

For Immediate Release

March 27, 2019

REIT Issuer

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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 fund the 5,250 million yen (Note) of acquisition of beneficiary interest in trust with Urbannet Gotanda NN Building as trust property that is scheduled to be acquired on April 5, 2019. And the difference between the amount of property acquisition and the debt finance of 2,250 will be paid by the part of the proceeds from the transfer of Urbannet Irifune Building.

(Note) Reference: "Notice Concerning Property Acquisition and Transfer" dated December 17, 2018

2. Details of the Debt Finance

The Debt Finance involves the borrowing of two term loans (long-term loans with a total borrowing amount of 3,000 million yen). The details are provided in the following tables.

Contract Number	Term loan 086
Expected Drawdown Date and Expected Disbursement Date	April 5, 2019
Lenders and Amount of Debt Finance	Sumitomo Mitsui Trust Bank, Limited : 1,500 million yen
Borrowing Method	The loan agreement dated April 3, 2019 with the lender indicated above
Repayment Date	March 29, 2024
Repayment Period	5 years
Repayment Method	Lump-sum repayment upon maturity
Interest Rate (p.a.), etc.	Floating rate: 3-month TIBOR + 0.14120% (Note)
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) The first interest payment date shall be May 31, 2019, with the subsequent interest payment date at the end of February, May, August and November each year and principal repayment date (or the preceding business day if the said date is not a business day). The base interest rate applicable to the respective interest calculation periods shall be, for the first interest payment, the JBA (Japanese Bankers Association) 3-month Japanese Yen TIBOR on April 3, 2019 and, for the subsequent interest payments, the 3-month Japanese Yen TIBOR on the day two business days before the immediately preceding interest payment date. Details of the JBA Japanese Yen TIBOR can be checked on the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/english/rate/>). And 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 April 3, 2019).

Contract Number	Term loan 087
Expected Drawdown Date and Expected Disbursement Date	April 5, 2019
Lenders and Amount of Debt Finance	Mizuho Bank, Ltd. : 750 million yen Resona Bank, Limited.: 750 million yen total : 1,500million yen
Borrowing Method	The loan agreement dated April 3, 2019 with the lender indicated above
Repayment Date	March 30, 2029
Repayment Period	10 years
Repayment Method	Lump-sum repayment upon maturity
Interest Rate (p.a.), etc.	Floating rate: 3-month TIBOR + 0.37000% (Note)
Collateral / Guarantee	Unsecured and non-guaranteed

(Note) The first interest payment date shall be May 31, 2019, with the subsequent interest payment date at the end of February, May, August and November each year and principal repayment date (or the preceding business day if the said date is not a business day). The base interest rate applicable to the respective interest calculation periods shall be, for the first interest payment, the JBA (Japanese Bankers Association) 3-month Japanese Yen TIBOR on April 3, 2019 and, for the subsequent interest payments, the 3-month Japanese Yen TIBOR on the day two business days before the immediately preceding interest payment date. Details of the JBA Japanese Yen TIBOR can be checked on the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/english/rate/>). And 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 April 3, 2019).

3. Outstanding Interest-Bearing Liabilities after the Debt Finance

(million yen)

		Prior to the Debt Finance	After the Debt Finance	Variation
	Short-term loans	3,055	3,055	-
	Long-term loans	95,750	98,750	3,000
	Total loans	98,805	101,805	3,000
	Corporate bonds	8,500	8,500	-
	Total interest-bearing liabilities	107,305	110,305	3,000
	Interest-bearing liabilities ratio (%) (Note)	47.1	47.8	0.7

(Note) Interest-bearing liabilities 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.

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, 2019, 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 <https://www.pic-reit.co.jp/en/>

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