

March 31, 2021

For Immediate Release

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Notice Concerning Property Transfer <Bureau Kioicho>

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

1. Overview of the Transfer

Property Name	Bureau Kioicho
Type of Asset for Sale	Beneficiary interest in a real estate trust (Note 1)
Sale Price	2,850 million yen (Note 2)
Book Value	1,599 million yen (as of October 31, 2020)
Gain on Sale (estimate)	1,163 million yen (Note 3)
Buyer	NTT Urban Development Corporation
Intermediary	Sumitomo Mitsui Trust Bank, Limited (Note 4)
Transfer Decision Date	March 31, 2021
Conclusion Date	March 31, 2021
Planned Delivery Date	May 7, 2021
Settlement Method	Lump-sum settlement upon delivery
Use of Sale Price	PIC plans to use the proceeds to fund the repayment of interest-bearing liabilities

(Note 1) For details of the trust property, please refer to "3. Details of the Property for Sale" below.

(Note 2) "Sale Price" represents the transaction price before taxes, not deducting various expenses required for the transfer of the property.

(Note 3) "Gain on Sale (estimate)" has been calculated by deducting 1,687 million yen (a combined amount of the assumed book value as of the planned delivery date of the above mentioned property, taking into account the book value as of October 31, 2020 and capital expenditure and depreciation (estimate) up to the planned delivery date as well as expenses related to the Transfer (estimate)) from the sale price of 2,850 million yen.

(Note 4) Sumitomo Mitsui Trust Bank, Limited does not fall under the category of interested party, etc. of PRA as stipulated in the Investment Trusts Act and the internal rules of PRA.

2. Reason for the Transfer

The property is a residential property completed in 2002 that PIC acquired in 2003. The property has since long been managed as a furnished and serviced apartment in the form of leasing it entirely to an operator specializing in such. Recently, a new form of management was being considered as the lease agreement with the concerned operator is due to end.

A comprehensive consideration of the forecasts of earnings should the property be changed to be under an ordinary lease, the current real estate market conditions and the composition of the entire portfolio, among other items, from a medium- to long-term perspective on that basis resulted in the Transfer being decided, with its timing, prices and other factors determined to be reasonable for PIC.

PIC plans to internally reserve a portion of the gain on sale as reserve for reduction entry and utilize it for stabilizing the level of its distributions in the future.

3. Details of the Property for Sale

Details of the Property for Sale		
Property Name		Bureau Kioicho
Type of Specified Asset		Beneficiary interest in a real estate trust
Name of Trustee		Sumitomo Mitsui Trust Bank, Limited
Agreement Term		From July 1, 2003 to July 31, 2023
Location (Note 1)	Land	2-6-21 Hirakawacho, Chiyoda Ward, Tokyo, and 2 other parcels
	Building	2-6-21 Hirakawacho, Chiyoda Ward, Tokyo <Residential Indication> 2-4-4 Hirakawacho, Chiyoda Ward, Tokyo
Area (Note 1)	Land	306.73m ²
	Building	2,008.55m ²
Type of Ownership	Land	Fee simple ownership
	Building	Fee simple ownership
Use of Building (Note 1)		apartment

Structure of Building (Note 1)	Steel-framed reinforced concrete structure with a flat-topped roof; 11 stories				
Construction Completion (Note 1)	November 2002				
Sale Price	2,850 million yen				
Book Value	1,599 million yen (as of October 31, 2020)				
Gain on Sale (estimate)	1,163 million yen				
Appraisal					
	Appraiser	Japan Real Estate Institute			
	Appraisal Value	1,520 million yen			
	Survey Date	March 1, 2021			
Tenant Details (Note 2)					
	Total Number of Tenants	1			
	Monthly Rent	Not disclosed			
	Tenant Security Deposits	Not disclosed			
	Total Leasable Space	1,728.98m ²			
	Total Leased Space	182.66 m ²			
Change in Occupancy Rate	January 2017	January 2018	January 2019	January 2020	January 2021
	100.0%	100.0%	100.0%	100.0%	10.6%

(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 figures as of January 31, 2021. As for "Monthly Rent" and "Tenant Security Deposits," the figures are not disclosed as no consent for disclosure has been obtained from the tenant.

4. Buyer Profile

(as of March 31, 2021)

(as of March 31, 2021)	
Company Name	NTT Urban Development Corporation
Head Office Address	4-14-1 Sotokanda, Chiyoda Ward, Tokyo
Representative	Hiroshi Tsujigami, President & CEO
Paid-in Capital	48,760 million yen (as of March 31, 2020)
Net Assets	197,628 million yen (as of March 31, 2020)
Total Assets	932,262 million yen (as of March 31, 2020)
Major Shareholder and Shareholding Ratio	NTT Urban Solutions Co., Ltd. (Share: 100.0%)
Established Date	January 21, 1986
Principal Business	(1) Acquisition, development, sales and management of real estate (2) Real estate leasing and brokerage (3) Building design, construction, construction supervising and their commissioning (4) Sale and lease of office equipment, communications equipment, fixtures and fittings, and interior furnishings for office buildings and residences (5) Construction and sale of residences (6) Gathering and management of information, research and consulting related to civil engineering, construction and real estate (7) Fee-based homes for the elderly, home care service, and preventive long-term care service pursuant to the Long-Term Care Insurance Act
Relationship with PIC or PRA	
Capital Relationship	NTT Urban Development Corporation (NTT UD) owns 3.3% (43,500 units) of PIC's total investment units outstanding. NTT UD is also the wholly-owning parent company of PRA, holding 100.0% (6,000 shares) of PRA's total shares outstanding, and falls under the category of interested party, etc. of PRA as stipulated in the Investment Trusts Act.
Personal Relationship	NTT UD is one of the companies from which officers and employees of PRA have been dispatched.
Business Relationship	NTT UD falls under the category of tenants of properties owned by PIC. In addition, PRA has executed an Agreement on Information Provision with NTT UD.
Related Parties	NTT UD does not fall under the category of related parties of PIC. As stated above, NTT UD is the wholly-owning parent company of PRA and falls under

	the category of related parties of PRA.
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5. Transactions with Interested Party, Etc.

As for the following transactions with interested party, etc. related to the Transfer, resolution by the Compliance Committee including external experts, resolution by the Investment Committee and resolution by the board of directors have been made in accordance with the "Regulations on Transactions with Interested Party, etc.," an internal rule of PRA.

(1) Transactions with interested party, etc., as stipulated in the Investment Trusts Act

1) Transfer of Bureau Kioicho to NTT Urban Development Corporation

(2) Transactions with interested party, etc., as stipulated in the internal rules of PRA

Not applicable

6. Matters Concerning Forward Commitment, Etc.

The Transfer falls under the category of Forward Commitment by Investment Corporations (Note) stipulated in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." set forth by the Financial Services Agency.

The sales agreement regarding the Transfer provides that, in the event of a serious violation of the sales agreement either by PIC or the buyer, the other party shall be able to terminate the agreement and claim for penalty charges equivalent to 5% of the sale price.

(Note) Forward Commitment is a postdated sales agreement under which payment and delivery shall be made at least one month after the conclusion of the agreement, or any other agreement similar thereto.

7. Outlook

The performance forecast for the fiscal period ending October 2021 (the 38th fiscal period) that had been announced has been revised to reflect the impact of the Transfer on business performance.

For details, please refer to the "Notice Concerning Revision to Performance Forecast and Distribution Forecast for the Fiscal Period Ending October 31, 2021 (the 38th Fiscal Period)" announced on March 31, 2021.

8. Overview of Appraisal Report

Property Name	Bureau Kioicho
Appraisal Value	1,520 million yen
Appraiser	Japan Real Estate Institute
Survey Date	March 31, 2021

Appraisal Item	Appraisal Value (million yen)	Remarks, Etc.
The value estimated by income approach	1,520	Estimated by associating the value estimated by direct capitalization method and value estimated by DCF method
Value estimated by direct capitalization method [[5]÷[6]]	1,550	
Operating Revenues		
(a) Rental revenue	88	Estimated the unit price levels of the rent, etc. that are stably collectable over the medium to long term
(b) Common service charges	0	and recorded rental revenue and common service charges based on them
(c) Rental revenue including common service charges [(a) + (b)]	88	
(d) Utilities	0	There are no utilities income to be received from each tenants to be recorded
(e) Parking and bicycle parking fees	0	There are no parking and bicycle parking income to be recorded
(f) Other income	4	Recorded the rewards and renewal fee income to be received from each tenants
[1] Latent Gross Revenues [(c) + (d) + (e) + (f)]	93	
(g) Losses due to vacancies, etc.	4	Losses due to vacancies, etc. are recorded as a result of estimating the occupancy rate level over the medium to long term and assuming such
(h) Bad debt loss	-	Recording of bad debt loss was judged to be unnecessary, taking into account the status of the lessees, etc.
[2] Operating Revenues [(1)-(g)-(h)]	88	
Operating Expenses		
(i) Maintenance	3	Recorded by taking into account the individual characteristics of the subject real estate in reference to the actual results of past years and the maintenance fees of similar real estate
(j) Utilities	0	Recorded by taking into account the individual characteristics of the subject real estate in reference to the utilities of similar real estate
(k) Repair costs	5	Recorded in reference to the actual results of past years and by taking into account the annual average repair and replacement expenses stated in the engineering report
(l) Property management fee	2	Recorded by taking into account the rent conditions of similar real estate in the surrounding area
(m) Advertisement for leasing, etc.	3	Recorded the annual average amount estimated on the basis of the assumed turnover period of the lessees

Appraisal Item			Appraisal Value (million yen)	Remarks, Etc.
		(n) Tax and public dues	4	Recorded by taking into account the content of related materials and burden adjustment measures
		(o) Insurance	0	Recorded by taking into account the insurance premiums and the insurance premium rates of similar buildings, etc.
		(p) Other expenses	-	There are no special expenses to be recorded
		[3] Operating Expenses [(i)+(j)+(k)+(l)+(m)+(n)+(o)+(p)]	19	
		[4] Net Operating Income [(2)-[3]]	68	
		(q) Profit through management of temporary deposits, etc.	0	Estimated by multiplying the amount, which is obtained by multiplying the stable number of months for deposits over the medium to long term by the occupancy rate, by the management yield
		(r) Capital expenditures	9	Estimated by taking into account the capital expenditure levels of similar real estate, the building age and annual average repair and replacement expenses stated in the engineering report
		[5] Net Cash Flow [(4)+(q)-(r)]	59	
		[6] Capitalization rate	3.8%	Calculated by adding or subtracting the spread attributable to the location conditions, building conditions, etc. to the standard yield of each district
		Value estimated by discounted cash flow (DCF) method	1,490	
		Discount rate	3.5%	
		Terminal capitalization rate	3.9%	
		Value estimated by cost approach	1,530	
Land ratio	82.3%			
Building ratio	17.7%			
Other matters noted by the appraiser in conducting appraisal				None

[Attachment]

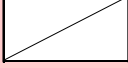
[Reference] Table of Portfolio Following the Transfer

* PIC's website is <https://www.pic-reit.co.jp/en/>

** Neither PIC nor PRA 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	2.4%
		A02	Landic Shimbashi 2 Building	Sep 11, 2002	7,045	2.7%
		A03	Premier Dogenzaka Building	Sep 10, 2002	1,727	0.7%
		A04	KN Shibuya No.3	Sep 11, 2002	5,348	2.1%
		A05	Takadanobaba Center Building	Sep 11, 2002	5,118	2.0%
		A06	Rokubancho Building	Mar 26, 2004	7,860	3.0%
		A10	Urbannet Mita Building	Nov 18, 2011	10,300	4.0%
		A11	Urbannet Azabu Building	Nov 18, 2011	5,000	1.9%
		A15	Granpark	Nov 8, 2013	11,490	4.4%
		A17	Otemachi Financial City Grand Cube	Jun 12, 2020	4,680	1.8%
		A18	Shinagawa Season Terrace	Dec 21, 2020	18,720	7.2%
				Mar 30, 2021		
	Other 18 Wards of Tokyo	B02	Premier Toyokocho Building	May 18, 2007	4,310	1.7%
		B03	Ueno TH Building	Mar 27, 2008	4,380	1.7%
		B04	Gotanda NT Building	Mar 27, 2008	4,100	1.6%
		B05	Ueno Tosei Building	Nov 18, 2011	5,900	2.3%
		B06	Urbannet Ikebukuro Building	Jan 22, 2015	13,600	5.2%
		B07	Urbannet Omori Building	Jan 22, 2015	4,800	1.8%
		B08	Sphere Tower Tennozu	Jun 21, 2017	15,000	5.8%
		B09	Uebannet Gotanda NN Building	Apr 5, 2019	5,250	2.0%
	Urban Areas Surrounding Tokyo	C01	Premier Yokohama Nishiguchi Building	Sep 11, 2002	3,558	1.4%
		C02	The Kanagawa Science Park R&D Building	Sep 11, 2002	6,556	2.5%
	Major Regional Cities	G02	NTT CRED Okayama Building	May 15, 2015	3,600	1.4%
		G03	Urbannet Shizuoka Ote-machi Building	Feb 19, 2016	1,628	0.6%
		G04	Urbannet Shizuoka Building	Feb 19, 2016	1,119	0.4%
		G05	Urban Ace Higobashi Building	Dec 20, 2016	4,600	1.8%
	Subtotal		25 properties		162,030	62.3%
Residential Properties	5 Central Wards of Tokyo	D01	Park Axis Yotsuya Stage	Sep 11, 2002	5,208	2.0%
		D02	Park Axis Meiji-Jingumae	Sep 11, 2002	2,604	1.0%
		D04	Cabin Arena Akasaka	Apr 4, 2003	1,330	0.5%
		D05	Cabin Arena Minami-Aoyama	Sep 1, 2003	1,070	0.4%
		D08	Roppongi Green Terrace	Nov 18, 2003	4,678	1.8%
		D09	Premier Stage Shibakoen II	Nov 18, 2003	2,181	0.8%
		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	0.6%
		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	2.9%
		D21	Storia Akasaka	May 22, 2008	3,930	1.5%
		D22	Renai Shinjuku-Gyoen Tower	May 22, 2008	6,500	2.5%
		D23	Shibaura Island Bloom Tower	Dec 9, 2010	5,500	2.1%
		D24	Questcourt Harajuku	Nov 18, 2011	4,500	1.7%
		D25	Urban Court Ichigaya	Nov 8, 2013	1,385	0.5%
		D26	Premier Stage Azabu-Juban	Mar 1, 2018	1,420	0.5%
		D27	Premier Stage Sasazuka	Mar 1, 2018	1,080	0.4%

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	1.0%
		E09	Premier Stage Ryogoku	Jun 30, 2008	1,496	0.6%
	Subtotal		32 properties		78,054	30.0%
Others		Z01	UDX Special Purpose Company Preferred Securities (Akihabara UDX)	Dec 8, 2010	19,940	7.7%
				Nov 8, 2013		
	Subtotal		1 properties		19,940	7.7%
Total			58 properties		260,024	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.