov 30, 2007 | 2,640 | 1.1% |
| | | E09 | Premier Stage Ryogoku | Jun 30, 2008 | 1,496 | 0.6% |
| | | Subtotal | | | | |
| Others | | Z01 | UDX Special Purpose Company Preferred Securities (Akihabara UDX) | Dec 8, 2010 | 19,940 | 8.1% |
| | | | | Nov 8, 2013 | | |
| Subtotal | | | | | 19,940 | 8.1% |
| Total | | | | | 245,760 | 100.0% |

(Note) "Acquisition Price" represents the transaction price before taxes, not including various expenses (such as real estate taxes) required for the acquisition of the relevant properties.