

October 25, 2016

For Immediate Release

REIT Issuer

Premier Investment Corporation
1-2-70 Konan, Minato Ward, Tokyo
Executive Director

Shuro Hoshizawa
(Securities Code 8956)

Asset Management Company

Premier REIT Advisors Co., Ltd.
President & CEO
[Contact]
Director, Head of Business Affairs

Takahiro Okuda
Tatsuya Takahashi
TEL: +81-3-6630-4611

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 partially 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 065	Term loan 066
Use of Funds	To partially fund the repayment of a loan of 5,400 million yen in a long-term loan maturing on October 31, 2016 (Note 1).	
Expected Disbursement Date	October 31, 2016	
Lenders and Amount of Debt Finance (Note 2)	Mizuho Bank, Ltd. 2,040 million yen Sumitomo Mitsui Trust Bank, Limited 1,140 million yen Subtotal 3,180 million yen	Mitsubishi UFJ Trust and Banking Corporation 1,220 million yen Subtotal 1,220 million yen
	Total 4,400 million yen	
Borrowing Method	Borrowing based on the loan agreements dated October 27, 2016 with the lenders indicated above.	
Expected Drawdown Date	October 31, 2016	
Repayment Date	October 30, 2026	
Repayment Period	10 years	
Repayment Method	Lump-sum repayment upon maturity	
Interest Rate (p.a.), etc.	Floating rate: TIBOR + 0.45% corresponding to the respective interest periods (Note 3) (Note 4)	Fixed rate: to be determined (Note 3)
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" dated November 6, 2013.

(Note 2) The difference between the amount for loan repayment and the amount of the debt finance of 1,000 million yen will be paid with cash on hand.

(Note 3) The floating interest rate applicable for the initial interest calculation period of term loan 065 as well as the fixed interest rate for term loan 066 have not yet been determined (to be determined on October 27, 2016).

(Note 4) The initial interest calculation period shall be from October 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 October 27, 2016).

3. Outstanding Interest-Bearing Liabilities after the Debt Finance

(million yen)

			Prior to Debt Finance	After Debt Finance	Variation
		Short-term loans payable	7,900	7,900	0
		Long-term loans payable	86,100	85,100	(1,000)
	Total loans		94,000	93,000	(1,000)
	Corporate bonds		12,500	12,500	0
	Total interest-bearing liabilities		106,500	105,500	(1,000)
Interest-bearing liabilities ratio (%) (Note)			46.9	46.7	(0.2)

(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>
- ** 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.