

For Immediate Release

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## Notice Concerning Property Acquisition and Transfer

Premier Investment Corporation (“PIC”) announces that Premier REIT Advisors Co., Ltd. (“PRA”), the asset management company for PIC, today decided on the acquisition of two residential properties and the transfer of one office building, as described below (hereafter referred to as the “Acquisition” and the “Transfer” respectively and the “Transactions” collectively).

### 1. Overview of the Transactions

#### (1) Overview of the Acquisition

Property Name (Note 1)	FORECITY Azabujuban II	FORECITY Sasazuka
Type of Acquisition (Note 2)	Beneficiary interest in a real estate trust	Beneficiary interest in a real estate trust
Acquisition Price (Note 3)	1,420 million yen	1,080 million yen
Seller (Note 4)	A domestic corporation	A domestic corporation
Conclusion Date	February 26, 2018	
Planned Delivery Date	March 1, 2018	
Settlement Method	Lump-sum payment upon delivery	
Financing for Acquisition	PIC plans to acquire the properties by using the proceeds to be received from the Transfer and cash on hand	

(Note 1) As of today, property names are currently “FORECITY Azabujuban II” and “FORECITY Sasazuka” respectively, but are scheduled to be changed to “Premier Stage Azabu-Juban” and “Premier Stage Sasazuka” carrying the brand name PIC uses for its properties, in about one month after the acquisition date.

(Note 2) For details of the trust properties, please refer to “3. Details of the Properties for Acquisition” below.

(Note 3) The acquisition price represents the transaction price before taxes, not including various expenses (such as real estate taxes) required for the acquisition of the property.

(Note 4) The names of the domestic corporations are not disclosed as consent for disclosure of their names, etc. have not been obtained from the said corporations.

#### (2) Overview of the Transfer

Property Name	Ougaku Building
Type of Asset for Sale	Beneficiary interest in a real estate trust (Note 1)
Sale Price (Note 2)	1,870 million yen
Book Value	1,695 million yen (as of October 31, 2017)
Gain on Sale (estimate)	173 million yen (Note 3)
Buyer	A domestic corporation (Note 4)
Conclusion Date	February 26, 2018
Planned Delivery Date	February 28, 2018
Settlement Method	Lump-sum settlement upon delivery
Use of Sale Price	PIC plans to use the proceeds to fund the Acquisition

(Note 1) For details of the trust property, please refer to “4. Details of the Property for Sale” below.

(Note 2) The 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 3) Gain on sale (estimate) has been calculated by deducting 1,696 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, 2017 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 1,870 million yen.

(Note 4) The name of the domestic corporation is not disclosed as consent for disclosure of its name, etc. has not been obtained from the said corporation.

### 2. Reason for the Transactions

FORECITY Azabujuban II and FORECITY Sasazuka, the properties to be acquired, are residential properties with excellent transport convenience and living convenience located in Minato Ward and Shibuya Ward, Tokyo, respectively. Given that the population of each ward is on the rise and solid demand for occupancy can be expected, the Acquisition was decided recognizing secure and stable earnings are expected from the properties.

On the other hand, Ougaku Building, the property to be transferred, is an office building completed in 1988. Comprehensive investigations were made from a medium- to long-term perspective, with considerations given to the

real estate market conditions and forecasts of future earnings, among other items. As a result, the Transfer has been decided on, with its timing, prices and other factors determined to be reasonable. Through the Transactions, PIC believes that it can expand the size, improve earning capabilities and enhance the management balance of the portfolio.

### 3. Details of the Properties for Acquisition

#### (1) FORECITY Azabujuban II

Property Name		FORECITY Azabujuban II			
Type of Specified Asset		Beneficiary interest in a real estate trust			
Name of Trustee		Mizuho Trust & Banking Co., Ltd. (An agreement for amendment to the trust agreement for real estate management and disposal is planned to be executed on March 1, 2018)			
Agreement Term		From January 31, 2005 to March 31, 2028 (planned)			
Location (Note 1)	Land	1-220-1, Mita, Minato Ward, Tokyo			
	Building	1-220-1, Mita, Minato Ward, Tokyo <Residential indication> 1-1-18, Mita, Minato Ward, Tokyo			
Property Characteristics	Location, Etc.	The property is located in an area with a mix of residences and retail properties in the Azabu area, and enjoys excellent transport convenience being only about a 1-minute walk from the nearest station. The living environment is also considered superior as there are daily commodity stores, a general hospital and other convenient facilities in the surrounding areas.			
	Access	About a 1-minute walk from Azabu-juban Station on the Tokyo Metro Namboku Line and the Toei Subway Oedo Line			
Area (Note 1)	Land	307.37 m <sup>2</sup>			
	Building	1,354.85 m <sup>2</sup>			
Type of Ownership	Land	Fee simple ownership			
	Building	Fee simple ownership			
Use of Building (Note 1)		Apartment			
Structure of Building (Note 1)		Steel and steel framed reinforced concrete structure with a flat-topped roof, 13 stories			
Construction Completion (Note 1)		January 2005			
Acquisition Price		1,420 million yen			
Appraisal					
Appraiser		Japan Real Estate Institute			
Appraisal Value		1,480 million yen			
Survey Date		February 1, 2018			
Property Manager		R. A. Asset Management Inc.			
Collateral		None			
Tenant Details (Note 2)					
Total Number of Tenants		34			
Monthly Rent		5 million yen (including common area charges)			
Tenant Security Deposits		10 million yen			
Total Leasable Space		1,177.20 m <sup>2</sup>			
Total Leased Space		1,111.80 m <sup>2</sup>			
Change in Occupancy Rate (Note 3)	December 2013	December 2014	December 2015	December 2016	December 2017
	97.2%	97.2%	97.2%	88.9%	94.4%
Building Condition Evaluation Report					
PML (Note 4)		14.6% <Evaluation report preparer> Takenaka Corporation			
Repair Costs	Emergency Repair Costs	Short-term Repair Costs	Long-term Repair Costs		
	—	—	3,004 thousand yen (average annual repair costs over the next 12 years)		
<Evaluation report preparer> Tokio Marine & Nichido Risk Consulting Co., Ltd.					
Other Special Notes		PIC plans to execute a pass-through master lease agreement with the trustee as the lessor and R. A. Asset Management Inc. as the lessee.			

#### (2) FORECITY Sasazuka

Property Name		FORECITY Sasazuka			
Type of Specified Asset		Beneficiary interest in a real estate trust			
Name of Trustee		Mizuho Trust & Banking Co., Ltd. (An agreement for amendment to the trust agreement for real estate management and disposal is planned to be executed on March 1, 2018)			
Agreement Term		From February 24, 2005 to March 31, 2028 (planned)			
Location (Note 1)	Land	2-7-26, 2-7-27, 2-7-28 and 2-7-30, Sasazuka, Shibuya Ward, Tokyo			
	Building	2-7-27, 2-7-26, 2-7-28 and 2-7-30, Sasazuka, Shibuya Ward, Tokyo <Residential indication> 2-7-8, Sasazuka, Shibuya Ward, Tokyo			

Property Characteristics	Location, Etc.	The property is located in 2-chome, Sasazuka in Shibuya Ward and enjoys excellent transport convenience being about a 3-minute walk from the nearest station. It also offers favorable living convenience with various convenient facilities within walking distance, etc.			
	Access	About a 3-minute walk from Sasazuka Station on the Keio Railway Keio Line			
Area (Note 1)	Land	243.10 m <sup>2</sup>			
	Building	1,452.61 m <sup>2</sup>			
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 with a flat-topped roof, 11 stories			
Construction Completion (Note 1)		January 2005			
Acquisition Price		1,080 million yen			
Appraisal					
Appraiser		Japan Real Estate Institute			
Appraisal Value		1,120 million yen			
Survey Date		February 1, 2018			
Property Manager		R. A. Asset Management Inc.			
Collateral		None			
Tenant Details (Note 2)					
Total Number of Tenants		51			
Monthly Rent		4 million yen (including common area charges)			
Tenant Security Deposits		4 million yen			
Total Leasable Space		1,167.13 m <sup>2</sup>			
Total Leased Space		1,124.24 m <sup>2</sup>			
Change in Occupancy Rate (Note 3)	December 2013	December 2014	December 2015	December 2016	December 2017
	100.0%	100.0%	96.4%	94.7%	96.3%
Building Condition Evaluation Report					
PML (Note 4)		10.5% <Evaluation report preparer> Takenaka Corporation			
Repair Costs	Emergency Repair Costs	Short-term Repair Costs	Long-term Repair Costs		
	—	—	2,762 thousand yen (average annual repair costs over the next 12 years)		
	<Evaluation report preparer> Tokio Marine & Nichido Risk Consulting Co., Ltd.				
Other Special Notes		PIC plans to execute a pass-through master lease agreement with the trustee as the lessor and R. A. Asset Management Inc. as the lessee			

(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 December 31, 2017, based on the information provided by the previous owner.

(Note 3) Figures for "Changes in Occupancy Rate" are based on the information provided by the previous owner.

(Note 4) The PML, or probable maximum loss, refers to the probability of the maximum loss expected to result from an earthquake. Although there is no single precise definition of PML, PML herein is based on the event of the maximum earthquake that can be expected to occur in the region where the subject building is located (probable maximum earthquake = PME: an earthquake of a size that has 10% probability of occurring within 50 years = occurs once every 475 years) occurring and is represented by expressing the construction costs required to restore the post-PME building to its pre-PME state as a percentage of the total construction costs required to reconstruct the building (= replacement cost). The figure does not take into account the impact of the collapse of neighboring buildings or fire, water and other damages. Figures for "Changes in Occupancy Rate" are based on the information provided by the previous owner, and rounded to the first decimal place.

#### 4. Details of the Property for Sale

Property Name		Ougaku Building
Type of Specified Asset		Beneficiary interest in a real estate trust
Name of Trustee		Sumitomo Mitsui Trust Bank, Limited
Agreement Term		From February 28, 2005 to March 31, 2025
Location (Note 1)	Land	2-19 and 2-20-1 Kanda Sakuma-cho, Chiyoda Ward, Tokyo
	Building	2-20 and 2-19-1 Kanda Sakuma-cho, Chiyoda Ward, Tokyo <Residential indication> 2-19 Kanda Sakuma-cho, Chiyoda Ward, Tokyo
Area (Note 1)	Land	421.21 m <sup>2</sup>
	Building	2,776.30 m <sup>2</sup>
Area (Note 1)	Land	Fee simple ownership
	Building	Fee simple ownership
Type of Ownership (Note 1)		Office
Use of Building (Note 1)		Steel and steel framed reinforced concrete structure with a flat-topped roof, 8 stories with a basement floor
Structure of Building (Note 1)		March 1988

Sell Price	1,870 million yen				
Book Value	1,695 million yen (as of October 31, 2017)				
Gain on Sale (estimate)	173 million yen				
<b>Appraisal</b>					
Appraiser	Japan Real Estate Institute				
Appraisal Value	1,540 million yen				
Survey Date	February 1, 2018				
<b>Tenant Details (Note 2)</b>					
Total Number of Tenants	4				
Monthly Rent	9 million yen				
Tenant Security Deposits	88 million yen				
Total Leasable Space	2,100.93 m <sup>2</sup>				
Total Leased Space	2,100.93 m <sup>2</sup>				
Change in Occupancy Rate	December 2013	December 2014	December 2015	December 2016	December 2017
	100.0%	100.0%	100.0%	100.0%	100.0%

(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 December 31, 2017.

## 5. Seller Profile

### (1) FORECITY Azabujuban II

The seller is a domestic corporation. However, their profile is not disclosed as consent for disclosure has not been obtained from the seller. As of February 26, 2018, there is no capital, personal and business relationship to note between the seller and PIC or PRA. The seller does not fall under the category of related parties of PIC or PRA, either.

### (2) FORECITY Sasazuka

The seller is a domestic corporation. However, their profile is not disclosed as consent for disclosure has not been obtained from the seller. As of February 26, 2018, there is no capital, personal and business relationship to note between the seller and PIC or PRA. The seller does not fall under the category of related parties of PIC or PRA, either.

## 6. Buyer Profile

The buyer is a domestic corporation. However, their profile is not disclosed as consent for disclosure has not been obtained from the buyer. As of February 26, 2018, there is no capital, personal and business relationship to note between the buyer and PIC or PRA. The buyer does not fall under the category of related parties of PIC or PRA, either.

## 7. Status of Previous Owner

There are no special interests shared between PIC/PRA and the previous owner of the property.

## 8. Overview of Intermediary

### (1) Intermediary for Acquisition

Not applicable

### (2) Intermediary for Sale

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, transfer agency service and other concurrent Bank operations (4) Registered financial institution operations Etc.
<b>Relationship with PIC or PRA</b>	
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 consent for disclosure has not been obtained from the intermediary.

## 9. Transactions 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 for documentation and operation services of beneficiary interest in a real estate trust regarding the Transfer to Sumitomo Mitsui Trust Bank

## 10. Schedule of the Transactions

Date of Decision Made	February 26, 2018
Conclusion Date	February 26, 2018
Planned Delivery Date	(Transfer) February 28, 2018 (Acquisition) March 1, 2018

## 11. Outlook

The Transactions 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) and for the fiscal period ending October 2018 (the 32nd fiscal period: May 1, 2018 – October 31, 2018). Accordingly, PIC makes no change to the performance forecast for the 31st and 32nd fiscal periods that was described in the “Forecast of the 31st Fiscal Period (November 1, 2017 – April 30, 2018) and 32nd Fiscal Period (May 1, 2018 – October 31, 2018)” of the “Financial Report for the Fiscal Period Ended October 31, 2017 (May 1, 2017 – October 31, 2017)” announced on December 18, 2017.

As for the gain on sale of real estate, etc. to be recorded through the Transfer (estimated at 173 million yen), PIC plans to record part of it (estimated at 139 million yen) as reserve for reduction entry, and assumes to add the balance after deducting the reserve to net income for distributions.

## 12. Overview of Appraisal Report

### (1) FORECITY Azabujuban II

Property Name	FORECITY Azabujuban II
Appraisal Value	1,480 million yen
Appraiser	Japan Real Estate Institute
Survey Date	February 1, 2018

Appraisal Item	Appraisal Value (thousand yen)	Remarks, Etc.
The value estimated by income approach	1,480,000	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 $[(5) \div (6)]$	1,500,000	
Operating Revenues		
(a) Rental revenue	70,335	
(b) Common service charges	3,168	Recorded by estimating the unit price levels of the rent, etc. that are stably collectable over the medium to long term
(c) Rental revenue including common service charges $[(a)+(b)]$	73,503	
(d) Utilities	-	No utilities to be collected from the lessee
(e) Parking and bicycle parking fees	660	No revenue from parking. Revenue from motorcycle parking is recorded based on the estimate for the medium to long term considering the occupancy rate.
(f) Other income	5,798	Recorded renewal fee revenue, etc. estimated based on the number of months the fee is collected from each occupant, the annual average of occupant turnover rate, etc.
[1] Latent Gross Revenues $[(c)+(d)+(e)+(f)]$	79,961	
(g) Losses due to vacancies, etc.	3,028	Recorded by estimating the occupancy rate level that is stable over the medium to long term, with reference to past occupancy status and the vacancy rates of similar properties
(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 $[(1)-(g)-(h)]$	76,933	
Operating Expenses		
(i) Maintenance	2,840	Recorded in reference to the actual results of past years and the maintenance fees of similar properties
(j) Utilities	1,200	Recorded in reference to the actual results of past years, taking into account utilities, etc. of similar properties
(k) Repair costs	1,542	Recorded by taking into account the actual results of past years, the levels of similar properties and the average annual amount of repair costs, etc. stated in the engineering reports
(l) Property management fee	2,308	Recorded in reference to the compensation rates, etc. based on the contract terms and conditions and by taking into account the compensation rates of similar properties, etc.

Appraisal Item	Appraisal Value (thousand yen)	Remarks, Etc.
(m) Advertisement for leasing, etc.	3,165	Recorded by taking into account advertisement expenses, etc. estimated based on rental brokerage fees required upon soliciting new occupants, etc. and actual results of past years, with reference to contract terms as well as rental terms, etc. of similar properties in the surrounding areas
(n) Tax and public dues	3,196	Recorded based on the materials related to tax and public dues
(o) Insurance	75	Recorded by taking into account the insurance premiums based on the insurance agreement and the insurance premium rates of similar properties, etc.
(p) Other expenses	450	Recorded CATV usage fee
[3] Operating Expenses [(i)+(j)+(k)+(l)+(m)+(n)+(o)+(p)]	14,776	
[4] Net Operating Income [(2)-[3]]	62,157	
(q) Profit through management of dtemporary deposits, etc.	96	Estimated by setting the management yield at 1.0%
(r) Capital expenditures	2,210	Estimated by taking into account the capital expenditure levels of similar properties, the building age and annual average repair and replacement expenses stated in the engineering report
[5] Net Cash Flow [(4)+(q)-(r)]	60,043	
[6] Capitalization rate	4.0%	Estimated by taking into account the transaction yield, etc. of similar properties while considering the spread attributable to the location conditions, building conditions, etc.
The value estimated by discounted cash flow (DCF) method	1,450,000	
Discount rate	3.8%	
Terminal capitalization rate	4.2%	
The value estimated by cost approach	1,440,000	
Land ratio	84.4%	
Building ratio	15.6%	

Other matters noted by the appraiser in conducting appraisal	None
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(2) FORECITY Sasazuka

Property Name	FORECITY Sasazuka
Appraisal Value	1,120 million yen
Appraiser	Japan Real Estate Institute
Survey Date	February 1, 2018

Appraisal Item	Appraisal Value (thousand yen)	Remarks, Etc.	
The value estimated by income approach	1,120,000	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)]	1,140,000		
Operating Revenues	(a) Rental revenue	57,065	
	(b) Common service charges	4,427	
	(c) Rental revenue including common service charges [(a)+(b)]	61,492	
	(d) Utilities	-	No utilities to be collected from the lessee
	(e) Parking and bicycle parking fees	1,164	Recorded by estimating the unit price levels of the fees collectable over the medium to long term
	(f) Other income	2,004	Recorded renewal fee revenue, etc. estimated based on the number of months the fee is collected from each occupant, the annual average of occupant turnover rate, etc.
	[1] Latent Gross Revenues [(c)+(d)+(e)+(f)]	64,660	
	(g) Losses due to vacancies, etc.	2,623	Recorded by estimating the occupancy rate level that is stable over the medium to long term, with reference to past occupancy status and the vacancy rates of similar properties
	(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)]	62,037	
(i) Maintenance	2,700	Recorded in reference to the actual results of past years and the maintenance fees of similar properties	

Appraisal Item		Appraisal Value (thousand yen)	Remarks, Etc.
Operating Expenses	(j) Utilities	700	Recorded in reference to the actual results of past years, taking into account utilities, etc. of similar properties
	(k) Repair costs	1,465	Recorded by taking into account the actual results of past years, the levels of similar properties and the average annual amount of repair costs, etc. stated in the engineering reports
	(l) Property management fee	1,861	Recorded in reference to the compensation rates, etc. based on the contract terms and conditions and by taking into account the compensation rates of similar properties, etc.
	(m) Advertisement for leasing, etc.	2,593	Recorded by taking into account advertisement expenses, etc. estimated based on rental brokerage fees required upon soliciting new occupants, etc. and actual results of past years, with reference to contract terms as well as rental terms, etc. of similar properties in the surrounding areas
	(n) Tax and public dues	2,796	Recorded based on the materials related to tax and public dues
	(o) Insurance	70	Recorded by taking into account the insurance premiums based on the insurance agreement and the insurance premium rates of similar properties, etc.
	(p) Other expenses	-	
	[3] Operating Expenses [(i)+(j)+(k)+(l)+(m)+(n)+(o)+(p)]	12,185	
	[4] Net Operating Income [(2)-[3]]	49,852	
	(q) Profit through management of temporary deposits, etc.	46	Estimated by setting the management yield at 1.0%
(r) Capital expenditures	2,030	Estimated by taking into account the capital expenditure levels of similar properties, the building age and annual average repair and replacement expenses stated in the engineering report	
[5] Net Cash Flow [(4)+(q)-(r)]	47,868		
[6] Capitalization rate	4.2%	Estimated by taking into account the transaction yield, etc. of similar properties while considering the spread attributable to the location conditions, building conditions, etc.	
The value estimated by discounted cash flow (DCF) method	1,100,000		
Discount rate	4.0%		
Terminal capitalization rate	4.4%		
The value estimated by cost approach	927,000		
Land ratio	77.0%		
Building ratio	23.0%		
Other matters noted by the appraiser in conducting appraisal		None	

### (3) Ougaku Building

Property Name	Ougaku Building
Appraisal Value	1,540 million yen
Appraiser	Japan Real Estate Institute
Survey Date	February 1, 2018

Appraisal Item		Appraisal Value (thousand yen)	Remarks, Etc.
The value estimated by income approach		1,540,000	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)]		1,560,000	
Operating Revenues	(a) Rental revenue	94,574	Recorded by estimating the unit price levels of the rent, etc. that are stably collectable over the medium to long term
	(b) Common service charges	22,878	
	(c) Rental revenue including common service charges [(a)+(b)]	117,452	
	(d) Utilities	10,300	Recorded utilities income from leaded spaces at full occupancy, based on the actual results of past years
	(e) Parking and bicycle parking fees	6,341	Recorded by estimating the unit price levels of the fees collectable over the medium to long term
	(f) Other income	-	
	[1] Latent Gross Revenues [(c)+(d)+(e)+(f)]	134,093	

Appraisal Item		Appraisal Value (thousand yen)	Remarks, Etc.
	(g) Losses due to vacancies, etc.	6,705	Recorded by estimating the occupancy rate level that is stable over the medium to long term, with reference to past occupancy status and the vacancy rates of similar properties
	(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)]	127,388	
Operating Expenses	(i) Maintenance	9,400	Recorded in reference to the actual results of past years and the maintenance fees of similar properties
	(j) Utilities	9,500	Recorded by taking into account the occupancy rate, etc. of the rental spaces, based on the actual results of past years
	(k) Repair costs	7,924	Estimated in reference to the actual results of past years and by taking into account the future property management plans and the average annual amount of repair costs, etc. stated in the engineering report
	(l) Property management fee	2,940	Recorded in reference to the compensation rates, etc. based on the contract terms and conditions and by taking into account the compensation rates of similar properties, etc.
	(m) Advertisement for leasing, etc.	815	Recorded the annual average amount estimated on the basis of the assumed turnover period of the lessees
	(n) Tax and public dues	9,368	Recorded based on the materials related to tax and public dues
	(o) Insurance	205	Recorded by taking into account the insurance premiums based on the insurance agreement and the insurance premium rates of similar properties, etc.
	(p) Other expenses	-	
	[3] Operating Expenses [(i)+(j)+(k)+(l)+(m)+(n)+(o)+(p)]	40,152	
	[4] Net Operating Income [(2)-[3]]	87,236	
	(q) Profit through management of temporary deposits, etc.	778	Estimated by setting the management yield at 1.0%
	(r) Capital expenditures	19,420	Estimated by taking into account the capital expenditure levels of similar properties, the building age and annual average repair and replacement expenses stated in the engineering report
	[5] Net Cash Flow [(4)+(q)-(r)]	68,594	
	[6] Capitalization rate	4.4%	Estimated by taking into account the transaction yield, etc. of similar properties while considering the spread attributable to the location conditions, building conditions, etc.
	The value estimated by discounted cash flow (DCF) method	1,520,000	
	Discount rate	4.2%	
	Terminal capitalization rate	4.6%	
	The value estimated by cost approach	1,560,000	
	Land ratio	91.2%	
	Building ratio	8.8%	
Other matters noted by the appraiser in conducting appraisal		None	

[Attachment]

- Reference 1 Outside View of the Properties and Location Maps  
Reference 2 Table of Portfolio Following the Transactions

- \* 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

[Reference 1] Outside View of the Properties and Location Maps

(1) FORECITY Azabujuban II



(2) FORECITY Sasazuka



(The attached map is available in Japanese only.)

[Reference 2] Table of Portfolio Following the Transactions

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%	
		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 Toyochi Building	May 18, 2007	4,310	1.7%	
		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	1.9%	
		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%	
	Major 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					146,630	59.5%
	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%	
D26			FORECITY AzabuJuban II	Mar 1, 2018 (scheduled)	1,420	0.6%	
D27			FORECITY Sasazuka	Mar 1, 2018 (scheduled)	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	1.1%
		E09	Premier Stage Ryogoku	Jun 30, 2008	1,496	0.6%
Subtotal					79,894	32.4%
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					246,464	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.