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For Immediate Release

REIT Issuer

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Notice Concerning Interest Rate on Loans and Execution of Interest Rate Swap Agreement

Premier Investment Corporation ("PIC") announces that the applicable interest rates for the term loans to be conducted on October 31, 2016 (two agreements with a total borrowing amount of 4,400 million yen) have been determined as follows. And with regard to the term loans, PIC has executed interest rate swap agreement (hereinafter, "the Swap Agreement") for the one term loan with floating interest rate borrowings (with a total borrowing amount of 3,180 million yen; hereinafter, "the Debt Finance") as described below.

1. Interest Rate

| | Term Loan 065 | Term Loan 066 |
|------------------------------------|---|--|
| Lenders and Amount of Debt Finance | Mizuho Bank, Ltd. 2,040 million yen | Mitsubishi UFJ Trust and Banking Corporation 1,220 million yen |
| | Sumitomo Mitsui Trust Bank, Limited 1,140 million yen | |
| | Subtotal 3,180 million yen | Subtotal 1,220 million yen |
| | Total 4,400 million yen | |
| Interest rate (p.a.) | Floating rate: 0.48000 % (Note) | Fixed rate: 0.62380 % |
| Applicable Period | From October 31, 2016 to November 30, 2016 | From October 31, 2016 to October 30, 2026 |
| Drawdown Date | October 31, 2016 | |
| Repayment Date | October 30, 2026 | |
| Reference | "Notice Concerning Debt Finance" dated October 25, 2016 | |

(Note) The Swap Agreement effectively fixes the interest rate (p.a.) at 0.62380% (refer to "2. The Swap Agreement" below).

2. The Swap Agreement

(1) Reason for Execution of the Swap Agreement

With regard to the Debt Finance, PIC seeks to hedge the risk of interest rate fluctuations by fixing, in effect, the interest rate applicable to the floating interest rate borrowings for the period through the repayment date of the Debt Finance.

(2) Details of the Swap Agreement

The details of the Swap Agreement are provided in the following table.

| | | |
|-------------------------------------|---|-------------------------------------|
| Counterparty | Mizuho Bank, Ltd. | Sumitomo Mitsui Trust Bank, Limited |
| Notional Principal (Note 1) | 2,040 million yen | 1,140 million yen |
| Interest Rate (p.a.), etc. (Note 2) | Fixed interest rate payable: 0.62380% Floating interest rate receivable: TIBOR + 0.45% corresponding to the respective interest calculation periods | |
| Commencement Date | October 31, 2016 (same date as the expected drawdown date for the Debt Finance) | |
| Termination Date | October 30, 2026 (same date as the expected repayment date for the Debt Finance) | |
| Interest Payment Dates | Both fixed interest payment and floating interest receipt shall be made on November 30, 2016 initially and subsequently on the end of February, May, August and November each year and the transaction termination date (or the preceding business day if the said date is not a business day). | |

(Note 1) Two agreements with notional principal of 2,040 million yen and 1,140 million yen are respectively executed.

(Note 2) The Swap Agreement effectively fixes the interest rate (p.a.) at 0.62380% until the principal repayment date of the Debt Finance, as the floating interest rate receivable matches the floating interest rate payable of the Debt Finance. In the future, therefore, PIC will omit disclosure as to the determination of the floating interest rate receivable of the Swap Agreement and the floating interest rate payable of the Debt Finance (TIBOR + 0.45%).

3. 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 and the Swap Agreements.

- * 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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