

August 25, 2016

For Immediate Release

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Notice Concerning Debt Finance

Premier Investment Corporation ("PIC") announces the decision made at its board of directors' meeting held today to borrow funds (hereinafter, the "Debt Finance") as described below.

1. Reason for the Debt Finance

To fund the repayment of loan (refer to "Use of Funds" in "2. Details of the Debt Finance" below).

2. Details of the Debt Finance

The Debt Finance involves the borrowing of two term loans (long-term loans). The details are provided in the following table.

	Term loan 062	Term loan 063
Use of Funds	To fund the repayment of a loan of 2,250 million yen in a long-term loan maturing on August 31, 2016 (Note 1).	
Expected Disbursement Date	August 31, 2016	
Lenders and Amount of Debt Finance	Sumitomo Mitsui Banking Corporation 1,000 million yen Sumitomo Mitsui Trust Bank, Limited 550 million yen Subtotal 1,550 million yen	Aozora Bank, Ltd. 700 million yen Subtotal 700 million yen
	Total 2,250 million yen	
Borrowing Method	Borrowing based on the loan agreements dated August 29, 2016 with the lenders indicated above.	
Expected Drawdown Date	August 31, 2016	
Repayment Date	August 30, 2024	
Repayment Period	8 years	
Repayment Method	Lump-sum repayment upon maturity	
Interest Rate (p.a.), etc.	Floating rate: TIBOR + 0.38% corresponding to the respective interest periods (Note 2) (Note 3)	Fixed rate: to be determined (Note 2)
Collateral / Guarantee	Unsecured and non-guaranteed	
Special Notes	Sumitomo Mitsui Trust Bank, Limited falls under the category of an interested party, etc. as defined in the "Regulations on transactions with interested parties," which is an internal rule of Premier REIT Advisors Co., Ltd. ("PRA"), the asset management company for PIC. As such, Debt Finance from Sumitomo Mitsui Trust Bank, Limited has been deliberated and approved by PRA's board of directors in compliance with such regulations.	

(Note 1) Reference:

"Notice Concerning Debt Finance and Early Repayment of Loan" dated February 27, 2012.

(Note 2) The floating interest rate applicable for the initial interest calculation period of term loan 062 as well as the fixed interest rate for term loan 063 have not yet been determined (to be determined on August 29, 2016).

(Note 3) The initial interest calculation period shall be from August 31, 2016 to November 30, 2016, with the subsequent interest periods ending at the end of February, May, August and November each year (or the preceding business day if the said date is not a business day). The final interest calculation period shall be from the day following the immediately preceding interest payment date through the principal repayment date (or the preceding business day if the said date is not a business day). In addition, interest rate swap agreements will be executed in order to effectively fix the interest rate for the borrowing. There will be an announcement regarding the interest rate fixed on the basis of the interest rate swap agreements to be arranged, once such details have been determined (to be determined on August 29, 2016).

3. Outstanding Interest-Bearing Liabilities after the Debt Finance

(million yen)

		Prior to Debt Finance	After Debt Finance	Variation
Short-term loans	Term loan 057	3,400	3,400	
	Term loan 061	4,500	4,500	-
	Subtotal	7,900	7,900	-
Long-term loans	Term loan 027	9,000	9,000	-
	Term loan 028	2,250	-	(2,250)
	Term loan 032	5,000	5,000	-
	Term loan 033	5,000	5,000	-
	Term loan 035	3,000	3,000	-
	Term loan 036	2,850	2,850	-
	Term loan 037	7,900	7,900	-
	Term loan 040	3,000	3,000	-
	Term loan 043	5,400	5,400	-
	Term loan 047	2,400	2,400	-
	Term loan 048	2,400	2,400	-
	Term loan 049	2,400	2,400	-
	Term loan 050	2,400	2,400	-
	Term loan 051	1,050	1,050	-
	Term loan 052	650	650	-
	Term loan 053	3,900	3,900	-
	Term loan 054	6,500	6,500	-
	Term loan 056	8,000	8,000	-
	Term loan 058	3,000	3,000	-
	Term loan 059	8,000	8,000	-
	Term loan 060	2,000	2,000	-
	Term loan 062	-	1,550	1,550
	Term loan 063	-	700	700
	Subtotal	86,100	86,100	-
Total loans		94,000	94,000	-
Corporate bonds	Unsecured bond No.4	7,500	7,500	-
	Unsecured bond No.5	2,500	2,500	-
	Unsecured bond No.6	2,500	2,500	-
Total corporate bonds		12,500	12,500	-
Total interest-bearing liabilities		106,500	106,500	-
Interest-bearing liabilities ratio (%) (Note)		46.9	46.9	-

(Note) Interest-bearing liability ratio = interest-bearing liabilities ÷ (interest-bearing liabilities + unitholders' capital) x 100.
The value used for the unitholders' capital is 120,350,148,784 yen, which is the value of the unitholders' capital as of today. In addition, the interest-bearing liability ratio has been rounded to the nearest first decimal place.

4. Other Matters Required for Investors to Appropriately Understand and Evaluate the Above Information

There will be no change to the content of "Investment Risk / (2) Risk Related to Product Design and Related Parties / (iv) Risk Related to Loans and Investment Corporation Bonds" described in PIC's Securities Report filed on July 28, 2016, due to the Debt Finance.

* 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>

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