

July 13, 2018

For Immediate Release

REIT Issuer

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Notice Concerning Issuance of Corporate Bonds

Premier Investment Corporation ("PIC") announces its decision to issue the following corporate bonds on July 13, 2018.

1. Overview of Corporate Bonds

| | | |
|--|---|--|
| Name of Corporate Bonds | Premier Investment Corporation No.7 Unsecured Corporate Bonds (subject to a limited pari passu clause between specified corporate bonds) ("Unsecured Bond No.7") | Premier Investment Corporation No.8 Unsecured Corporate Bonds (subject to a limited pari passu clause between specified corporate bonds) ("Unsecured Bond No.8") |
| | Unsecured Bond No.7 and Unsecured Bond No.8 are expressed together below as these "Unsecured Bonds". Further, in the items below, matters common for these Unsecured Bonds have been expressed together. | |
| Reason and Purpose of Issuance | PIC will issue these Unsecured Bonds in an effort to disperse the repayment dates of interest-bearing liabilities, extend the average remaining period to maturity and diversify fund procurement methods. | |
| Total Issue Price | 2,000 million yen | 4,000 million yen |
| Certificates | These Unsecured Bonds are subject to the Act on Book-Entry Transfer of Corporate Bonds and Shares, and no corporate bond certificate will be issued. | |
| Issue Price | 100 yen per 100 yen of each corporate bond | |
| Redemption Price | 100 yen per 100 yen of each corporate bond | |
| Interest Rate | 0.25 % per annum | 0.58 % per annum |
| Amount of Respective Corporate Bonds | 100 million yen | |
| Method of Offering | Public offering | |
| Subscription Period | July 13, 2018 | |
| Payment Date | July 24, 2018 | |
| Collateral | These Unsecured Bonds are unsecured and unguaranteed. There is also no particular asset retained for these Unsecured Bonds. | |
| Redemption Method and Maturity | The total amount of the Unsecured Bond No.7 will be redeemed on July 24, 2023. | The total amount of the Unsecured Bond No.8 will be redeemed on July 24, 2028. |
| | PIC may redeem its corporate bonds by purchase at any time after the day following the payment date, except for cases separately stipulated by Japan Securities Depository Center, Inc., the book-entry transfer company. | |
| Interest Payment Dates | January 24 and July 24 of each year (Note) | |
| Ratings | AA- (Japan Credit Rating Agency, Ltd.) | |
| Financial Covenants | "Negative Pledge Clause" is applicable | |
| Fiscal Agent, Issuing Agent and Paying Agent | Sumitomo Mitsui Trust Bank, Limited | |
| Underwriting Securities | SMBC Nikko Securities Inc. and Mizuho Securities Co, Ltd. | |
| Special Remarks | 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. Accordingly, the consignment of fiscal agent to Sumitomo Mitsui Trust Bank, has been deliberated and approved by PRA's board of directors in compliance with such regulations. | |

(Note) The initial interest payment date is set for January 24, 2019. Subsequently, if an interest payment date is not a business day, payment shall be made on the preceding business day.

2. Amount and Use of Funds to be Raised and Schedule for Expenditures

(1) Amount of funds to be raised (approximate net proceeds)

5,962 million yen

The amount obtained by deducting the issuance cost (approximately 38 million yen) from total issue price of these Unsecured Bonds (6,000 million yen).

(2) Specific use of funds to be raised and schedule for expenditures

The funds will be used to redeem part of PIC's Unsecured Bond No.4 (Note), of 7,500 million yen, which is scheduled to mature on July 25, 2018.

As for the difference of 1,538 million yen between the procured amount and the redeemed amount, PIC plans to compensate it through new debt financing (the Debt Finance) and from cash on hand. PIC will announce the details of the Debt Finance as soon as they are determined.

(Note) Reference: "Notice Concerning Issuance Corporate Bonds" dated July 4, 2013.

3. Outstanding Interest-Bearing Liabilities after the Issuance of these Unsecured Bonds

(million yen)

| | | Prior to the Issuance of the Corporate Bonds | After Prior to the Issuance of the Corporate Bonds | Variation |
|--|---|--|--|-----------|
| | Short-term loans | 3,400 | 3,400 | - |
| | Long-term loans (Note 1) | 97,100 | 98,600 | 1,500 |
| | Total loans | 100,500 | 102,000 | 1,500 |
| | Corporate bonds | 12,500 | 11,000 | -1,500 |
| | Total interest-bearing liabilities | 113,000 | 113,000 | - |
| | Interest-bearing liabilities ratio (%) (Note 2) | 48.4 | 48.4 | - |

(Note 1) It is assumed that, in addition to the issuance of these Unsecured Bonds, PIC will procure 1,500 million yen in a long-term loan through the Debt Finance.

(Note 2) Interest-bearing liabilities ratio = interest-bearing liabilities ÷ (interest-bearing liabilities + unitholders' capital) × 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.

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 January 30, 2018, due to the issuance of these Unsecured Bonds.

- * 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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