

June 16, 2017

For Immediate Release

REIT Issuer

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Asset Management Company

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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 15,000 million yen (Note) of acquisition of quasi co-ownership of beneficiary interest in trust with Sphere Tower Tennozu as trust property (ownership ratio: 67%,) that is scheduled to be acquired on June 21, 2017.

(Note) Reference: “Notice Concerning Property Acquisition (Sphere Tower Tennozu)” dated June 16, 2017

2. Details of the Debt Finance

The Debt Finance involves the borrowing of four term loans (long-term loans with a total borrowing amount of 15,000 million yen). The details are provided in the following tables.

(1) Term loan 068

Expected Disbursement Date and Expected Drawdown Date	June 21, 2017	
Lenders and Amount of Debt Finance	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Subtotal	3,200 million yen 1,800 million yen 5,000 million yen
Borrowing Method	The loan agreements dated June 19, 2017 with the lenders indicated above	
Repayment Date	May 31, 2021	
Repayment Period	4 years	
Repayment Method	Lump-sum repayment upon maturity	
Interest Rate (p.a.), etc.	Fixed rate: 0.24000%	
Collateral / Guarantee	Unsecured and non-guaranteed	

(2) Term loan 069

Expected Disbursement Date and Expected Drawdown Date	June 21, 2017	
Lenders and Amount of Debt Finance	Mizuho Bank, Ltd.	2,700 million yen
Borrowing Method	The loan agreement dated June 19, 2017 with the lender indicated above	
Repayment Date	May 31, 2023	
Repayment Period	6 years	
Repayment Method	Lump-sum repayment upon maturity	
Interest Rate (p.a.), etc.	Floating rate: TIBOR + 0.25% corresponding to the respective interest calculation periods (Note)	
Collateral / Guarantee	Unsecured and non-guaranteed	

(Note) Interest rate applicable for the initial interest calculation period has not yet been determined (to be determined on June 19, 2017).

The initial interest calculation period shall be from June 21, 2017 to August 31, 2017, with the subsequent interest periods ending at the end of February, May, August and November each year (or the preceding business day if the said date is not a business day). The final interest calculation period shall be from the day following the immediately preceding interest payment date through the principal repayment date (or the preceding business day if the said date is not a business day).

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 June 19, 2017).

(3) Term loan 070

Expected Disbursement Date and Expected Drawdown Date	June 21, 2017
Lenders and Amount of Debt Finance	NTT Finance Corporation 4,000 million yen
Borrowing Method	The loan agreement dated June 19, 2017 with the lender indicated above
Repayment Date	May 31, 2024
Repayment Period	7 years
Repayment Method	Lump-sum repayment upon maturity
Interest Rate (p.a.), etc.	Floating rate: TIBOR + 0.32% corresponding to the respective interest calculation periods (Note)
Collateral / Guarantee	Unsecured and non-guaranteed
Special Notes	NTT Finance Corporation falls under the category of an interested party, etc. of Premier REIT Advisors Co., Ltd. ("PRA"), the asset management company for PIC, as defined in the Act on Investment Trusts and Investment Corporations. As such, Debt Finance from NTT Finance Corporation has been deliberated and approved by PRA's board of directors in compliance with the PRA's "Regulations on transactions with interested parties."

(Note) Interest rate applicable for the initial interest calculation period has not yet been determined (to be determined on June 19, 2017).

The initial interest calculation period shall be from June 21, 2017 to August 31, 2017, with the subsequent interest periods ending at the end of February, May, August and November each year (or the preceding business day if the said date is not a business day). The final interest calculation period shall be from the day following the immediately preceding interest payment date through the principal repayment date (or the preceding business day if the said date is not a business day).

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 June 19, 2017).

(4) Term loan 071

Expected Disbursement Date and Expected Drawdown Date	June 21, 2017
Lenders and Amount of Debt Finance	Sumitomo Mitsui Trust Bank, Limited 3,300 million yen
Borrowing Method	The loan agreement dated June 19, 2017 with the lender indicated above
Repayment Date	May 30, 2025
Repayment Period	8 years
Repayment Method	Lump-sum repayment upon maturity
Interest Rate (p.a.), etc.	Floating rate: TIBOR + 0.35% corresponding to the respective interest calculation periods (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 PRA. 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) Interest rate applicable for the initial interest calculation period has not yet been determined (to be determined on June 19, 2017).

The initial interest calculation period shall be from June 21, 2017 to August 31, 2017, with the subsequent interest periods ending at the end of February, May, August and November each year (or the preceding business day if the said date is not a business day). The final interest calculation period shall be from the day following the immediately preceding interest payment date through the principal repayment date (or the preceding business day if the said date is not a business day).

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 June 19, 2017).

3. Outstanding Interest-Bearing Liabilities after the Debt Finance

		(million yen)		
		Prior to Debt Finance	After Debt Finance	Variation
	Short-term loans payable	5,400	5,400	-
	Long-term loans payable	85,100	100,100	15,000
	Total loans	90,500	105,500	15,000
	Corporate bonds	12,500	12,500	-
	Total interest-bearing liabilities	103,000	118,000	15,000
	Interest-bearing liabilities ratio (%) (Note)	46.1	49.5	3.4

(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. In addition, the interest-bearing liabilities ratio has been rounded to the first decimal place.

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, 2017, 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 <http://www.pic-reit.co.jp>
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