

# Financial Report

for the Fiscal Period Ended October 31, 2018 (May 1, 2018 – October 31, 2018)

REIT Issuer: Premier Investment Corporation

Security Code: 8956

Representative: Tatsuya Takahashi, Executive Director

Asset Management Company: Premier REIT Advisors Co., Ltd.

Representative: Shigehito Katsuki, President & CEO

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Scheduled date for filing of Japanese "Securities Report": January 30, 2019

Scheduled start date for dividend distribution: January 15, 2019

Earnings supplementary explanatory materials to be prepared: Yes

Analyst meetings to be convened: Yes

Stock Exchange: Tokyo Stock Exchange

URL: <https://www.pic-reit.co.jp>

## 1. Performance for the 32nd Fiscal Period (May 1, 2018 – October 31, 2018)

### (1) Business Results

(Percentage figures show increase (decrease) from the preceding fiscal period)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
32nd Fiscal Period	9,119	(0.4)	3,988	(3.5)	3,552	(3.5)	3,550	(3.5)
31st Fiscal Period	9,154	5.9	4,134	8.0	3,680	10.1	3,679	10.1

	Net Income per Unit	Return on Unitholders' Equity (ROE)	Ordinary Income to Total Assets	Ordinary Income to Operating Revenues
	yen	%	%	%
32nd Fiscal Period	2,695	2.9	1.4	39.0
31st Fiscal Period	2,793	3.0	1.5	40.2

### (2) Distribution

	Distribution per Unit (Excluding excess of earnings)	Total Distribution (Excluding excess of earnings)	Distribution in Excess of Earnings per Unit
	Yen	Millions of yen	Yen
32nd Fiscal Period	2,696	3,550	0
31st Fiscal Period	2,687	3,538	0

	Total Distribution in Excess of Earnings	Distribution Payout Ratio	Distribution to Net Assets
	Millions of yen	%	%
32nd Fiscal Period	0	100.0	2.9
31st Fiscal Period	0	96.2	2.9

(Note 1) The difference between distribution per unit and net income per unit for the 31st fiscal period is primarily due to distribution of the amount obtained by subtracting the provision of reserve for reduction entry (140 million yen) from the unappropriated retained earnings for the fiscal period.

(Note 2) The distribution payout ratio has been rounded down to the tenth place.

### (3) Financial Position

	Total Assets	Net Assets	Unitholders' Equity to Total Assets	Net Assets per Unit
	Millions of yen	Millions of yen	%	yen
32nd Fiscal Period	247,665	124,301	50.2	94,382
31st Fiscal Period	248,262	124,289	50.1	94,373

(Reference) Unitholders' equity: 32nd fiscal period: 124,301 million yen, 31st fiscal period: 124,289 million yen.

### (4) Cash Flow

	Cash Flow from Operating Activities	Cash Flow from Investment Activities	Cash Flow from Financial Activities	Cash and Cash Equivalents at End of Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
32nd Fiscal Period	4,415	(555)	(3,915)	15,562
31st Fiscal Period	11,105	(3,215)	(8,340)	15,617

2. Forecast of the 33rd Fiscal Period (November 1, 2018 – April 30, 2019) and 34th Fiscal Period (May 1, 2019 – October 31, 2019)  
(Percentage figures show increase (decrease) from the preceding fiscal period.)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
33rd Fiscal Period	9,827	7.8	4,622	15.9	4,216	18.7	4,215	18.7
34th Fiscal Period	9,116	(7.2)	3,885	(16.0)	3,479	(17.5)	3,477	(17.5)

	Distribution per unit (Excluding excess of earnings)		Distribution in Excess of Earnings per Unit	
	Yen		Yen	
33rd Fiscal Period	2,940		0	
34th Fiscal Period	2,640		0	

(Reference) Estimate net income per unit: 33rd fiscal period: 3,200 yen, 34th fiscal period 2,640 yen

(Note) Distribution per unit for the 33rd fiscal period has been calculated on the assumption that distribution is made from the remaining amount after deducting the reserve for reduction entry (estimated to be 342 million yen) to be newly reserved from the gains from sale of properties generated at the 33rd fiscal period.

Other

(1) Changes in Accounting Policies

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| (i) Changes accompanying amendments to accounting standards, etc.: | No |
| (ii) Changes other than (i):                                       | No |
| (iii) Changes in accounting estimates:                             | No |
| (iv) Restatements of revisions:                                    | No |

(2) Number of Units Outstanding

	32nd Fiscal Period	31st Fiscal Period
(i) Number of units outstanding at the end of the fiscal period (including treasury units)	1,316,995 units	1,316,995 units
(ii) Number of treasury units at the end of the fiscal period	0 units	0 units

(Note) Please refer to “Notes on Per Unit Information” on page 30 of the Japanese “Kessan Tanshin” report for the number of units used as the basis for calculating the net income per unit.

(3) Rounding of Monetary Amounts and Percentage Figures

In this report, unless otherwise indicated, monetary amounts have been rounded down to eliminate amounts of less than the specified unit and percentage figures have been rounded to the nearest one decimal place.

\* Statement on Implementation Status of Audit Procedures

As of the publication of this Financial Report, no auditing procedure under the Financial Instruments and Exchange Law has been completed for the financial statements.

\* Explanation on the Appropriate Use of the Forecast of Results, and Other Matters of Special Note;

- The forecast of results and other forward-looking statements presented in this document are based on information currently available to and certain assumptions deemed reasonable by PIC. Accordingly, actual results, etc. may differ materially from these forward-looking statements due to a variety of factors. Moreover, the forecast should not be construed as guarantees of the distribution amounts.
- For the assumptions underlying the forecast of results, please refer to “Assumptions for the Forecast of Results for the 33rd Fiscal Period (November 1, 2018 – April 30, 2019) and 34th Fiscal Period (May 1, 2019 – October 31, 2019)” set forth on page 12 of the Japanese “Kessan Tanshin” report.

\* The information above was translated from the first and second pages of the Japanese “Kessan Tanshin” report, dated November 17, 2018. 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 report in Japanese.