



# **Premier Investment Corporation**

**Fiscal Period**

**30**

**(6-month Period Ended October 2017)**

**Earnings  
Presentation**

# Table of Contents

## Fiscal Period 30 Earning Report

■ Fiscal Period 30 Earnings Overview	P.02	■ Residential: Portfolio Analysis	P.18
■ Fiscal Period 30 Earnings Overview (Major Indicators)	P.03	■ Residential: Tenant Turnover and Occupancy Rates	P.19
■ DPU Analysis (Comparison to Results from Previous Period)	P.04	■ Residential: Rent Revisions	P.20
■ DPU Analysis (Comparison to Forecast)	P.05	■ Apartment Rent Trends in Tokyo	P.21
■ Asset Size	P.06	■ Tokyo Population Statistics	P.22
■ Status of the Portfolio	P.07	■ Financial Information	P.23
■ Transactions with Third Parties	P.08	■ Redemption Schedule	P.24
■ Office: Tenant Turnover and Occupancy Rates	P.09	■ Interest-Bearing Liabilities and Rating	P.25
■ Properties with Tenant Departures	P.10	■ Change in Unrealized Gain or Loss	P.26
■ Office: Rent Revisions	P.12	■ Appraisal Values (Comparison to Previous Period)	P.27
■ Office: Rent Analysis (Greater Tokyo)	P.13	■ Performance Forecasts for Fiscal Period 31 and 32	P.28
■ Office: Lease Renewals Schedule (Greater Tokyo)	P.14	■ Occupancy Rates Assumptions for Fiscal Period 31 and 32 Forecasts	P.29
■ Office: Status of Tenants	P.15	■ DPU Forecasts for Fiscal Periods 31 and 32	P.30
■ Office: Market Trends in Tokyo	P.16	■ Strategy of Premier Investment Corporation (PIC)	P.31
■ Supply of Large Office Buildings (Tokyo 23 Wards)	P.17	■ (Reference) Enhancing Competitiveness with Value-added Renovations	P.32

## Supplementary Date on Fiscal Period 30 Earnings

■ Fiscal Period 30 Balance Sheet	P.34	■ Fiscal Period 30 List of Interest-bearing Liabilities	P.52
■ Fiscal Period 30 Income Statement and Distribution Information	P.35	■ Financial Indicators	P.53
■ Fiscal Period 31 Income Statement (Forecast)	P.36	■ Investment Unit Price and Distribution per Unit	P.54
■ Performance Forecast Assumptions	P.37	■ Status of Unitholders	P.55
■ P/L by Property	P.38	■ Features of PIC	P.56
■ Appraisal Values	P.45	■ Terminology Used in this Presentation	P.58
■ Monthly Occupancy Rates	P.48	■ Disclaimers	P.59
■ Acquisition of Environmental Certifications from Third Party Institutions	P.51		

# Fiscal Period 30 Earnings Overview

(million yen)

	FP 29 Actual (End of Apr. 2017) [1]	FP 30 Actual (End of Oct. 2017) [2]	Change [2]-[1]	Forecast [3]	Vs. forecast [2]-[3]
Operating revenues	8,443	8,644	+ 200	8,522	+ 121
Gain on property sale	138	-	- 138	-	-
Operating expenses	4,662	4,816	+ 154	4,835	- 19
Operating income	3,781	3,827	+ 45	3,687	+ 140
Real estate rental income (including UDX dividends)	4,244	4,387	+ 142	4,253	+ 133
Ordinary income	3,320	3,342	+ 22	3,199	+ 143
Net income	3,318	3,341	+ 22	3,197	+ 143
NOI (including UDX dividends)	5,599	5,785	+ 186	5,663	+ 121
FFO	4,534	4,739	+ 205	4,607	+ 131
Reserve for reduction entry	260	260	-	231	+ 28
Distribution per unit	2,520 yen	2,537 yen	+ 17 yen	2,450 yen	+ 87 yen
Number of investment properties	59	60	+ 1	60	-

\*1. Here "Forecast" refers to the forecast of the operating environment in FP 30 disclosed in the release published June 16, 2017, entitled "Financial Report for the 29th Fiscal Period Ended April 30, 2017."

# Fiscal Period 30 Earnings Overview (Major Indicators)

## Average Occupancy Rate

	FP 29 (Ended Apr. 2017)	FP 30 (Ended Oct. 2017)
Office	95.7%	93.6%
Residential	96.6%	96.6%
Total	96.0%	94.6%

## NOI Yield (Yield after depreciation)

	FP 29 (Ended Apr. 2017)	FP 30 (Ended Oct. 2017)
Office	5.1% (4.1%)	4.9% (3.9%)
Residential	5.1% (3.3%)	5.1% (3.4%)
Total	5.1% (3.9%)	4.9% (3.7%)

## Status of Interest-bearing Liabilities

### ■ Repaid and Borrowed during the Fiscal Period

	Repaid	Borrowed
Amount	10.4 bn yen	25.4 bn yen
(Long-term loans)	(5.0 bn yen)	(20.0 bn yen)
Average interest rate *1	0.57%	0.36%
(Long-term loans)	(0.95%)	(0.40%)
Average loan duration	2.9 years	5.0 years
(Long-term loans)	(5.0 years)	6.0 years)

### ■ Status of the end of period

	FP 29 (Ended Apr. 2017)	FP 30 (Ended Oct. 2017)
LTV (Unitholders' capital basis)	46.1%	49.5%
LTV (Market value basis)	41.4%	44.6%
Average interest rate *2	0.78%	0.71%
Average remaining maturity on debt	3.8 years	3.9 years

\*1 The average interest rate for borrowings with floating interest rates is calculated using the applicable interest rate from the time of repayment or procurement.

\*2 Calculated using the interest rate in effect as of the end of the applicable fiscal period.

# DPU Analysis (Comparison to Results from Previous Period)



**DPU**  
2,520 yen

Gain on property sale  
105 yen



P/L from existing properties		+ 29
Revenues		+ 44
Rental Revenue		+ 1
Utilities		+ 47
Rewards / Renewal fee / Cancellation Penalty		- 6
Others		+ 2
Expenses		- 15
Property management fees		- 38
Utilities		- 53
Maintenance and repairs		+ 71
Others		+ 5
Dividend income		+ 9

+ 38 yen

Sphere Tower Tennozu	+ 70
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+ 70 yen

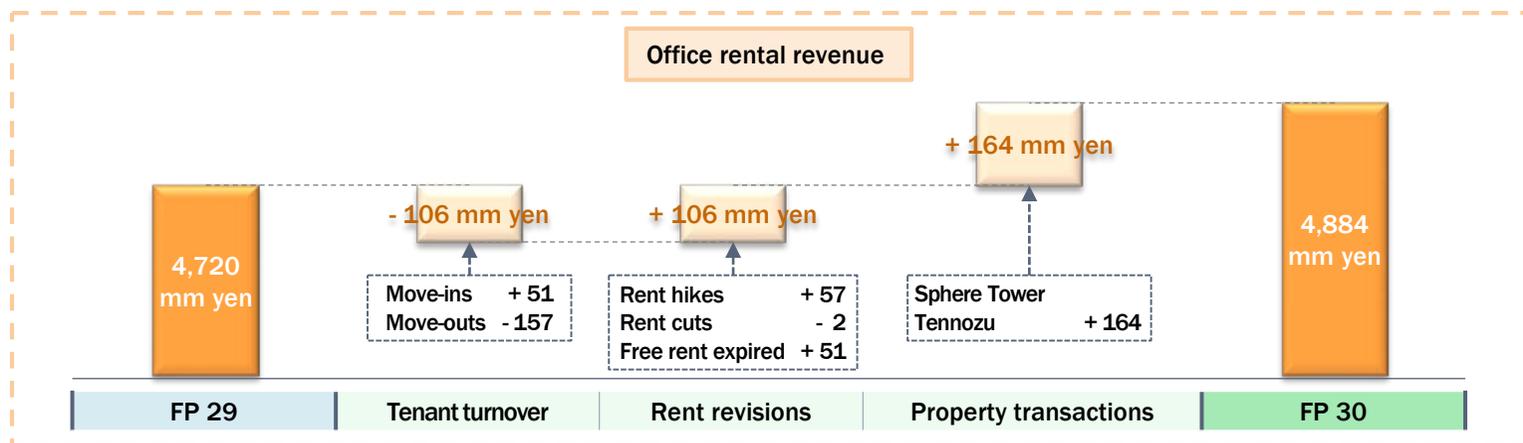
Unrefunded consumption tax	+ 22
Financing costs	- 18
Others	+ 10

+ 14 yen

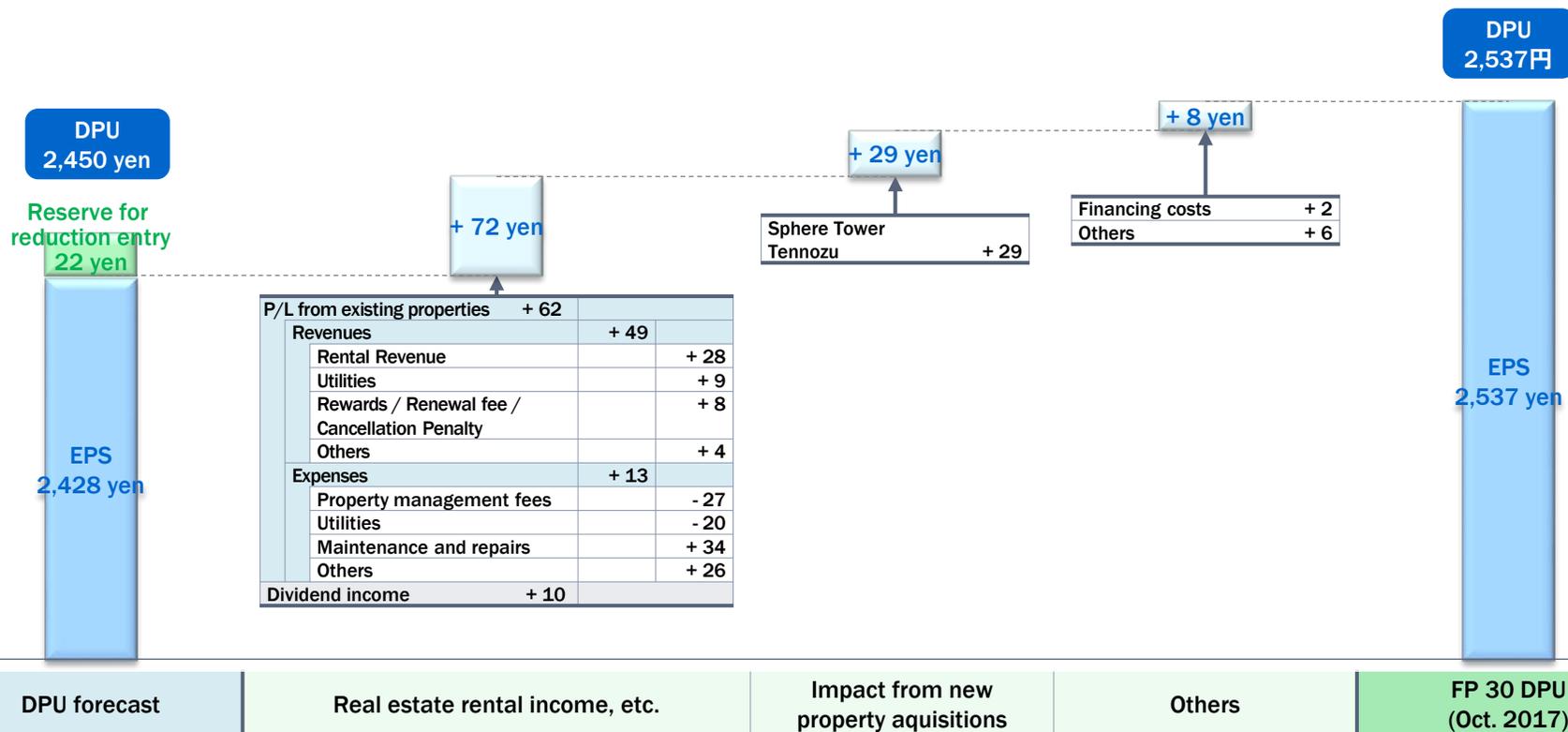
**DPU**  
2,537 yen



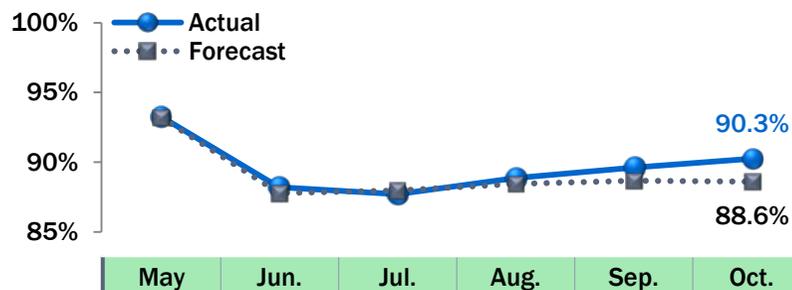
FP 29 DPU (Apr. 2017)	Real estate rental income, etc.	Impact from new property acquisitions	Others	FP 30 DPU (Oct. 2017)
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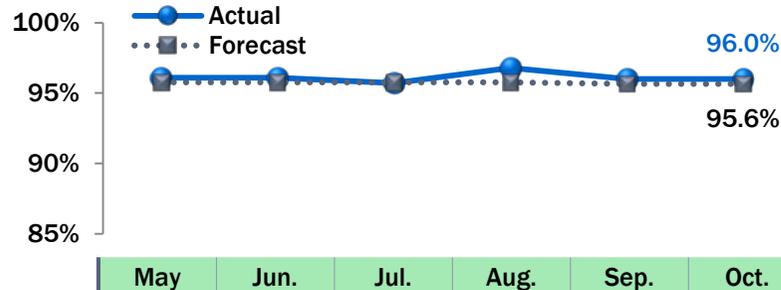
# DPU Analysis (Comparison to Forecast)



Office: Occupancy Rate by Cash Flows



Residential: Occupancy Rate by Cash Flows

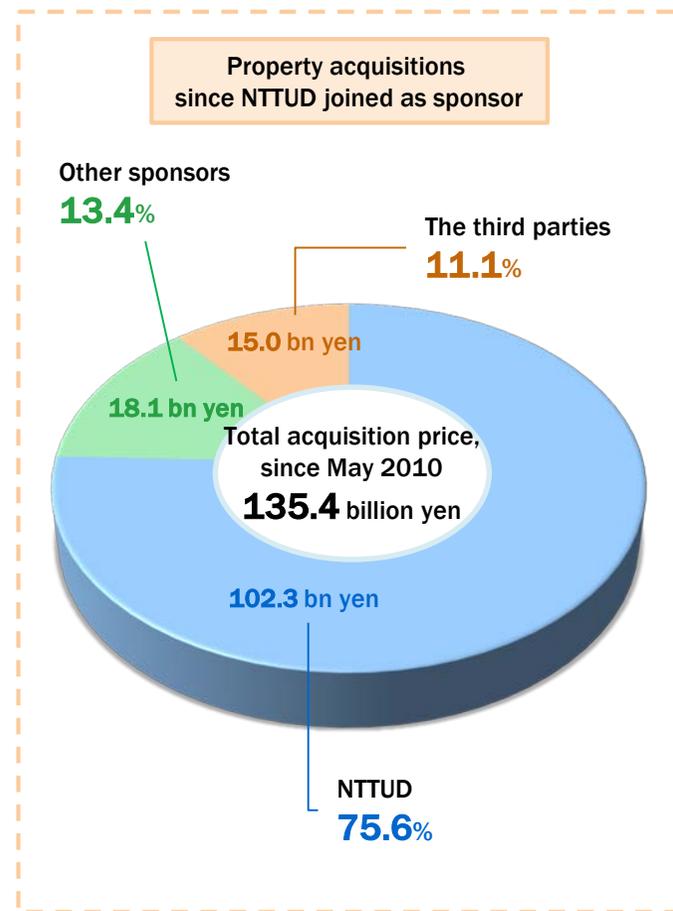
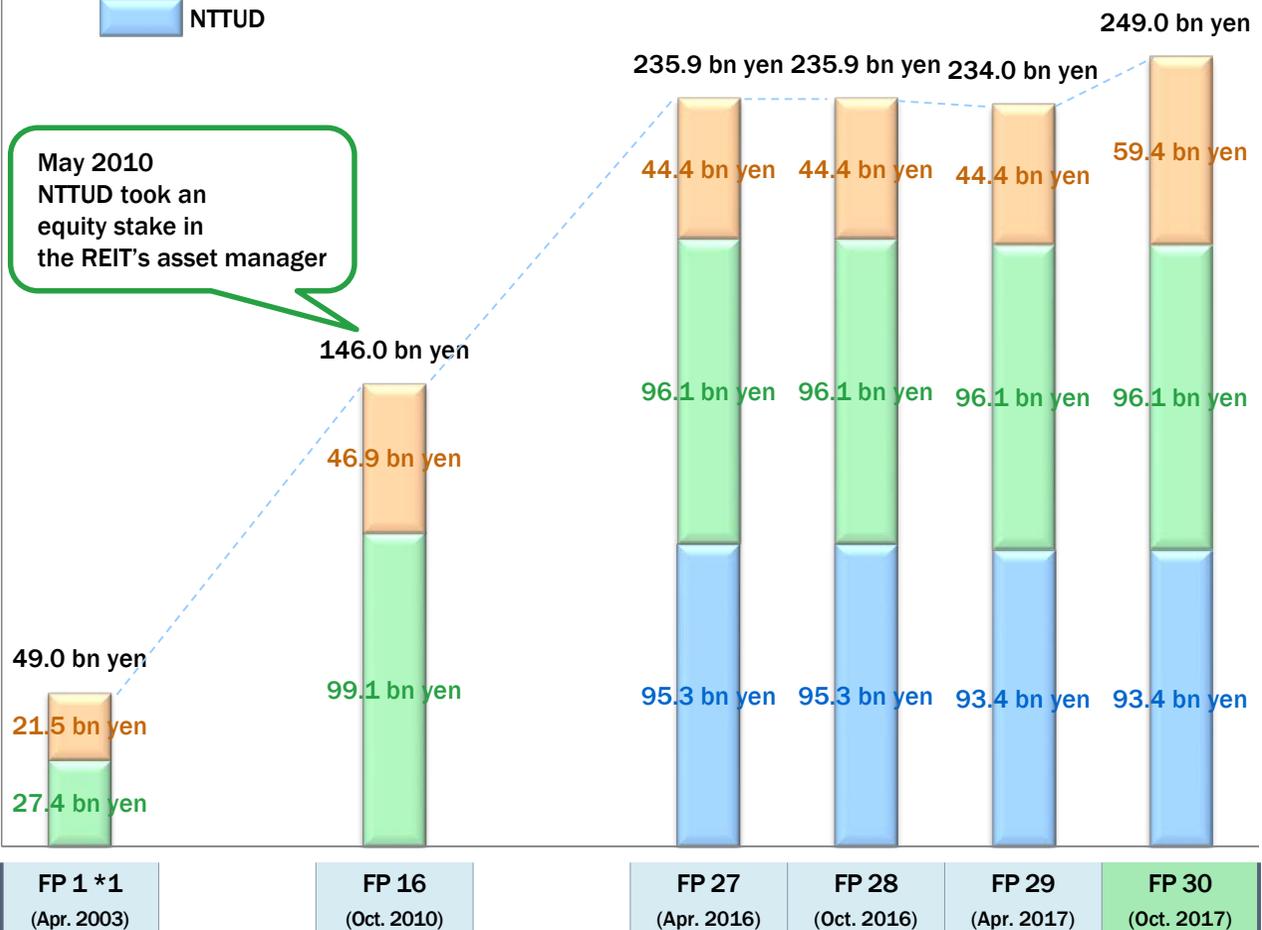


\*1 Here, "Forecast" refers to the forecast of the operating environment in FP 30 disclosed in the release published June 16, 2017, entitled, "Financial Report for the 29th Fiscal Period Ended April 30, 2017."

# Asset Size

## Growth in Asset Size

(As seller or deal-broker)



\*1 PIC was listed on the Tokyo Stock Exchange (J-REIT securities market) at September 10, 2002.



# Status of the Portfolio



	FP 29 (Ended Apr. 2017)	FP 30 (Ended Oct. 2017)
Number of properties	59	60
Asset size	234.0 billion yen	249.0 billion yen
Average age across portfolio	21.3 years (Office 26.2 years / Residential 12.7 years)	22.0 years (Office 26.5 years / Residential 13.2 years)
Distribution of the Portfolio	By asset type	
	<div style="display: flex; align-items: flex-start;"> <div style="margin-right: 20px;"> <ul style="list-style-type: none"> <li><span style="color: blue;">■</span> Office</li> <li><span style="color: orange;">■</span> Residential</li> </ul> </div> <div style="text-align: center;"> <p>66.9% 33.1%</p> </div> </div>	
By geographical area		
<div style="display: flex; align-items: flex-start;"> <div style="margin-right: 20px;"> <ul style="list-style-type: none"> <li><span style="color: blue;">■</span> 5 central wards of Tokyo</li> <li><span style="color: lightblue;">■</span> Other 18 wards of Tokyo</li> <li><span style="color: lightgrey;">■</span> Urban areas surrounding Tokyo</li> <li><span style="color: orange;">■</span> Major regional cities</li> </ul> </div> <div style="text-align: center;"> <p>67.7% 21.9% 5.7% 4.7%</p> </div> </div>		
<div style="display: flex; align-items: flex-start;"> <div style="margin-right: 20px;"> <ul style="list-style-type: none"> <li><span style="color: blue;">■</span> 5 central wards of Tokyo</li> <li><span style="color: lightblue;">■</span> Other 18 wards of Tokyo</li> <li><span style="color: lightgrey;">■</span> Urban areas surrounding Tokyo</li> <li><span style="color: orange;">■</span> Major regional cities</li> </ul> </div> <div style="text-align: center;"> <p>63.6% 26.6% 5.4% 4.4%</p> </div> </div>		

# Transactions with Third Parties

- Ties with our sponsors continue to be the central pillar driving external growth. However, we have also executed transactions with third parties to enhance portfolio quality.

## Acquisition (FP 30)

### Sphere Tower Tennozu (Co-ownership stake: 67%) \*1



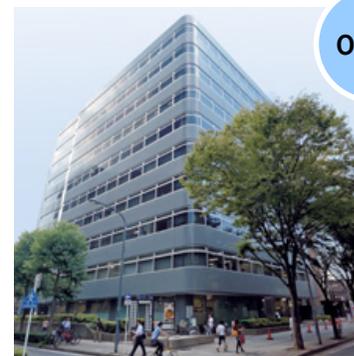
Office

Location	Shinagawa Ward, Tokyo
Seller	Harbor Capital Tokutei Mokuteki Kaisha
Acquisition date	June 21, 2017
Acquisition price	15,000 million yen
Appraisal value (at time of purchase)	15,300 million yen
Gross floor area	43,477 m <sup>2</sup>
Bldg. age (as of end of FP 30)	24.6 years
Occupancy rate (as of end of FP 30)	88.1%
Appraisal NOI yield	4.3%

\*1 The REIT acquired a 67% stake of joint ownership beneficiary rights to real estate in trust.

## Disposition (FP 31)

### NU Kannai Building

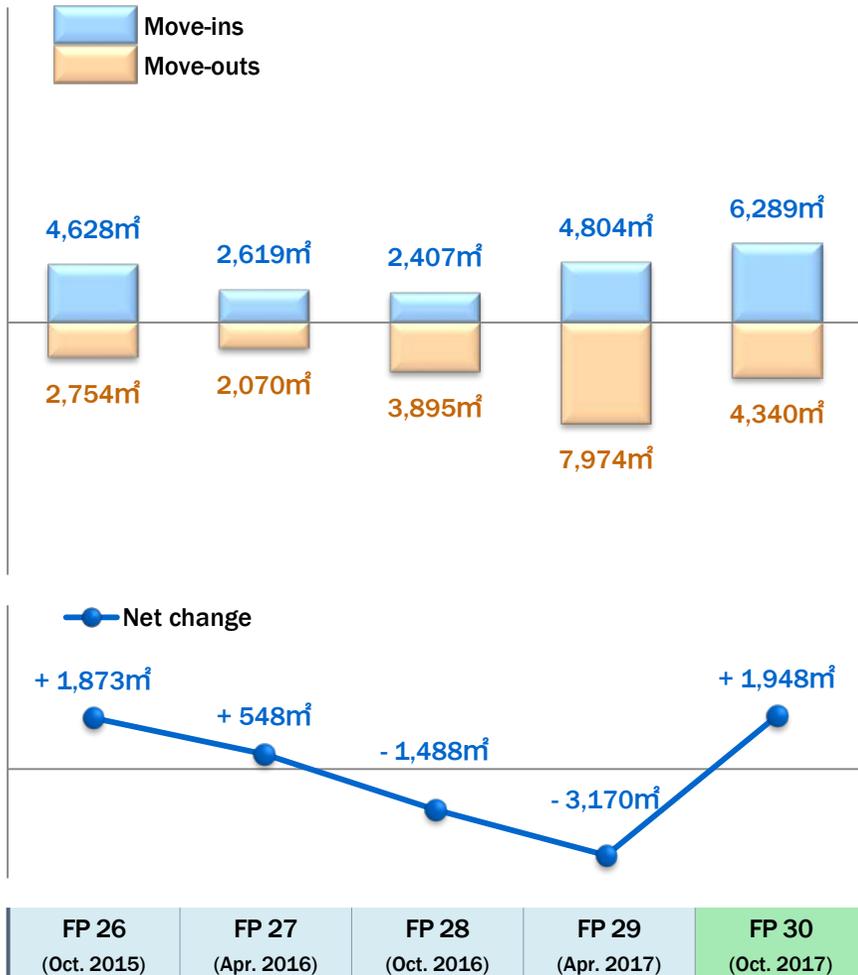


Office

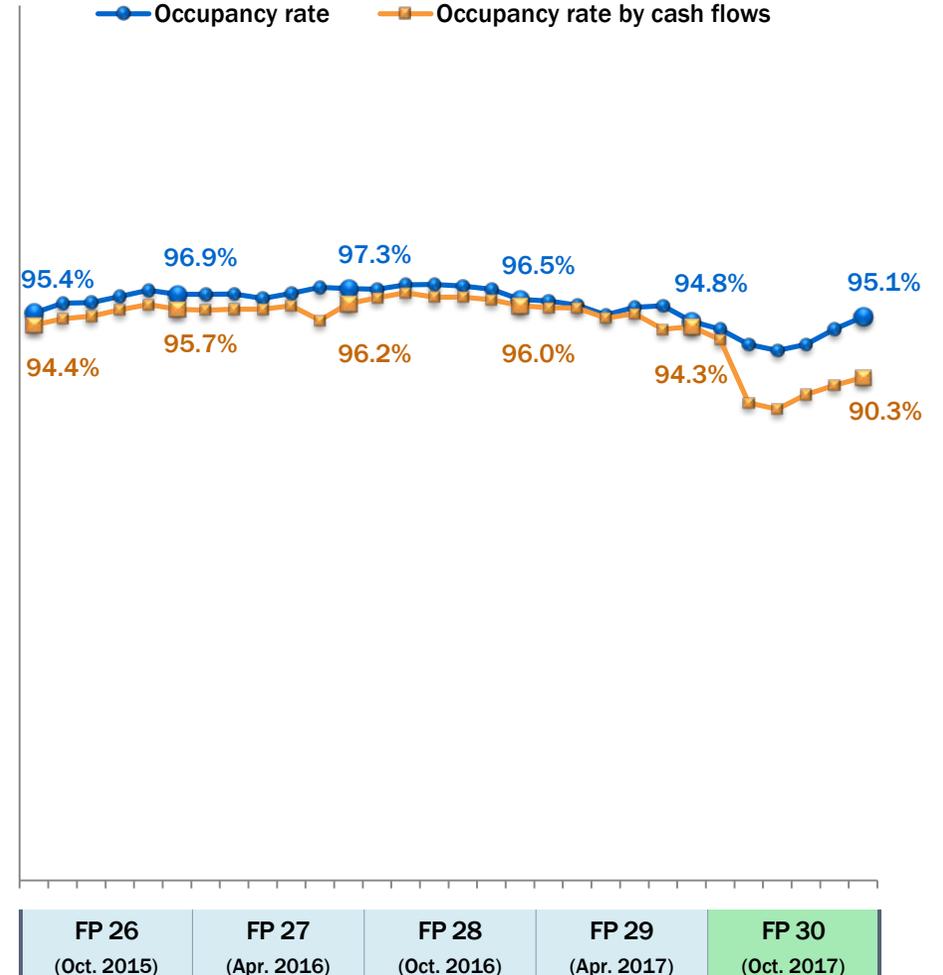
Location	Naka Ward, Yokohama City
Buyer	Not disclosed
Date of sale	November 9, 2017
Sale price	3,550 million yen
Appraisal value (at time of sale)	2,930 million yen
(Projected) gain on property sale	96 million yen
Gross floor area	10,963 m <sup>2</sup>
Bldg. age (as of end of FP 30)	30.7 years
Occupancy rate (as of end of FP 30)	83.3%
Rental NOI yield (FP 30)	1.1%

# Office: Tenant Turnover and Occupancy Rates

Office Tenant Turnover (area)

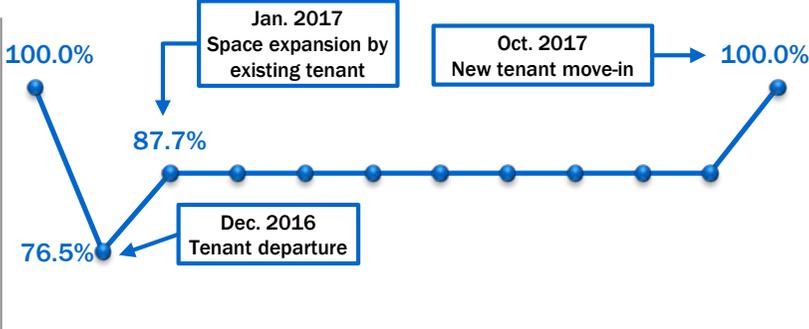


Occupancy Rate and Occupancy Rate by Cash Flows



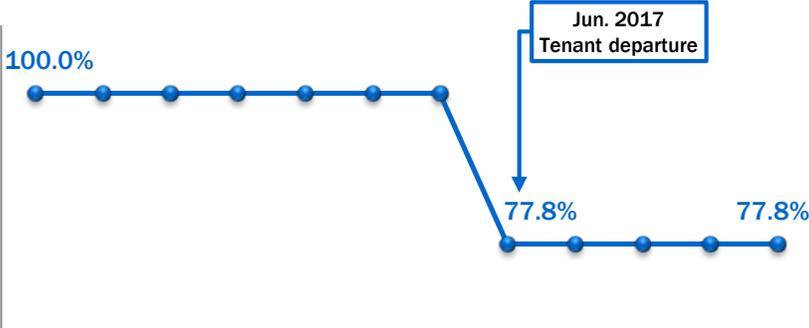
# Properties with Tenant Departures (1)

**Premier Dogenzaka Building**



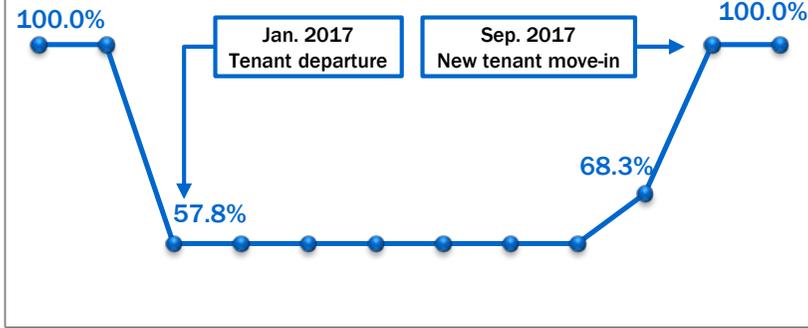
FP 29						FP 30					
Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.

**KN Shibuya No.3**



FP 29						FP 30					
Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.

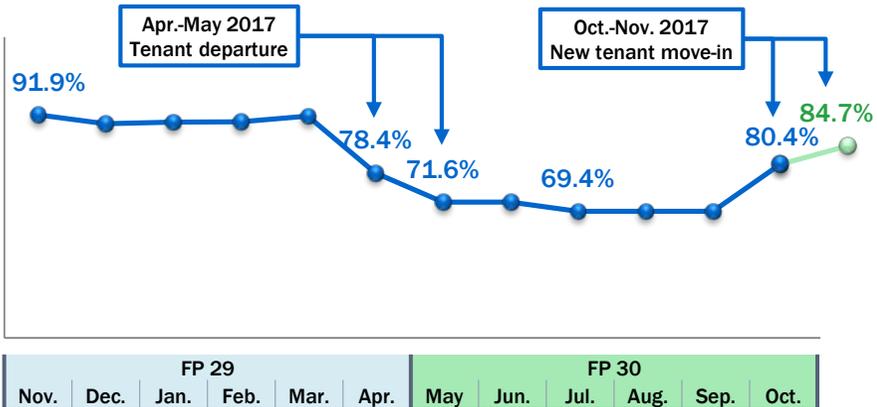
**Ueno Tosei Building**



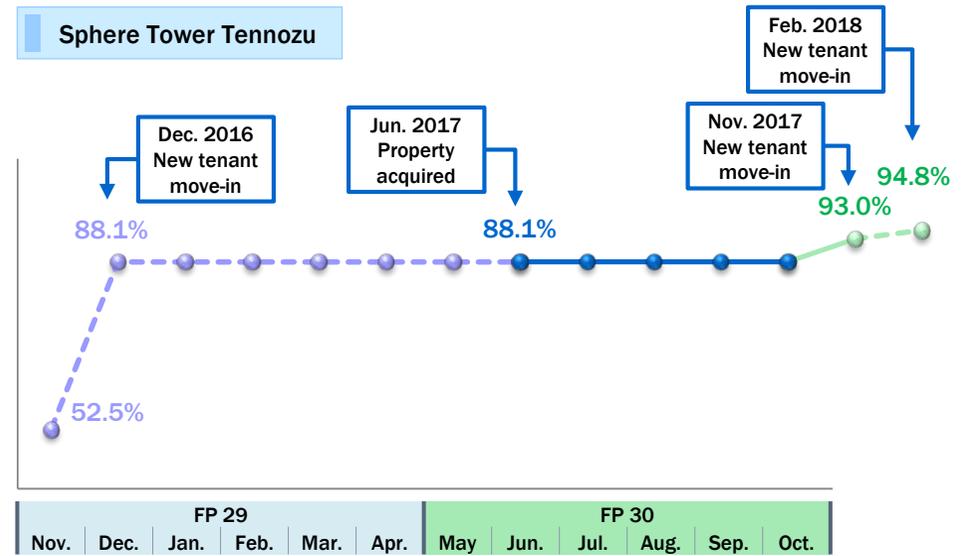
FP 29						FP 30					
Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.

# Properties with Tenant Departures (2)

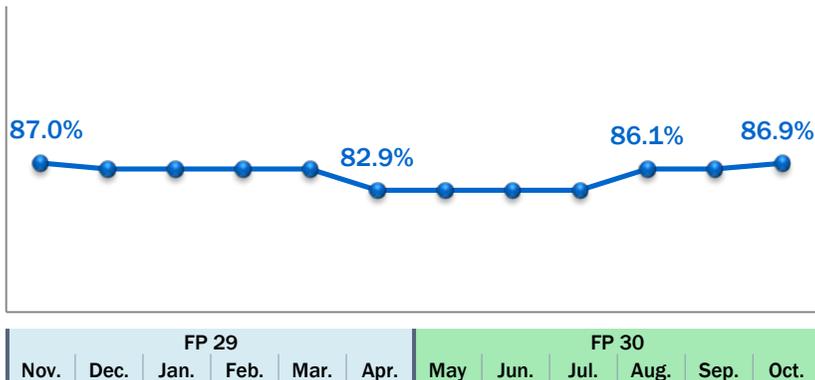
## The Kanagawa Science Park R&D Building



## Sphere Tower Tennozu



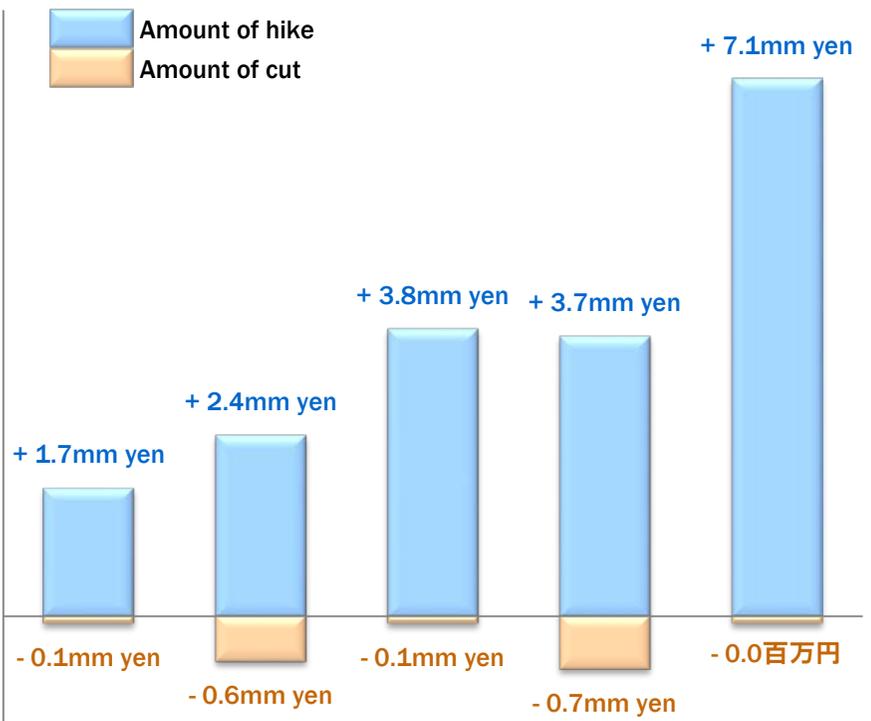
## NTT CRED Okayama Building





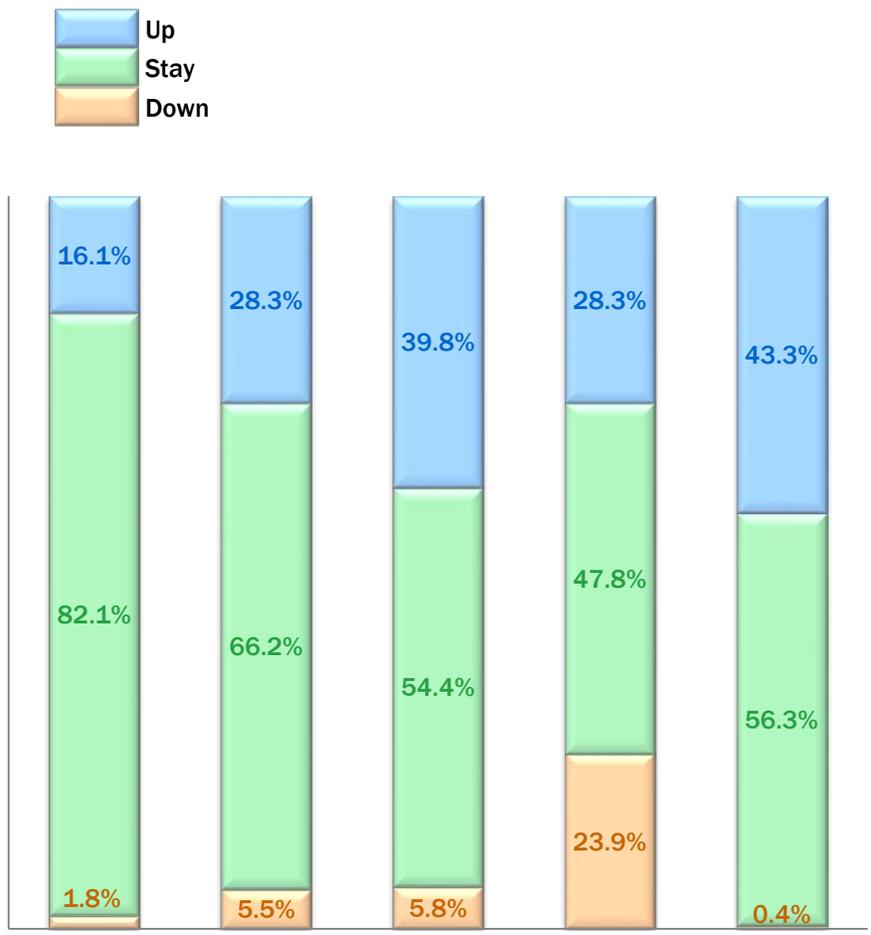
# Office: Rent Revisions

Rent Revisions (monthly rental revenue)



FP 26 (Oct. 2015)	FP 27 (Apr. 2016)	FP 28 (Oct. 2016)	FP 29 (Apr. 2017)	FP 30 (Oct. 2017)
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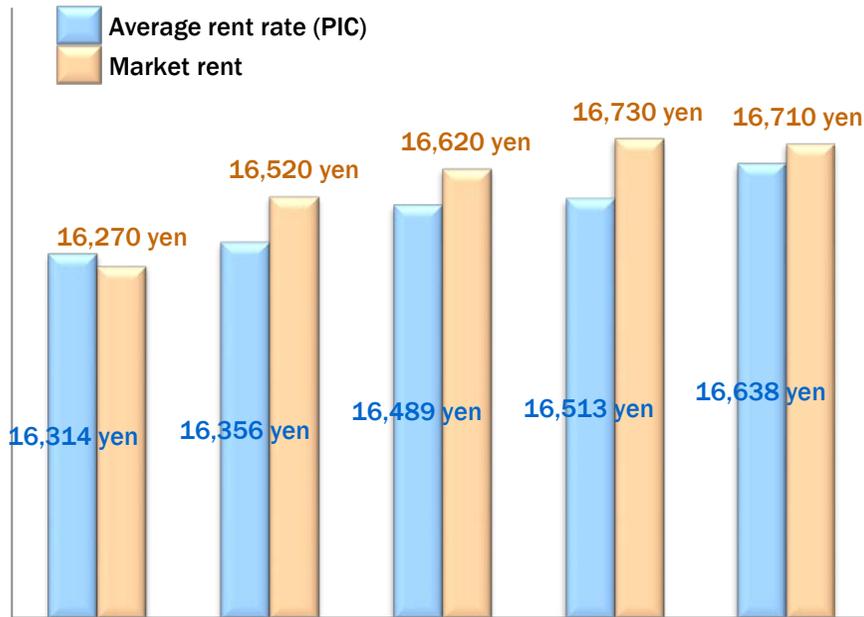
Analysis of Lease Renewals (by area)



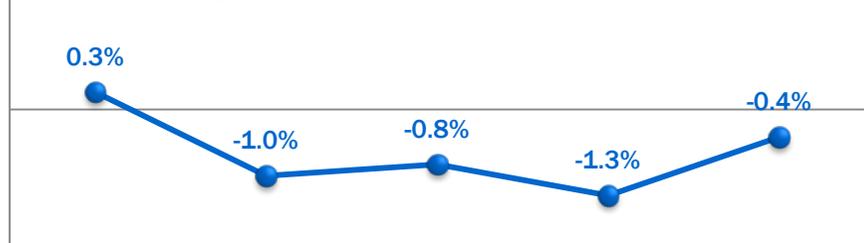
FP 26 (Oct. 2015)	FP 27 (Apr. 2016)	FP 28 (Oct. 2016)	FP 29 (Apr. 2017)	FP 30 (Oct. 2017)
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# Office: Rent Analysis (Greater Tokyo)

## Comparison to Market Rents (per tsubo)

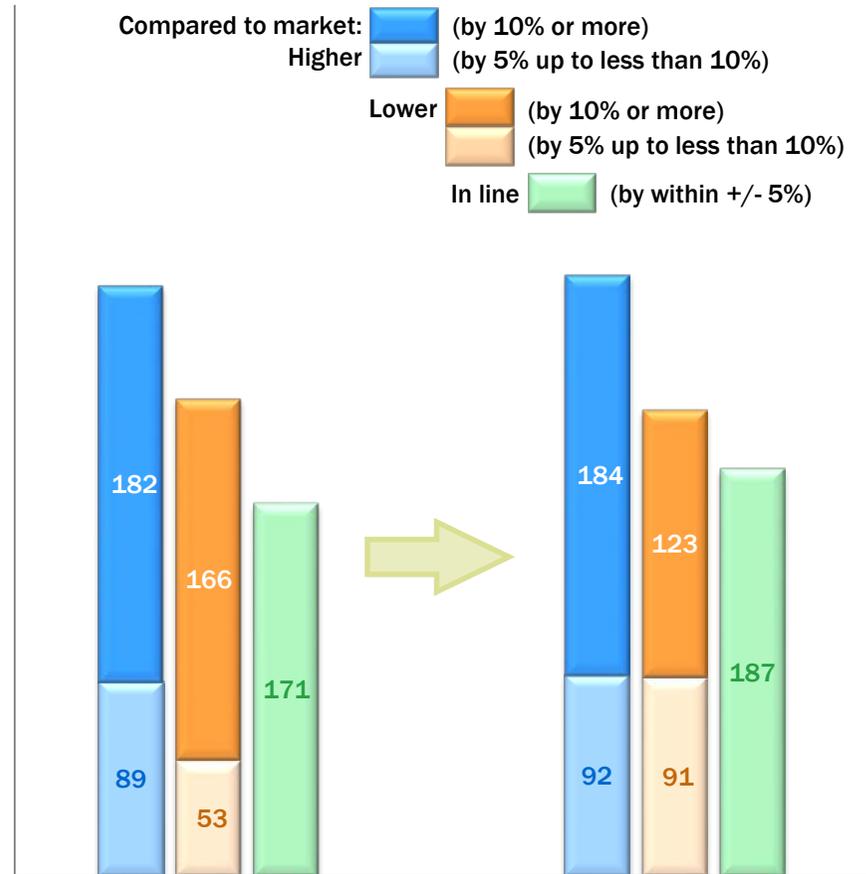


### Rent gap \*1



## Rent Gap Analysis (Excluding property buy in FP 30)

(million yen)

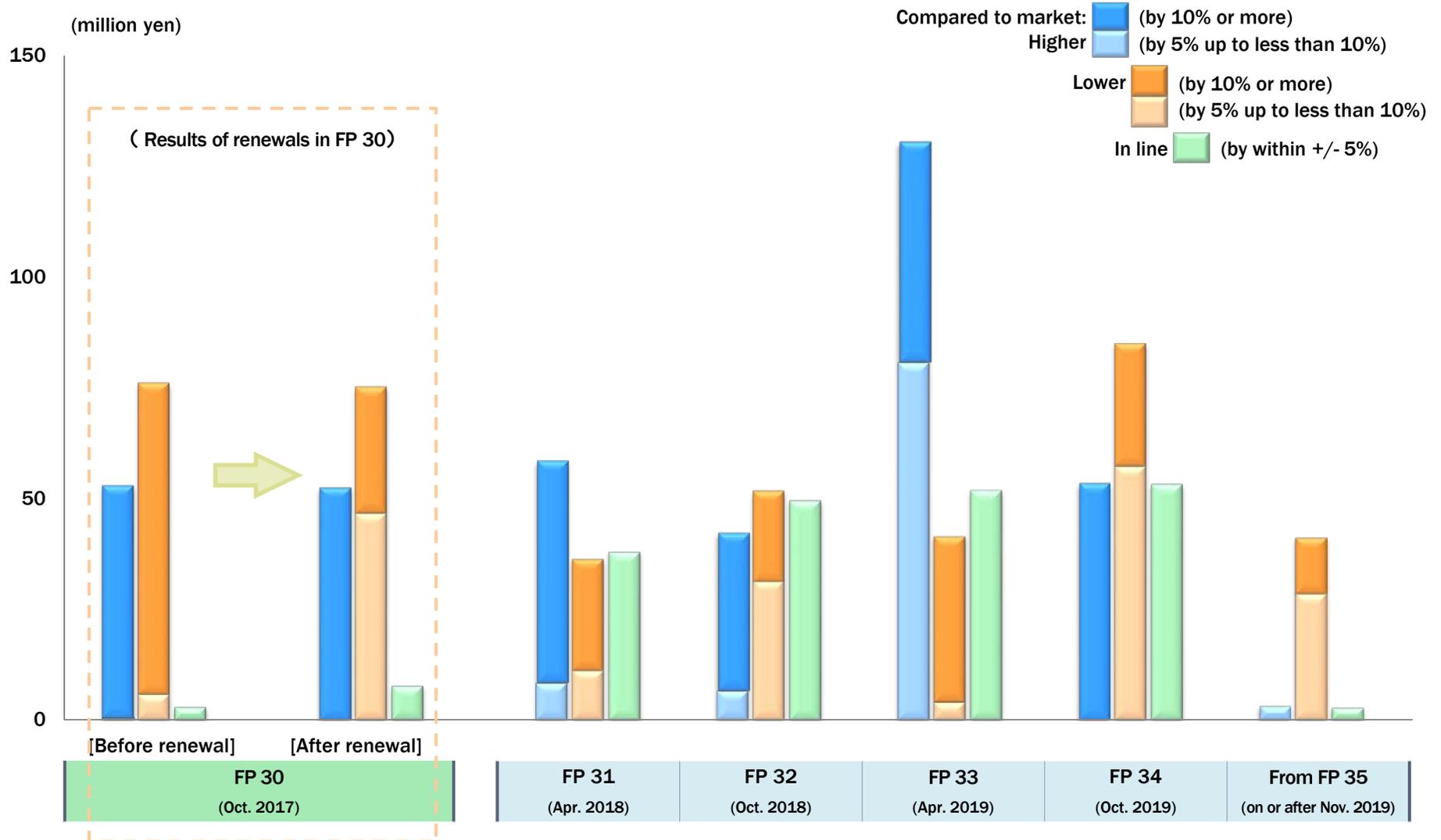


FP 26	FP 27	FP 28	FP 29	FP 30
(Oct. 2015)	(Apr. 2016)	(Oct. 2016)	(Apr. 2017)	(Oct. 2017)

FP 29	FP 30
(Apr. 2017)	(Oct. 2017)

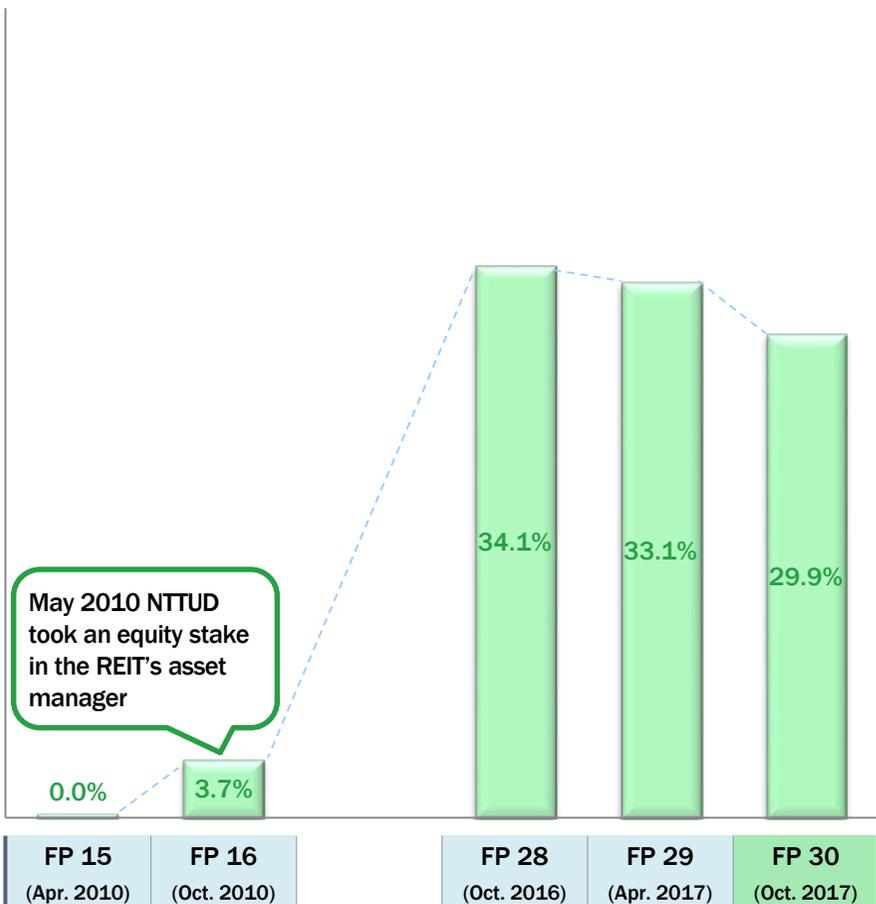
\*1 The rent gap is calculated based on the gap between the market rent (survey every March and September) and the contract rent (as of the end of each fiscal period) for each office building in the portfolio, based on leasable area. Does not include properties located in major regional cities.

# Office: Lease Renewals Schedule (Greater Tokyo)



# Office: Status of Tenants

## Office Tenant Exposure to NTT Group



## Top 10 Office Tenants

■ NTT group

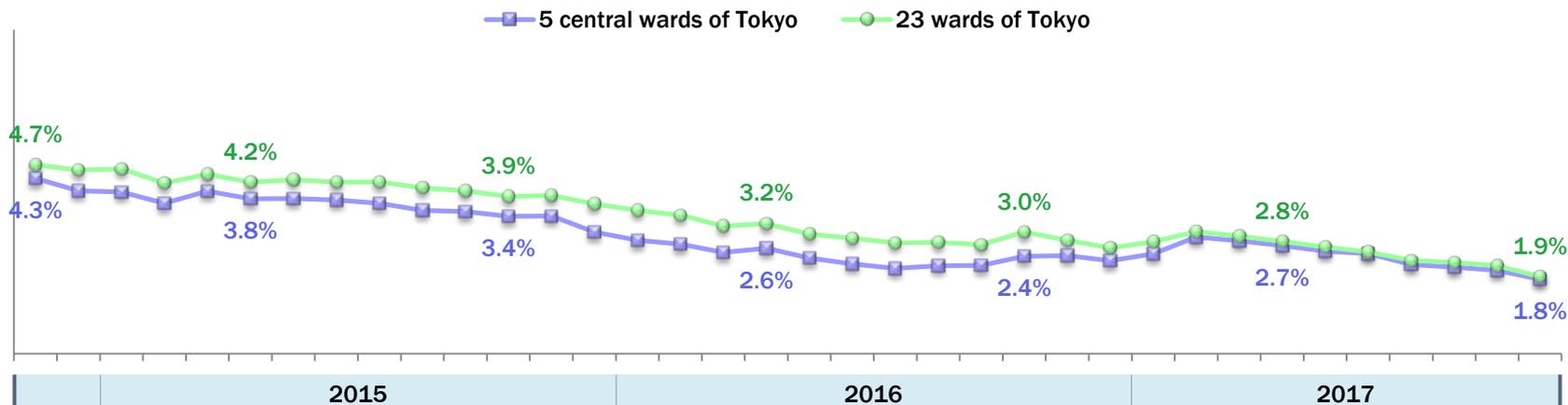
(as of October 31, 2017)

	Tenant	Space leased	% *	Property name	Next lease renewal	
1	NTT Facilities, Inc.	10,681m <sup>2</sup>	5.9%	UA Higobashi Bldg. and others	Mar. 2018	FP 31
2	Docomo CS, Inc.	8,773m <sup>2</sup>	4.9%	UN Ikebukuro Bldg.	Mar. 2019	FP 33
3	NTT Business Associe East Co., Ltd.	7,488m <sup>2</sup>	4.1%	UN Omori Bldg.	Mar. 2019	FP 33
4	Sumitomo Osaka Cement Co., Ltd.	6,872m <sup>2</sup>	3.8%	Rokubancho Bldg.	May 2019	FP 34
5	SoftBank Corp.	6,293m <sup>2</sup>	3.5%	Sphere Tower Tennozu	Nov. 2019	FP 35
6	NTT Data Corporation	5,530m <sup>2</sup>	3.1%	UN Mita Bldg.	Dec. 2018	FP 33
7	NTT Finance Corporation	5,417m <sup>2</sup>	3.0%	UN Ikebukuro Bldg.	Jun. 2018	FP 32
8	NTT Learning Systems Corporation	4,801m <sup>2</sup>	2.7%	UN Azabu Bldg.	Mar. 2018	FP 31
9	Japan Display Inc.	4,140m <sup>2</sup>	2.3%	Landic Shimbashi 2 Bldg.	Sep. 2018	FP 32
10	ITOKI CORPORATION	4,037m <sup>2</sup>	2.2%	UN Irfune Bldg.	Jun. 2019	FP 34

\* Of the entire PIC portfolio, a percentage to gross area under lease in office use section is shown.

# Office: Market Trends in Tokyo

## Vacancy Rates of Large Buildings \*1



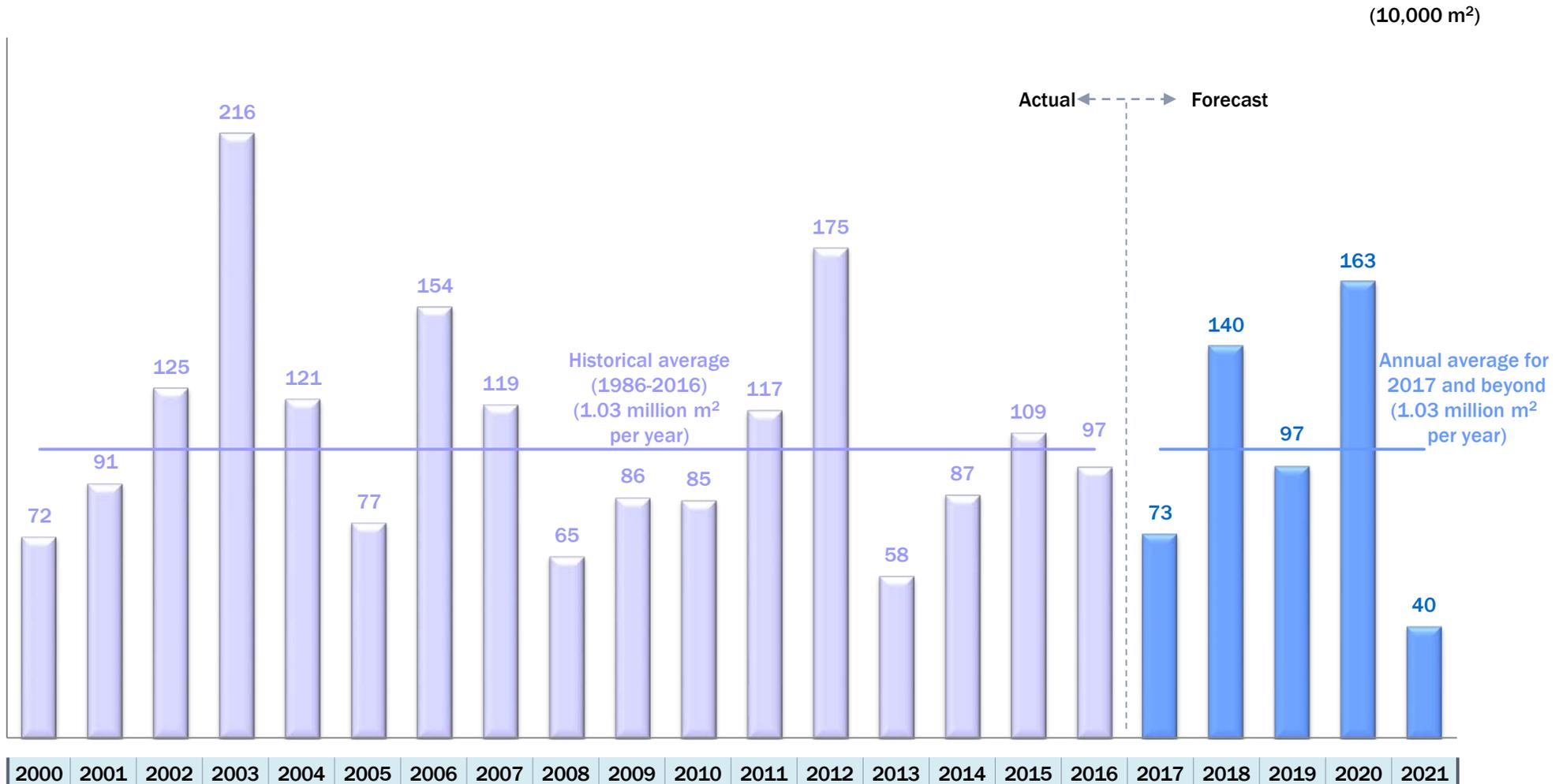
## Average Rents (per tsubo) of Large Buildings \*1



\*1 Prepared by PRA based on market data (Nov. 2014, until Oct. 2017) from Sanko Estate Co., Ltd. "Large Buildings" refer to office buildings with at least 200 tsubo (roughly 660 m<sup>2</sup> or 7,100 ft<sup>2</sup>) per floor (as defined by Sanko Estate Co., Ltd.) and "Average Rents (per tsubo)" is the rent including common area charges.

# Supply of Large Office Buildings (Tokyo 23 Wards)

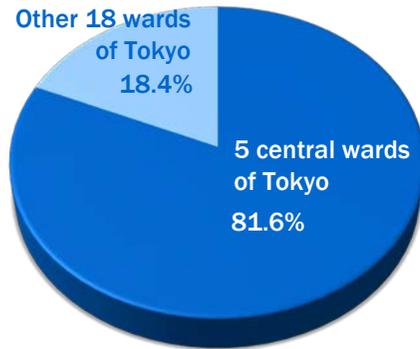
- The average annual supply projected over the next 5 years is in line with the historical annual average supply (1.03 million m<sup>2</sup>) from the past 31 years.
- Looking forward, supply will be concentrated in Tokyo CBDs, much of which will come from tearing down existing buildings.



\* Prepared by PRA based on The 2017 Survey of Large-scale Office Building Market in Tokyo's 23 Wards (Published by Mori Building Co., Ltd. and dated April 25, 2017). The survey captures data on office properties with at least 10,000m<sup>2</sup> GFA.

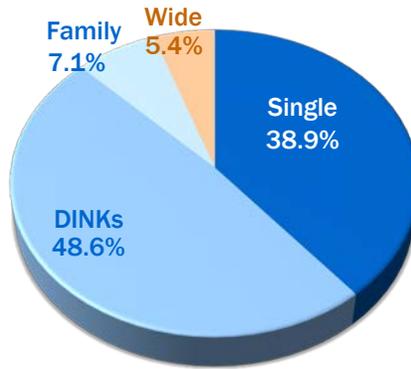
# Residential: Portfolio Analysis

Geographical distribution (based on acquisition price)



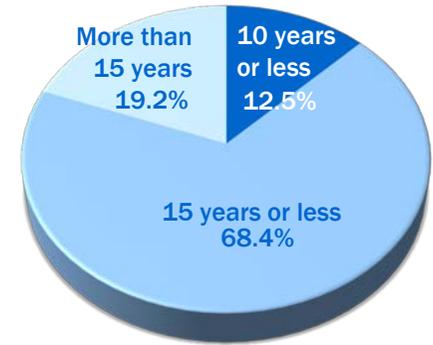
More than 80% is located in the 5 central wards of Tokyo

Apartment type (by number of apartment units)



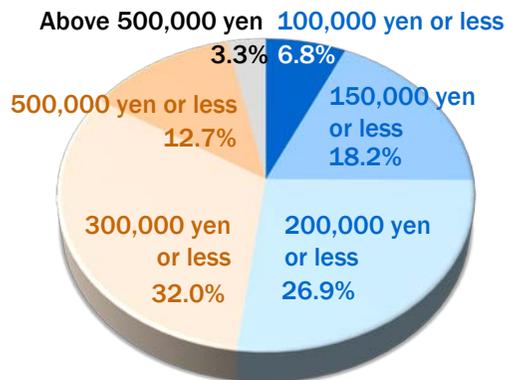
About 90% of the total 3,605 units are single or DINKs apartment types

Building age (based on acquisition price)



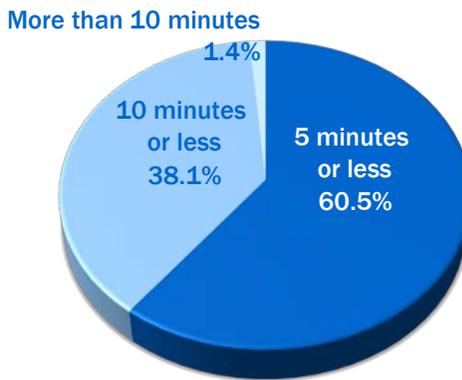
Average building age: 13.2 years

Monthly rent (by number of apartment units)



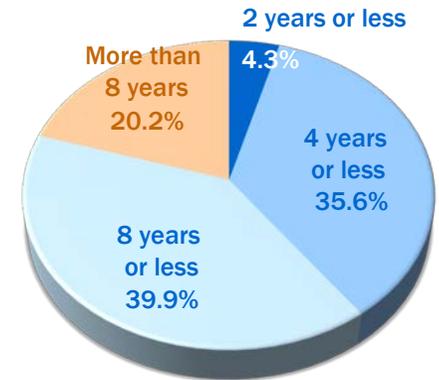
More than 50% of all leases have monthly rents of 200,000 yen or less

Access to closest train station (based on acquisition price)



Average walk to station: 5.2 minutes

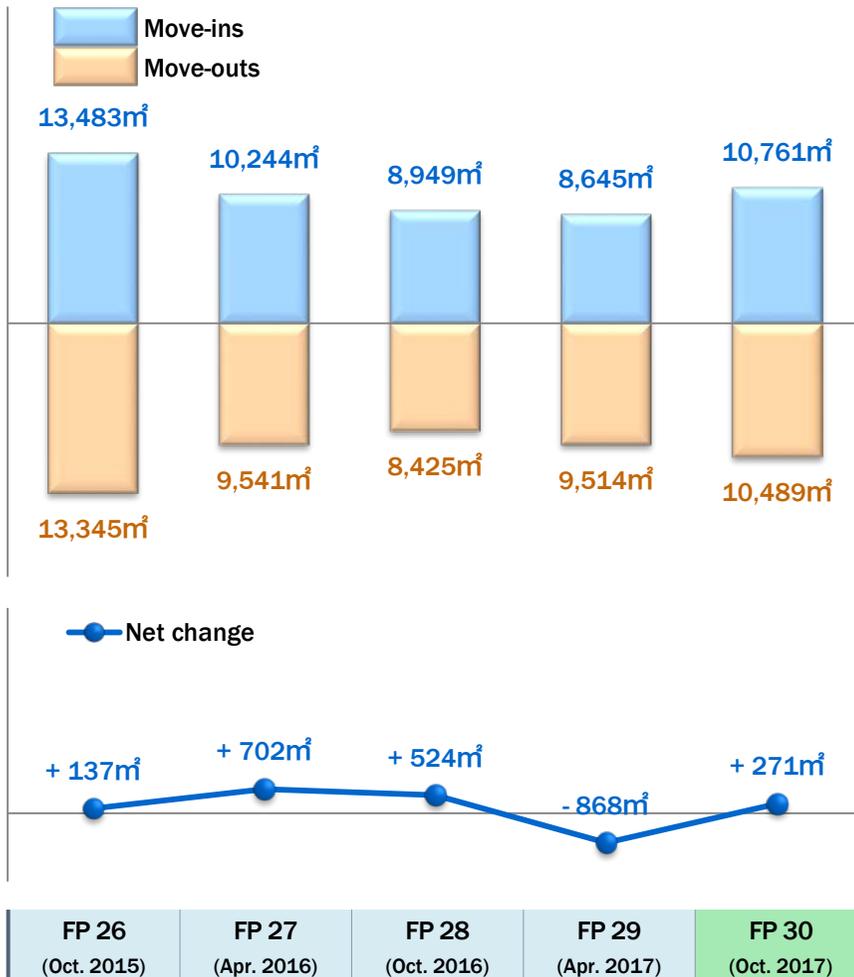
Length of residence (by number of apartment units)



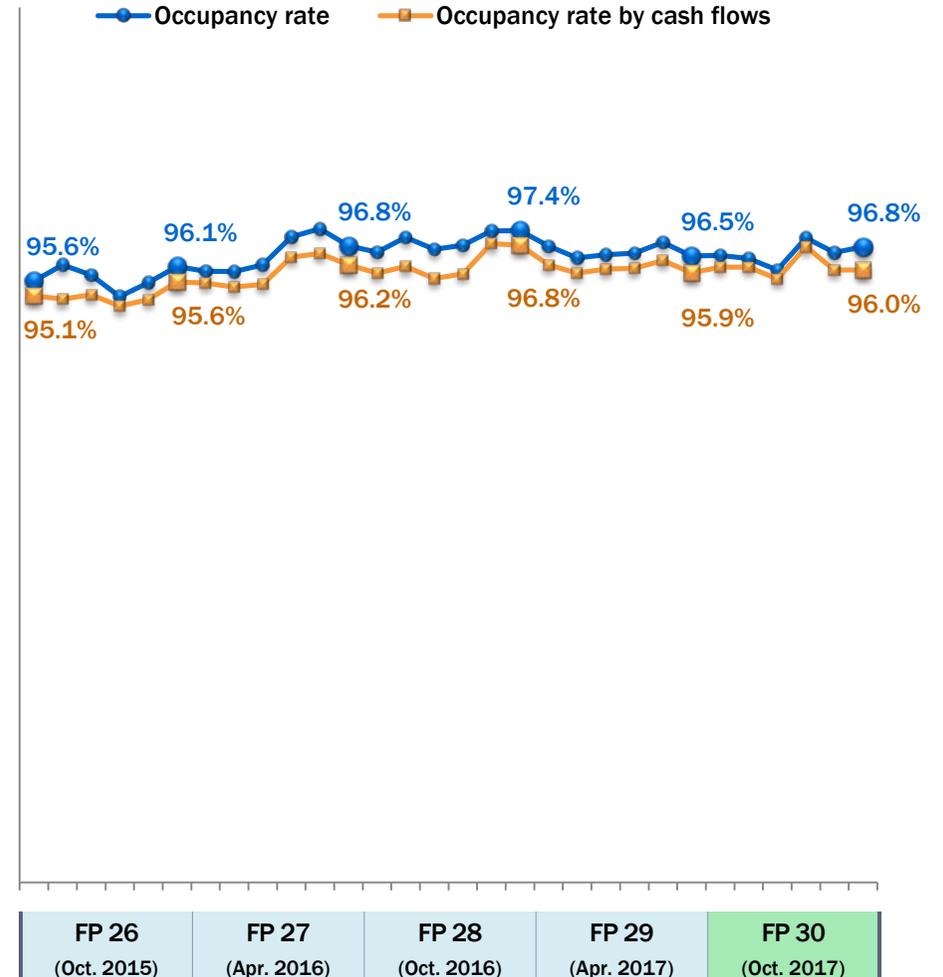
Average length of residence: 4.7 years

# Residential: Tenant Turnover and Occupancy Rates

Residential: Tenant Turnover (area)

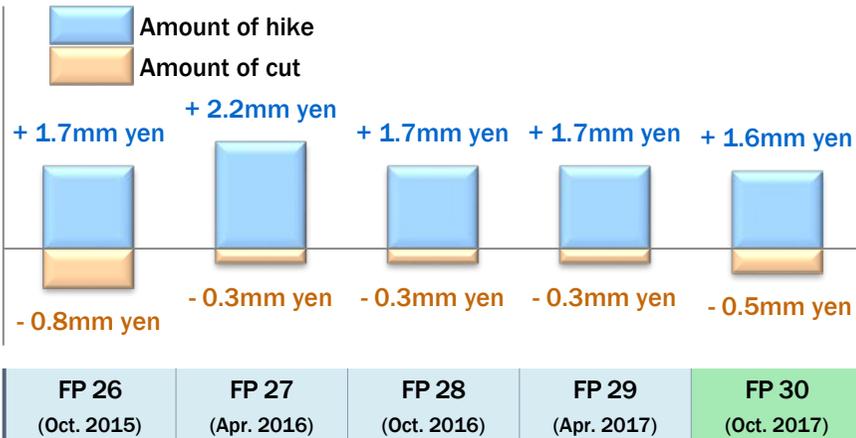


Occupancy Rate and Occupancy Rate by Cash Flows

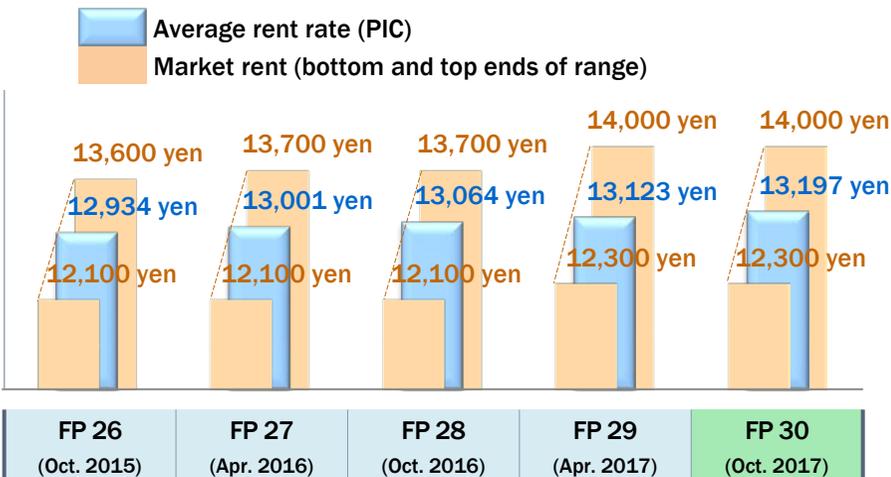


# Residential: Rent Revisions

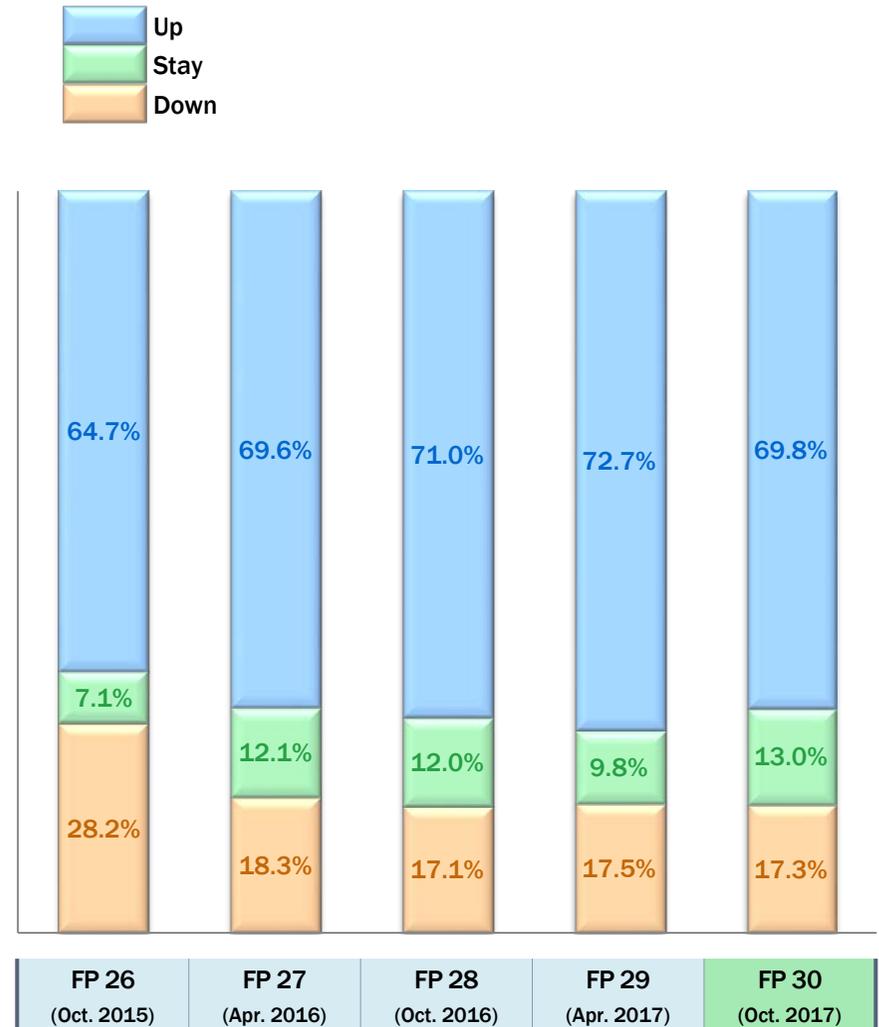
## Rent Change on New Tenant Leases (monthly rent)



## Comparison to Market Rents (per tsubo)



## Analysis of Tenant Turnover (area)

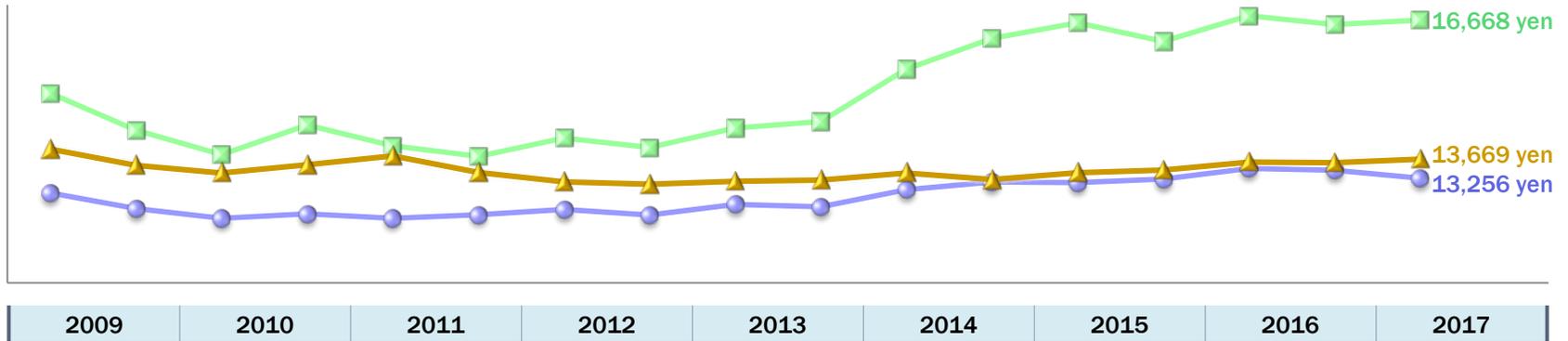


# Apartment Rent Trends in Tokyo

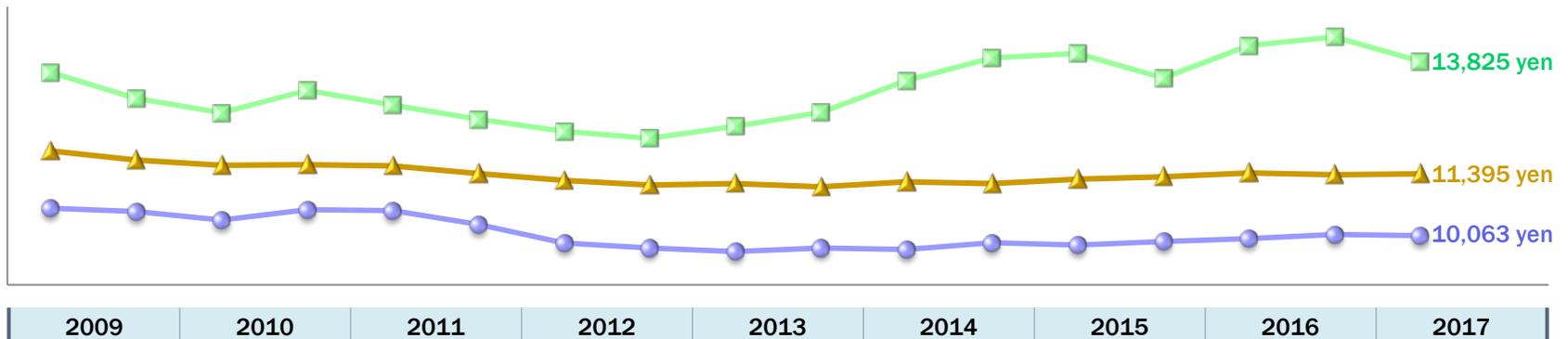


- Large (80 m<sup>2</sup> or more)
- Standard (40 m<sup>2</sup> to 80 m<sup>2</sup>)
- ▲ Small (Less than 40 m<sup>2</sup>)

Rent (per tsubo) in 5 Central Wards of Tokyo \*1



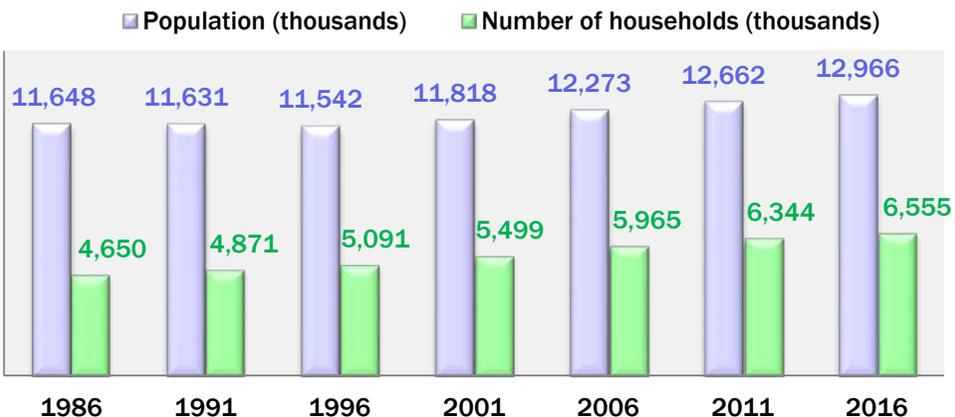
Rent (per tsubo) in 23 Wards of Tokyo \*1



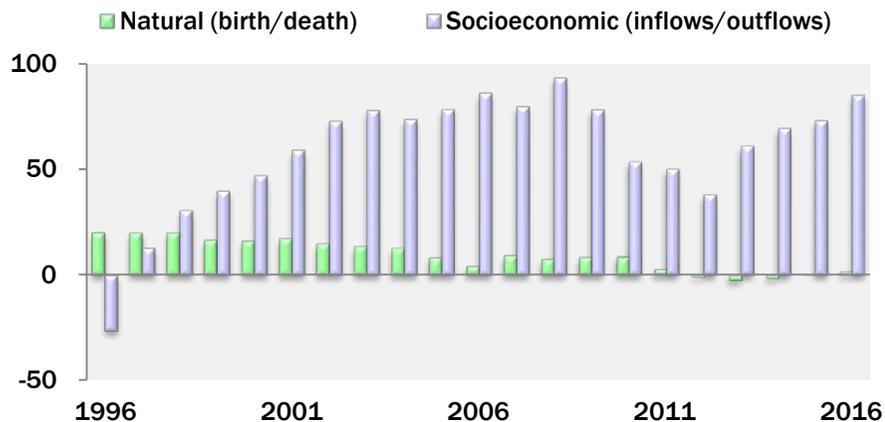
\*1. Prepared by PRA based on the Residential Market Index from the Japan Real Estate Institute (JREI) • Ken Corporation Ltd. • At Home Co., Ltd. .

# Tokyo Population Statistics

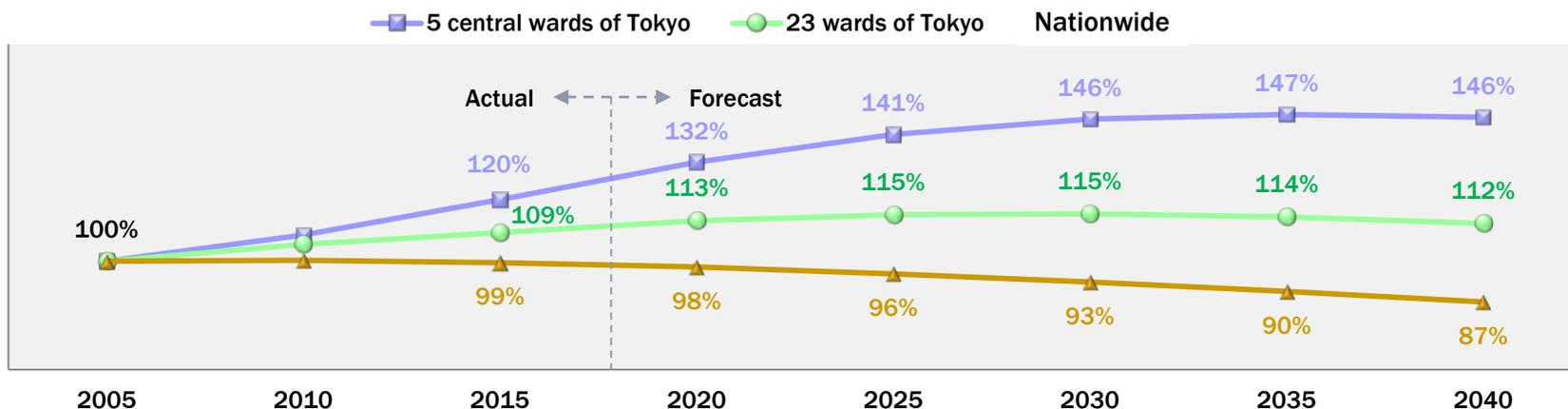
Population and Households \*1



Population Changes in Tokyo \*1



Projected Future Populations by Geography \*2

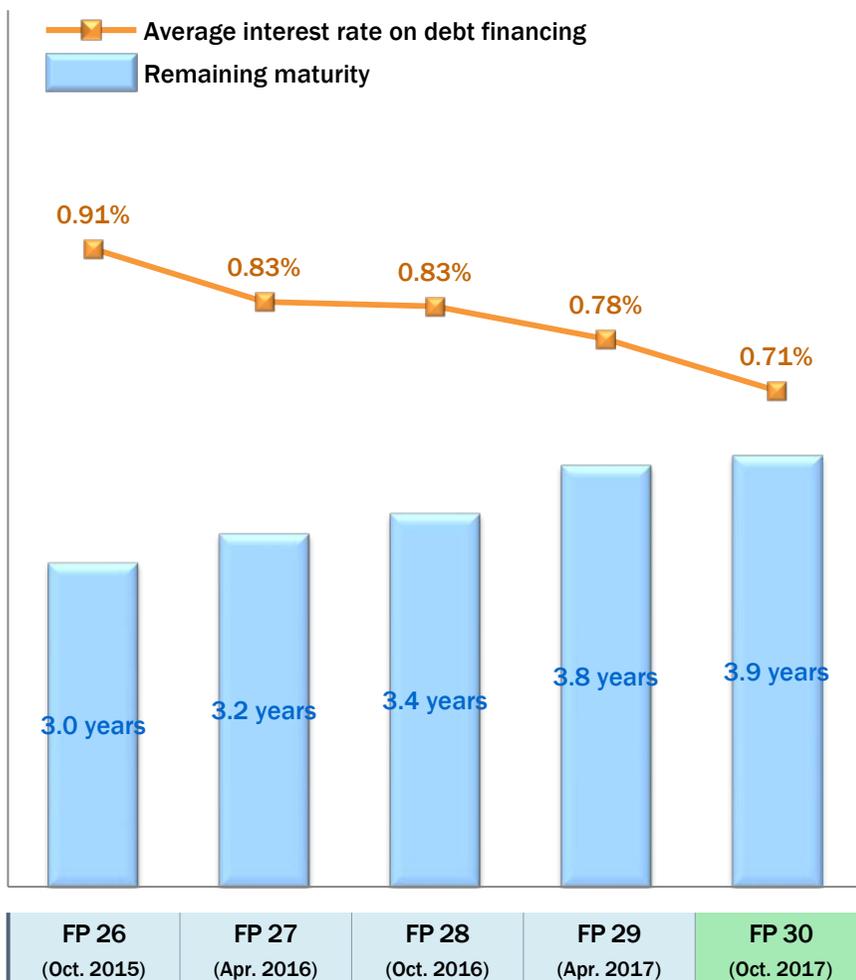


\*1 Prepared by PRA based on the Survey of Population, Demography and Number of Households based on the Basic Resident Registration system by the Ministry of Internal Affairs and Communications.

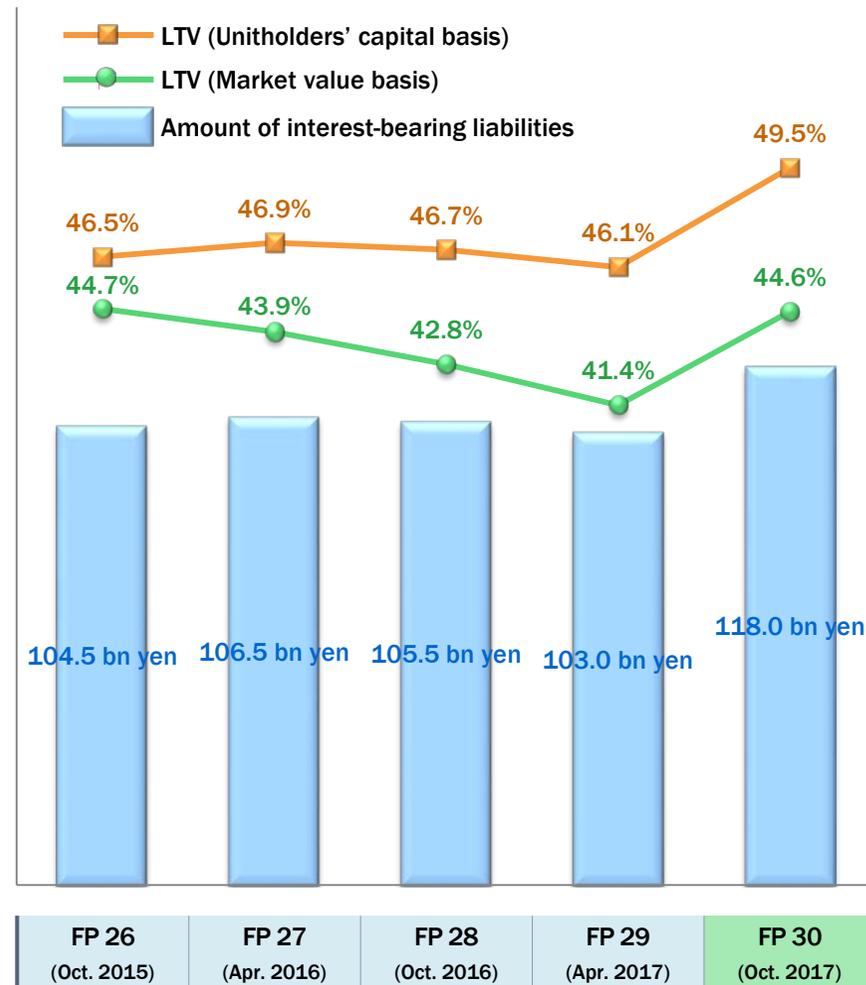
\*2 Prepared by PRA based on: the March 2017 Projections of Population by Special Ward, City and Town by the Statistics Division, Bureau of General Affairs of the Tokyo Metropolitan Government; the 2017 Population Projections for Japan by the National Institute of Population and Social Security Research; and the Population Census by Japan's Statistics Bureau. Populations as of 2005 have been indexed to 100.

# Financial Information

## Average Rate and Remaining Maturity \*1



## LTV (Loan to Value)

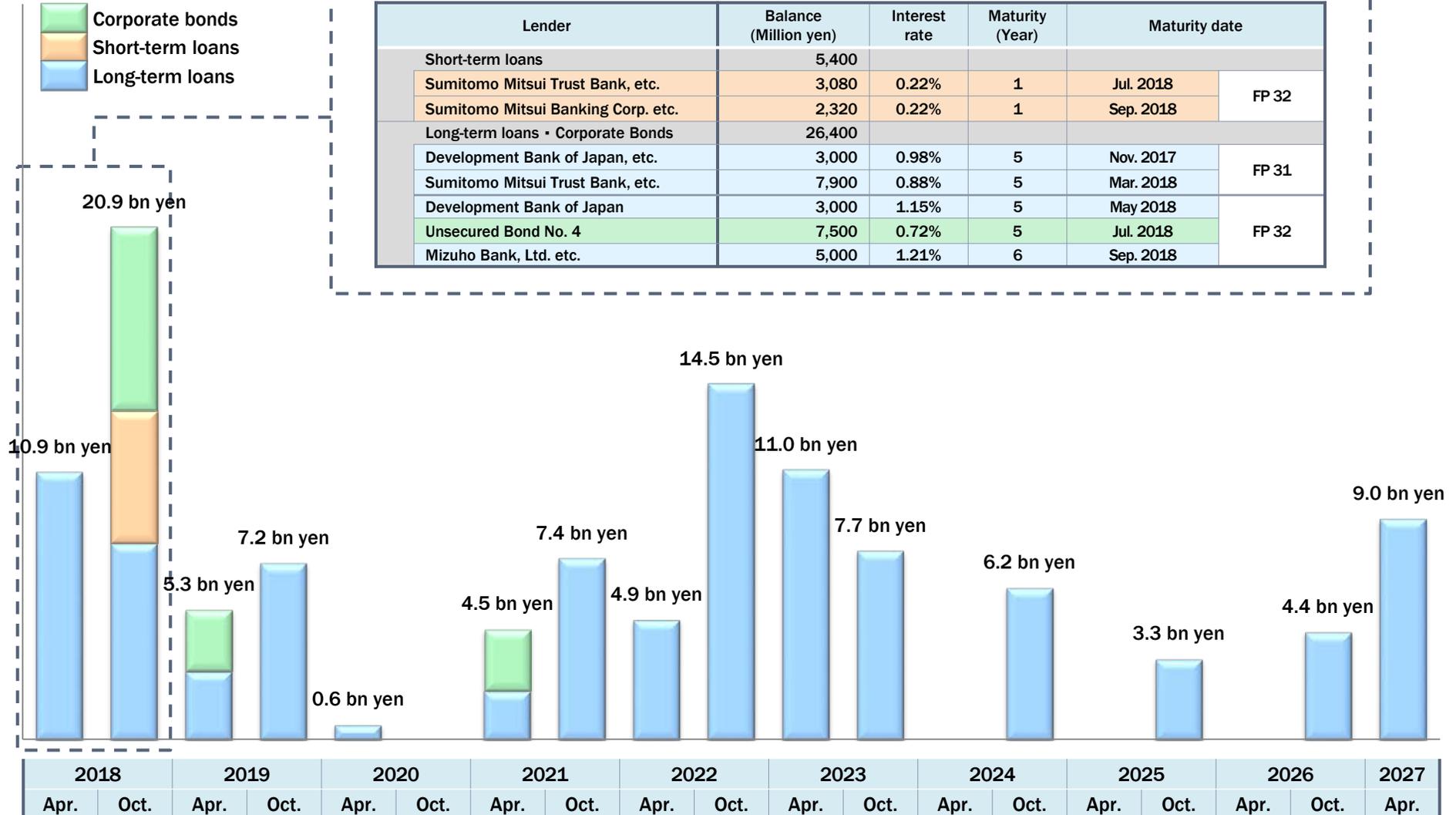


\*1. Average interest rate is an average weighted for balances outstanding as of the end of the period for each nominal interest rate.

# Redemption Schedule

Loan and bond redemptions coming due over the next year

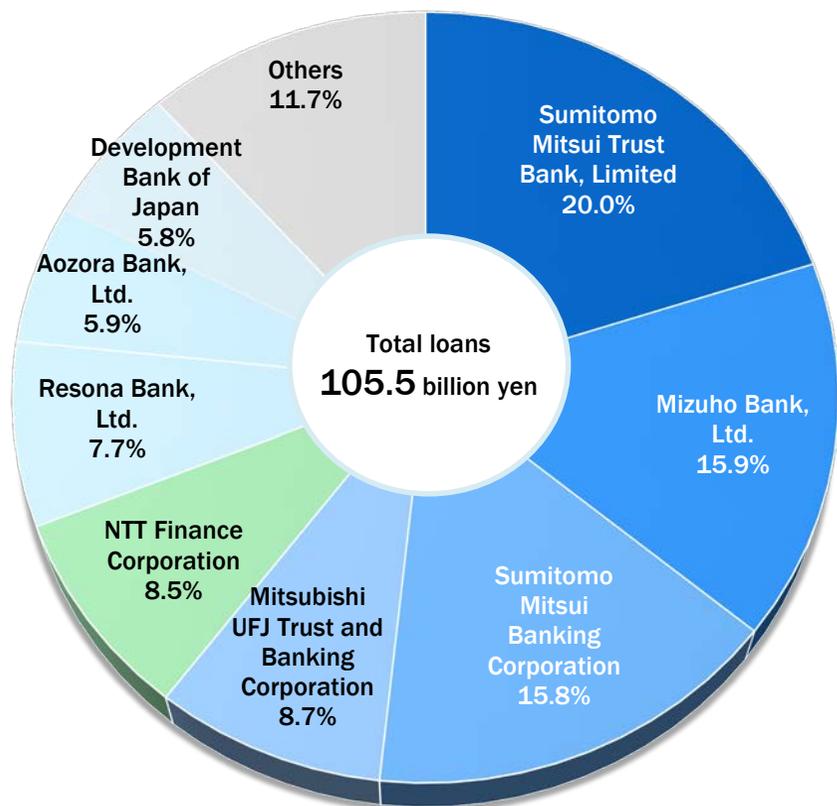
Lender	Balance (Million yen)	Interest rate	Maturity (Year)	Maturity date	
<b>Short-term loans</b>					
Sumitomo Mitsui Trust Bank, etc.	3,080	0.22%	1	Jul. 2018	FP 32
Sumitomo Mitsui Banking Corp. etc.	2,320	0.22%	1	Sep. 2018	
<b>Long-term loans - Corporate Bonds</b>					
Development Bank of Japan, etc.	3,000	0.98%	5	Nov. 2017	FP 31
Sumitomo Mitsui Trust Bank, etc.	7,900	0.88%	5	Mar. 2018	
Development Bank of Japan	3,000	1.15%	5	May 2018	FP 32
Unsecured Bond No. 4	7,500	0.72%	5	Jul. 2018	
Mizuho Bank, Ltd. etc.	5,000	1.21%	6	Sep. 2018	



# Interest-Bearing Liabilities and Rating



## Lender Formation

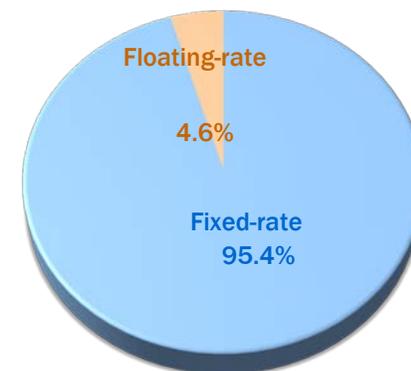


(As of October 31, 2017)

## Ratio of Long-term Debts



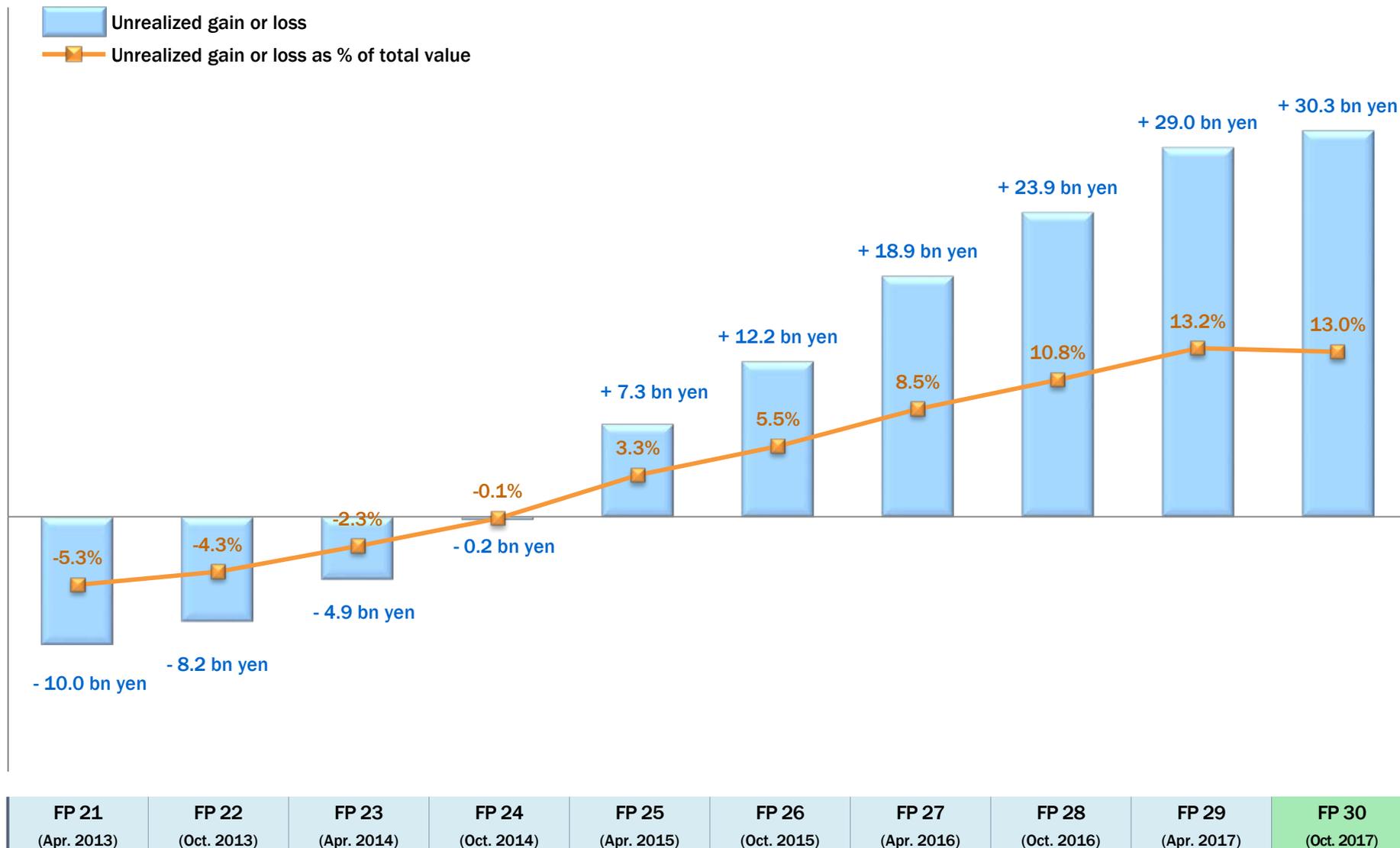
## Ratio of Debts with Fixed Interest Rates



## Credit Rating

Rating Agency	Rating
Japan Credit Rating Agency Ltd. (JCR)	Issuer rating: AA - Rating outlook: Stable
Rating and Investment Information, Inc. (R&I)	Issuer rating: A+ Rating outlook: Stable

# Change in Unrealized Gain or Loss



\*1 Includes UDX Special Purpose Company Preferred Securities (Akihabara UDX). The following formula is used to approximate the period-end appraisal value of Akihabara UDX.  
 Period-end appraisal value (approximate value) = [(Total assets (\*) - total specific assets (\*) + period-end reference survey price for Akihabara UDX - total liabilities (\*)] attributable to UDX SPC X [PIC's percentage of ownership]  
 \* Uses book value as of end of June or December in each fiscal period.

## Appraisal Values (Comparison to Previous Period)

(billion yen)

	FP 29 (Ended Apr. 2017)	FP 30 (Ended Oct. 2017)	Change
Number of properties	59	60	+ 1
Appraisal values	248.8	264.5	+ 15.7
(Excluding property buy and sale in FP 30)	(248.8)	(249.2)	(+ 0.4)
Book value	219.7	234.2	+ 14.4
(Excluding property buy and sale in FP 30)	(219.7)	(218.9)	(- 0.8)
Unrealized gain or loss	29.0	30.3	+ 1.2
(Excluding property buy and sale in FP 30)	(29.0)	(30.3)	(+ 1.2)
Unrealized gain or loss as % of total value	13.2%	13.0%	- 0.2%

(number of properties)

	FP 29 (Ended Apr. 2017)	FP 30 (Ended Oct. 2017)	Change	
Cap rate *1	Raised	0	1	+ 1
	No change	27	57	+ 30
	Lowered	30	0	- 30
Appraisal rent *2	Raised	28	23	- 5
	No change	24	31	+ 7
	Lowered	3	2	- 1

\*1 About cap rates on portfolio properties as of the end of FP 30

(1) Cap rate arrived at using the direct capitalization method is used as a comparison to the end of the previous fiscal period. However, a discount rate is used for valuation has been performed using only DCF method.

(2) Of properties owned as of the end of the fiscal period, the Preferred Securities (1 name) have been excluded.

\*2 About appraisal rents on portfolio properties as of the end of FP 30

(1) Appraisal rents arrived at using the direct capitalization method are used as a comparison to the end of the previous fiscal period.

(2) Of properties owned as of the end of the fiscal period under review, the following 3 properties have been excluded.

[1] Preferred Securities: 1 name. [2] Properties for which valuation has been performed using only DCF method (not being valued by direct capitalization method) : 2 residential properties.

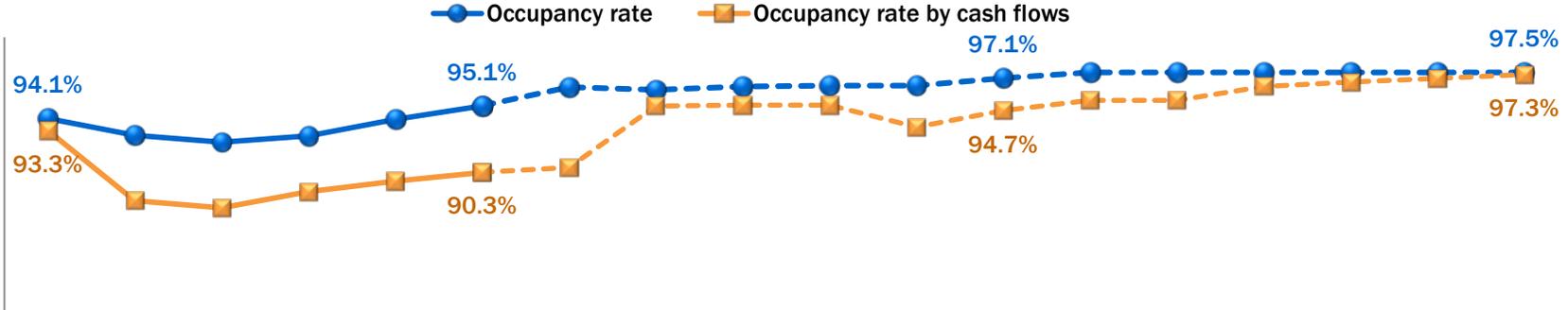
## Performance Forecasts for Fiscal Period 31 and 32

(million yen)

	FP 30 Actual (Oct. 2017) [1]	FP 31 Forecast (Apr. 2018) [2]	Change [2]-[1]	FP 32 Forecast (Oct. 2018) [3]	Change [3]-[2]	
Operating revenues	8,644	8,884	+ 240	8,927	+ 42	
Gain on property sale	-	96	+ 96	-	- 96	
Operating expenses	4,816	4,976	+ 159	5,111	+ 134	
Operating income	3,827	3,908	+ 80	3,816	- 92	
Real estate rental income (including UDX dividends)	4,387	4,392	+ 5	4,393	+ 0	
Ordinary income	3,342	3,451	+ 108	3,359	- 92	
Net income	3,341	3,450	+ 109	3,358	- 92	
NOI (including UDX dividends)	5,785	5,787	+ 1	5,799	+ 12	
FFO	4,739	4,748	+ 9	4,765	+ 16	
Reserve for reduction entry	Provisions	-	-	-	-	
	Reversals	-	-	-	-	
	Balance (after profit appropriation)	260	260	-	260	-
Distribution per unit	2,537 yen	2,620 yen	+ 83 yen	2,550 yen	- 70 yen	
Average occupancy rate	Office	93.6%	96.5%	+ 2.9%	97.5%	+ 1.0%
	Residential	96.6%	95.8%	- 0.8%	95.8%	- %
	Total	94.6%	96.3%	+ 1.7%	96.9%	+ 0.6%
Number of investment properties	60	59	- 1	59	-	

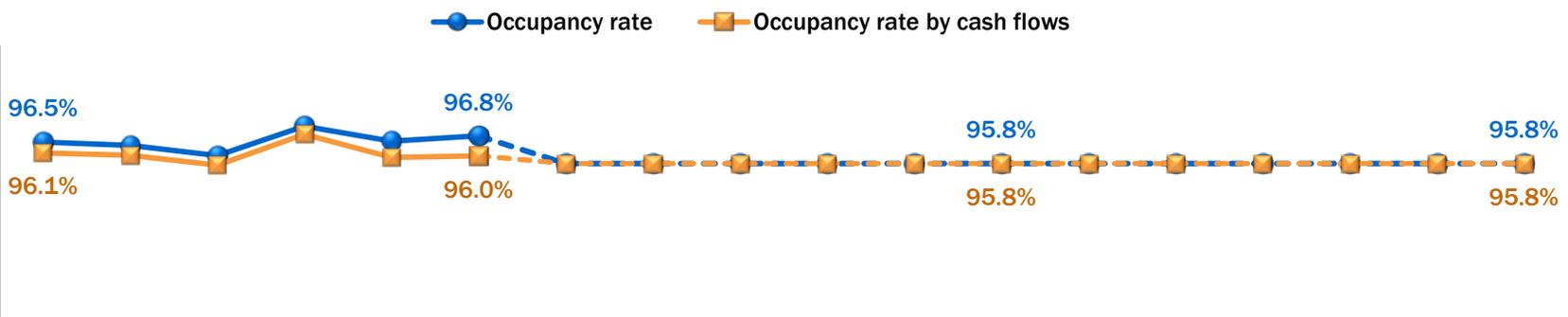
# Occupancy Rates Assumptions for Fiscal Period 31 and 32 Forecasts

## Office



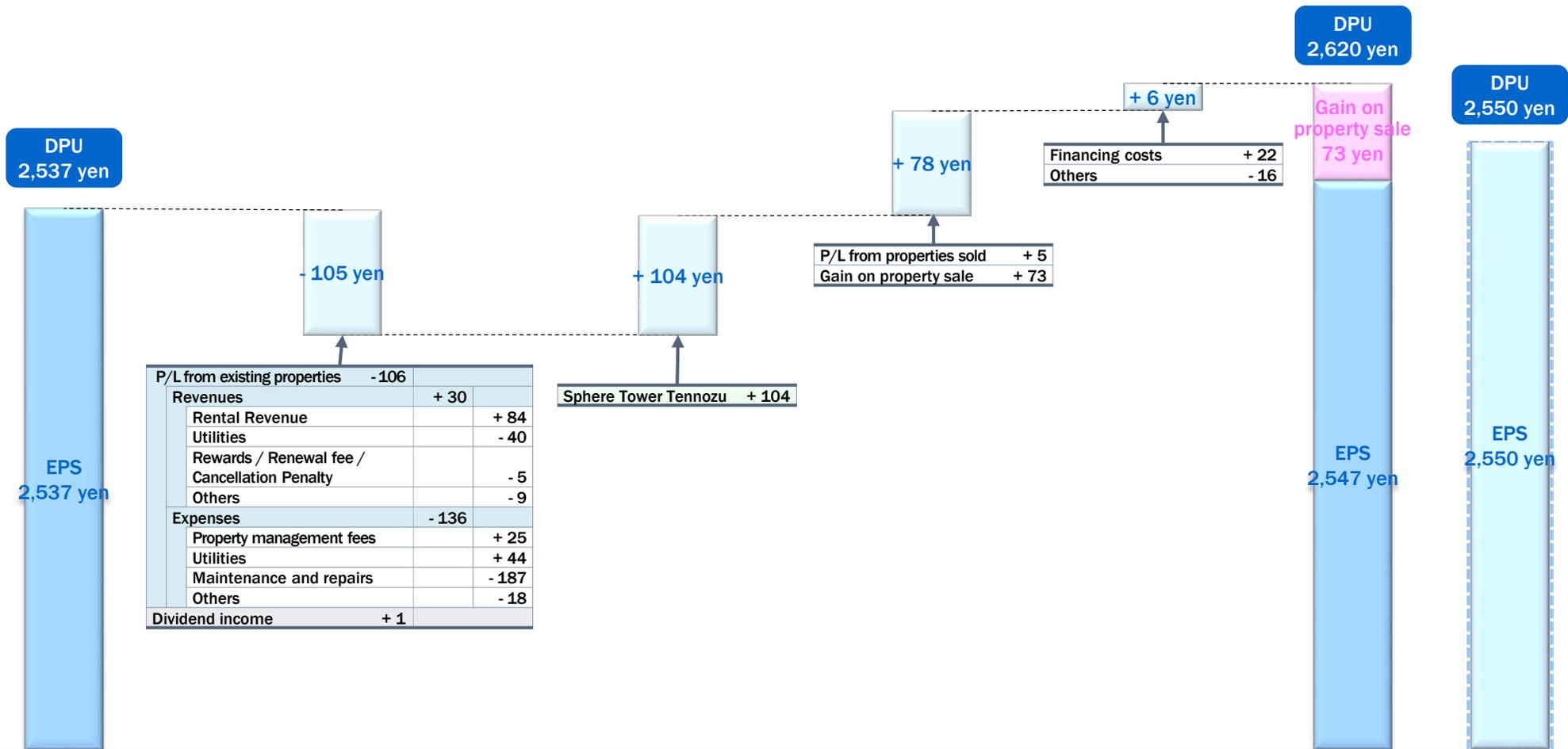
2017/ May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	2018/ Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.
FP 30 Actual						FP 31 Forecast						FP 32 Forecast					

## Residential



2017/ May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	2018/ Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.
FP 30 Actual						FP 31 Forecast						FP 32 Forecast					

# DPU Forecasts for Fiscal Periods 31 and 32



DPU	Real estate rental income, etc.	Impact from property acquisition in previous period	Impact from property disposition in current period	Others	DPU	DPU
FP 30 (Oct. 2017)	FP 31 Forecast (Apr. 2018)				FP 32 Forecast (Oct. 2018)	

# Strategy of Premier Investment Corporation (PIC)

## External growth

### Market environment

#### Office



- Overheated competition to acquire limited supply of quality properties
- Cap rates compressing in Greater Tokyo as well as other parts of Japan

#### Residential



- Individuals participating in an over-heated acquisition market
- Cap rate compressing even further for quality, centrally located properties

### Management direction

- Strengthening ties with NTTUD as core focus. Also studying acquisitions from third parties
- External growth with a focus on cash flows

## Internal growth

### Market environment

#### Office



- The vacancy rate among office buildings in the Tokyo Metropolitan Area remains low. But visibility into upcoming supply weighs on momentum to raise rents

#### Residential



- Occupancy rates and rents remain mostly stable
- Occupancy rates also improving in centrally located high-end properties

### Management direction

- Strengthening ties with tenants, sponsor and tenant brokers
- Enhancing competitiveness with value-added renovations and improvements implemented according to plan

## Financial operations

### Market environment

- Debt remains cheap, despite the need to keep an eye on trends in long-term interest rates
- Investment unit prices have been weak recently.

### Management direction

- Extending maturities and lowering funding costs
- Maintaining positive relationships with existing lenders
- Studying a bond issuance

## Management objectives

**Solid asset growth**  
**Keep and grow distributions**  
**Implement financial controls**

# (Reference) Enhancing Competitiveness with Value-added Renovations

- Upgraded common areas to improve tenant satisfaction.

## Renai Shinjuku-Gyoen Tower

- Common areas on each floor (FP 30)

(Before renovation)



(After renovation)



- Exterior entrance (FP26)

(Before renovation)



(After renovation)



- Entrance hall (FP 26)

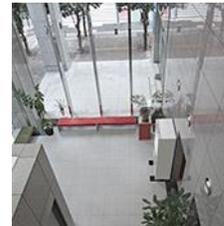
(Before renovation)



(After renovation)



(Before renovation)



(After renovation)





# Supplementary Data on Fiscal Period **30** Earnings

## Table of Contents

■ Fiscal Period 30 Balance Sheet	P.34	■ Fiscal Period 30 List of Interest-bearing Liabilities	P.52
■ Fiscal Period 30 Income Statement and Distribution Information	P.35	■ Financial Indicators	P.53
■ Fiscal Period 31 Income Statement (Forecast)	P.36	■ Investment Unit Price and Distribution per Unit	P.54
■ Performance Forecast Assumptions	P.37	■ Status of Unitholders	P.55
■ P/L by Property	P.38	■ Features of PIC	P.56
■ Appraisal Values	P.45	■ Terminology Used in this Presentation	P.58
■ Monthly Occupancy Rates	P.48	■ Disclaimers	P.59
■ Acquisition of Environmental Certifications from Third Party Institutions	P.51		



# Fiscal Period 30 Balance Sheet



(million yen)

Item	FP 29 Actual (2017/4) [1]	FP 30 Actual (2017/10) [2]	Change [2]-[1]
<b>Current assets</b>	<b>15,163</b>	<b>16,586</b>	<b>+ 1,422</b>
Cash and deposits	3,396	3,776	+ 380
Cash and deposits held in trust	11,381	12,290	+ 908
Other current assets	386	518	+ 132
Tenant receivable	110	126	+ 16
Prepaid expenses	158	142	- 15
Income taxes refund receivables	86	90	+ 3
Consumption taxes refund receivables	26	152	+ 126
Deferred tax assets	3	1	- 1
Other current assets	1	5	+ 3
<b>Long-term assets</b>	<b>220,727</b>	<b>235,264</b>	<b>+ 14,536</b>
<b>Property and equipment</b>	<b>197,949</b>	<b>212,423</b>	<b>+ 14,473</b>
Buildings held in trust, net	62,306	65,089	+ 2,782
Structures held in trust, net	965	957	- 8
Tools, furniture and fixture held in trust, net	98	124	+ 26
Land held in trust	134,578	146,251	+ 11,672
<b>Intangible fixed assets</b>	<b>1,790</b>	<b>1,788</b>	<b>- 1</b>
Lease hold held in trust	1,777	1,777	-
Other intangible fixed assets held in trust	1	1	- 0
Other intangible fixed assets	11	9	- 1
<b>Investment and other assets</b>	<b>20,987</b>	<b>21,052</b>	<b>+ 65</b>
Investment securities	20,035	20,035	-
Other deposits	10	10	-
Long-term prepaid expenses	319	384	+ 65
Other deposits held in trust	623	623	-
<b>Deferred assets</b>	<b>27</b>	<b>17</b>	<b>- 10</b>
New investment units issuance costs	4	1	- 3
Corporate bond issuance costs	22	15	- 6
<b>Total assets</b>	<b>235,918</b>	<b>251,867</b>	<b>+ 15,948</b>

(million yen)

Item	FP 29 Actual (2017/4) [1]	FP 30 Actual (2017/10) [2]	Change [2]-[1]
<b>Current liabilities</b>	<b>23,472</b>	<b>34,322</b>	<b>+ 10,849</b>
Accounts payable	954	1,202	+ 248
Short-term loans payable	5,400	5,400	-
Long-term loans payable within 1 year	15,900	18,900	+ 3,000
Corporate bonds payable within 1 year	-	7,500	+ 7,500
Accrued expenses	139	142	+ 3
Rents received in advance	979	1,077	+ 98
Other current liabilities	99	99	- 0
Income taxes payable	1	0	- 0
Consumption taxes payable	9	5	- 3
Deposits received	76	82	+ 5
Distribution payable	12	10	- 2
<b>Long-term liabilities</b>	<b>88,516</b>	<b>93,593</b>	<b>+ 5,077</b>
Long-term loans payable	69,200	81,200	+ 12,000
Corporate bonds	12,500	5,000	- 7,500
Tenant security deposits held in trust	6,816	7,393	+ 577
<b>Total liabilities</b>	<b>111,988</b>	<b>127,915</b>	<b>+ 15,926</b>

<b>Unitholders' equity</b>	<b>123,929</b>	<b>123,952</b>	<b>+ 22</b>
Unitholders' capital	120,350	120,350	-
Surplus			
Voluntary reserve			
Reserve for reduction entry	260	260	-
Total voluntary reserve	260	260	-
Unappropriated income	3,319	3,341	+ 22
<b>Total equity</b>	<b>123,929</b>	<b>123,952</b>	<b>+ 22</b>

<b>Total liabilities and equity</b>	<b>235,918</b>	<b>251,867</b>	<b>+ 15,948</b>
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# Fiscal Period 30 Income Statement and Distribution Information



(Million yen)

Item	FP 29 Actual (2017/4) [1]	FP 30 Actual (2017/10) [2]	Change [2]-[1]	Office			Residential		
				FP 29 Actual	FP 30 Actual	Change	FP 29 Actual	FP 30 Actual	Change
<b>Total real estate rental revenue</b> [1]	7,872	8,200	+ 327	5,405	5,733	+ 328	2,467	2,466	- 0
Rental revenue	6,998	7,164	+ 166	4,720	4,884	+ 164	2,277	2,280	+ 2
Rents	5,814	5,962	+ 148	3,592	3,738	+ 146	2,222	2,224	+ 1
Common area charge	1,183	1,201	+ 17	1,128	1,146	+ 17	55	55	+ 0
Other rental revenues	874	1,035	+ 161	684	849	+ 164	189	186	- 2
Parking fees	224	231	+ 7	155	163	+ 8	68	68	- 0
Facilities fees	61	62	+ 0	53	54	+ 0	8	8	- 0
Incidental revenue	482	609	+ 127	468	595	+ 126	13	14	+ 1
Miscellaneous income	106	131	+ 25	7	35	+ 28	99	95	- 3
Dividend income [2]	432	443	+ 11	432	443	+ 11	-	-	-
Capital gains on property sales [3]	138	-	- 138	138	-	- 138	-	-	-
<b>[A] Operating revenues</b> [1]+[2]+[3]	8,443	8,644	+ 200	5,976	6,177	+ 201	2,467	2,466	- 0
<b>Total real estate rental expenses</b> [4]	4,060	4,256	+ 196	2,726	2,940	+ 214	1,333	1,316	- 17
Property management fees	985	1,075	+ 89	691	768	+ 77	294	306	+ 11
Utilities	512	663	+ 150	472	621	+ 148	40	42	+ 1
Taxes and public dues	561	569	+ 7	434	443	+ 8	127	126	- 0
Insurance	21	16	- 5	14	11	- 3	6	4	- 2
Maintenance and repairs	418	337	- 81	269	208	- 61	148	128	- 20
Trust fees	35	35	+ 0	18	18	- 0	16	17	+ 0
Depreciation	1,354	1,398	+ 44	757	813	+ 56	597	585	- 12
Other expenses	169	161	- 7	67	56	- 11	101	105	+ 3
<b>Real estate rental income (incl. UDX dividends)</b> [1]+[2]-[4]	4,244	4,387	+ 142	3,110	3,236	+ 125	1,134	1,150	+ 16
<b>NOI (including UDX dividends)</b>	5,599	5,785	+ 186	3,867	4,049	+ 182	1,731	1,735	+ 4
<b>Other operating expenses</b> [5]	601	559	- 42						
Asset management fees	341	347	+ 6						
Directors' compensation	8	4	- 4						
Custodian fees	11	11	+ 0						
Administration fees	88	85	- 3						
Audit fees	8	8	-						
Other expenses	144	102	- 41						
<b>[B] Operating expenses</b> [4]+[5]	4,662	4,816	+ 154						
<b>[A]-[B] Operating income</b>	3,781	3,827	+ 45						
<b>Non-operating income</b>	1	2	+ 0						
Interest expenses	450	473	+ 23						
Other expenses	12	12	+ 0						
<b>Non-operating expenses</b>	462	486	+ 23						
<b>Ordinary income</b>	3,320	3,342	+ 22						
<b>Income tax</b>	1	1	+ 0						
<b>Net income</b>	3,318	3,341	+ 22						

## Statement of Distribution Information

(Yen)

Item	FP 29 (2017/4)	FP 30 (2017/10)
I. Unappropriated income	3,319,559,261	3,341,782,340
II. Voluntary reserve		
Reversal of reserve for reduction entry	-	-
III. Cash distribution declared	3,318,827,400	3,341,216,315
(distribution per unit)	2,520	2,537
IV. Voluntary reserve		
Provision to reserve for reduction entry	-	-
V. Income carried forward	731,861	566,025

# Fiscal Period 31 Income Statement (Forecast)



(million yen)

Item	FP 30 Actual (2017/10) [1]	FP 31 Forecast (2018/4) [2]	change [2]-[1]	Office			Residential		
				FP 30 Actual	FP 31 Forecast	Change	FP 30 Actual	FP 31 Forecast	Change
<b>Total real estate rental revenue</b> [1]	8,200	8,343	+ 142	5,733	5,890	+ 156	2,466	2,452	- 13
Rental revenue	7,164	7,408	+ 243	4,884	5,129	+ 244	2,280	2,278	- 1
Rents	5,962	6,190	+ 227	3,738	3,967	+ 228	2,224	2,223	- 1
Common area charge	1,201	1,217	+ 16	1,146	1,162	+ 15	55	55	+ 0
Other rental revenues	1,035	935	- 100	849	761	- 88	186	174	- 12
Parking fees	231	224	- 7	163	157	- 6	68	66	- 1
Facilities fees	62	61	- 0	54	54	+ 0	8	7	- 0
Incidental revenue	609	561	- 48	595	547	- 47	14	13	- 0
Miscellaneous income	131	87	- 44	35	1	- 34	95	86	- 9
Dividend income [2]	443	445	+ 1	443	445	+ 1	-	-	-
Capital gains on property sales [3]	-	96	+ 96	0	96	+ 96	-	-	-
<b>[A] Operating revenues</b> [1]+[2]+[3]	8,644	8,884	+ 240	6,177	6,431	+ 254	2,466	2,452	- 13
<b>Total real estate rental expenses</b> [4]	4,256	4,395	+ 139	2,940	3,122	+ 181	1,316	1,273	- 42
Property management fees	1,075	1,039	- 35	768	754	- 14	306	285	- 21
Utilities	663	612	- 51	621	571	- 49	42	40	- 1
Taxes and public dues	569	565	- 3	442	439	- 3	126	126	+ 0
Insurance	16	16	+ 0	11	11	+ 0	4	4	- 0
Maintenance and repairs	337	549	+ 211	208	440	+ 232	128	108	- 20
Trust fees	35	33	- 1	18	18	+ 0	17	15	- 1
Depreciation	1,398	1,394	- 4	813	810	- 2	585	583	- 1
Other expenses	161	184	+ 23	56	75	+ 18	105	109	+ 4
<b>Real estate rental income (incl. UDX dividends)</b> [1]+[2]-[4]	4,387	4,392	+ 5	3,236	3,213	- 23	1,150	1,179	+ 28
<b>NOI (including UDX dividends)</b>	5,785	5,787	+ 1	4,049	4,024	- 25	1,735	1,762	+ 26
<b>Other operating expenses</b> [5]	559	580	+ 20						
Asset management fees	347	356	+ 9						
Directors' compensation	4	4	-						
Custodian fees	11	11	- 0						
Administration fees	85	87	+ 2						
Audit fees	8	8	-						
Other expenses	102	112	+ 9						
<b>[B] Operating expenses</b> [4]+[5]	4,816	4,976	+ 159						
<b>[A]- [B] Operating income</b>	3,827	3,908	+ 80						
<b>Non-operating income</b>	2	1	- 0						
Interest expenses	473	447	- 25						
Other expenses	12	9	- 3						
<b>Non-operating expenses</b>	486	457	- 28						
<b>Ordinary income</b>	3,342	3,451	+ 108						
<b>Income tax</b>	1	1	- 0						
<b>Net income</b>	3,341	3,450	+ 109						

## Major Components of Maintenance and Repair Expenses

(million yen)

	FP 30 actual		
Maintenance and repairs	337 million yen	NU Kannai Building: New HVAC	61
		Urbannet Ikebukuro Building: Emergency generator maint.	20
Capital expenditures	549 million yen	Urbannet Ikebukuro Building: New HVAC	140
		Granpark: New thermal energy meter	39
Capital expenditures	585 million yen	NTT CRED Okayama Building: New central monitoring system	79
		Renai Shinjuku-Gyoen Tower: Renovation of common areas	70
Capital expenditures	798 million yen	Urbannet Ikebukuro Building: New HVAC	320
		The Kanagawa Science Park R&D Building: New HVAC	232



# Performance Forecast Assumptions



	Fiscal Period 31 (Ending Apr. 2018)	Fiscal Period 32 (Ending Oct. 2018)																								
<b>Investment properties</b>	Assumes the disposition of 1 office building executed on November 9, 2017. This will bring the total number of assets in the portfolio to 59 as of the end of the period, compared to 60 properties as of the end of FP 30.	Assumes no change in the number of portfolio assets (59) from the end of FP 31.																								
<b>Number of investment units outstanding</b>	Assumes no change from the 1,316,995 investment units outstanding as of the end of FP 30.	Assumes no change from the 1,316,995 investment units outstanding as of the end of FP 31.																								
<b>Interest-bearing liabilities</b>	<p>Assumes the following changes from the 118,000 million yen in interest-bearing liabilities outstanding as of the end of FP 30.</p> <p>(Loan repayment)</p> <ul style="list-style-type: none"> <li>Long-term borrowings of 3,000 million yen due November 16, 2017: Repay on time using proceeds from the sale of NU Kannai Bldg., which was executed November 9, 2017.</li> <li>Short-term borrowings of 5,400 million yen due November 30, 2017: Pre-pay 2,000 million yen prior to due date.</li> </ul> <p>(Refinancing)</p> <ul style="list-style-type: none"> <li>Long-term borrowings of 7,900 million yen due March 27, 2018: Roll over same amount.</li> </ul> <p>(Expected balance as of the period-end: 113,000 million yen)</p>	<p>Assumes the following changes from the 113,000 million yen in interest-bearing liabilities expected to be outstanding as of the end of FP 31.</p> <p>(Refinancing)</p> <p>Roll over same amount for the following loans and bonds.</p> <ul style="list-style-type: none"> <li>Long-term borrowings of 3,000 million yen due May 22, 2018</li> <li>Short-term borrowings of 1,940 million yen due July 31, 2018</li> <li>Long-term borrowings of 5,000 million yen due September 5, 2018</li> <li>Short-term borrowings of 1,460 million yen due September 28, 2018</li> <li>Unsecured Investment Corporation Bonds Issuance No. 4 of 7,500 million yen due for redemption on July 25, 2018</li> </ul> <p>(Expected balance as of the period-end: 113,000 million yen)</p>																								
<b>Average occupancy rate</b>	<p>Office: 96.5%</p> <p>Residential: 95.8%</p> <p>Total: 96.3%</p>	<p>Office: 97.5%</p> <p>Residential: 95.8%</p> <p>Total: 96.9%</p>																								
<b>Other</b>	<p>(Operating revenue)</p> <p>Forecasting an increase in revenue compared to the previous period due to factors including improvement in office occupancy rates (including the conclusion of free-rent incentives) and the booking of capital gains on real estate.</p> <p>(Major operating expenses)</p> <table> <tr> <td>Property management fees:</td> <td>1,039 million yen</td> </tr> <tr> <td>Property taxes, etc.:</td> <td>565 million yen</td> </tr> <tr> <td>Maintenance and repairs:</td> <td>549 million yen</td> </tr> <tr> <td>Depreciation:</td> <td>1,394 million yen</td> </tr> <tr> <td>Non-rental operating expenses:</td> <td>580 million yen</td> </tr> </table> <p>(Major non-operating expenses)</p> <table> <tr> <td>Interest expenses (including bond interest):</td> <td>447 million yen</td> </tr> </table> <p>(Distributions)</p> <p>Assuming no reversals or provisions to the reserve for reduction entry. Assuming that net income will be roughly equivalent to funds available for cash distributions.</p>	Property management fees:	1,039 million yen	Property taxes, etc.:	565 million yen	Maintenance and repairs:	549 million yen	Depreciation:	1,394 million yen	Non-rental operating expenses:	580 million yen	Interest expenses (including bond interest):	447 million yen	<p>(Operating revenue)</p> <p>Forecasting an increase in revenue compared to the previous period due to factors such as topline growth due to improved occupancy rates in the office segment. Headwinds include the dropping off of capital gains booked in the previous period.</p> <p>(Major operating expenses)</p> <table> <tr> <td>Property management fees:</td> <td>1,010 million yen</td> </tr> <tr> <td>Property taxes, etc.:</td> <td>638 million yen</td> </tr> <tr> <td>Maintenance and repairs:</td> <td>602 million yen</td> </tr> <tr> <td>Depreciation:</td> <td>1,406 million yen</td> </tr> <tr> <td>Non-rental operating expenses:</td> <td>576 million yen</td> </tr> </table> <p>(Major non-operating expenses)</p> <table> <tr> <td>Interest expenses (including bond interest):</td> <td>448 million yen</td> </tr> </table> <p>(Distributions)</p> <p>Assuming no reversals or provisions to the reserve for reduction entry. Assuming that net income will be roughly equivalent to funds available for cash distributions.</p>	Property management fees:	1,010 million yen	Property taxes, etc.:	638 million yen	Maintenance and repairs:	602 million yen	Depreciation:	1,406 million yen	Non-rental operating expenses:	576 million yen	Interest expenses (including bond interest):	448 million yen
Property management fees:	1,039 million yen																									
Property taxes, etc.:	565 million yen																									
Maintenance and repairs:	549 million yen																									
Depreciation:	1,394 million yen																									
Non-rental operating expenses:	580 million yen																									
Interest expenses (including bond interest):	447 million yen																									
Property management fees:	1,010 million yen																									
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Maintenance and repairs:	602 million yen																									
Depreciation:	1,406 million yen																									
Non-rental operating expenses:	576 million yen																									
Interest expenses (including bond interest):	448 million yen																									



# P/L by Property (1)



(million yen)

Property name	Landic Shimbashi Bldg.	Landic Shimbashi 2 Bldg.	Premier Dogenzaka Bldg.	KN Shibuya No.3	Takadanobaba Center Bldg.	Rokubancho Bldg.	Ougaku Bldg.	Premier Kaigan Bldg.	Urbannet Mita Bldg.									
Property photo																		
Location	Minato Ward, Tokyo	Minato Ward, Tokyo	Shibuya Ward, Tokyo	Shibuya Ward, Tokyo	Shinjuku Ward, Tokyo	Chiyoda Ward, Tokyo	Chiyoda Ward, Tokyo	Minato Ward, Tokyo	Minato Ward, Tokyo									
Acquisition price	6,341	7,045	1,727	5,348	5,118	7,860	1,796	5,100	10,300									
Gross floor area	6,914m <sup>2</sup>	8,332m <sup>2</sup>	2,721m <sup>2</sup>	7,737m <sup>2</sup>	9,906m <sup>2</sup>	9,339m <sup>2</sup>	2,776m <sup>2</sup>	8,476m <sup>2</sup>	13,987m <sup>2</sup>									
Completed	1982/6	1978/12	1991/6	1993/2	1992/5	1987/4	1988/3	1993/1	1987/9									
Fiscal Period	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30
Real estate rental revenue	198	199	211	223	65	88			249	251			63	64	134	139	299	309
Rental revenue	179	180	192	204	55	70			207	209			55	55	107	112	281	285
Other income	18	18	18	19	9	17			42	41			8	8	26	27	18	24
Real estate rental expenses	81	82	95	89	33	40			102	108			25	27	160	78	120	135
Property management fees	15	16	19	19	5	6	N/A	N/A	25	25	N/A	N/A	6	6	17	14	35	36
Utilities	8	9	13	13	3	4	*1	*1	14	17	*1	*1	4	5	9	10	19	25
Taxes and public dues	22	22	15	15	5	5			20	20			4	4	14	14	29	29
Maintenance and repairs	1	1	7	1	8	10			2	6			0	0	83	5	3	10
Depreciation	30	30	36	36	9	9			36	36			10	10	31	31	30	30
Miscellaneous expenses	2	1	2	1	0	3			2	1			0	0	3	2	2	1
Real estate rental income	116	116	115	134	31	48	130	98	146	142	149	164	37	37	-25	61	179	174
NOI	147	147	152	171	41	57	153	121	183	179	181	196	48	47	5	92	209	205
NOI yield	4.8%	4.8%	4.5%	5.1%	5.5%	7.8%	6.1%	4.9%	8.4%	8.2%	4.7%	5.1%	5.7%	5.6%	0.2%	3.8%	4.1%	4.1%

\*1 Details on leasing P/L are not disclosed herein because consent to disclose the information has not been obtained from major tenants.



## P/L by Property (2)



(million yen)

Property name	Urbannet Azabu Bldg.	Urbannet Ichigaya Bldg.	Urbannet Irifune Bldg.	Granpark (13%) *1	Urbannet Kojimachi Bldg.	Premier Toyochō Bldg.	Ueno TH Bldg.	Gotanda NT Bldg. (45%) *1	Ueno Tosei Bldg.									
Property photo																		
Location	Minato Ward, Tokyo	Shinjuku Ward, Tokyo	Chuo Ward, Tokyo	Minato Ward, Tokyo	Chiyoda Ward, Tokyo	Koto Ward, Tokyo	Bunkyo Ward, Tokyo	Shinagawa Ward, Tokyo	Taito Ward, Tokyo									
Acquisition price	5,000	1,650	2,900	11,490	3,600	4,310	4,380	4,100	5,900									
Gross floor area	6,486m <sup>2</sup>	4,217m <sup>2</sup>	6,058m <sup>2</sup>	160,042m <sup>2</sup>	6,231m <sup>2</sup>	5,054m <sup>2</sup>	4,799m <sup>2</sup>	7,545m <sup>2</sup>	6,868m <sup>2</sup>									
Completed	1992/4	1993/12	1990/7	1996/8	1987/5	2006/10	1985/12	1987/11	2007/5									
Fiscal Period	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30
Real estate rental revenue							446	460	161	156	106	108	121	120	91	95	149	129
Rental revenue							389	394	151	145	93	93	106	104	81	85	133	112
Other income							56	66	10	10	12	15	15	16	10	10	15	16
Real estate rental expenses							232	201	58	64	64	66	63	64	44	45	94	98
Property management fees	N/A	N/A	N/A	N/A	N/A	N/A	52	51	22	25	9	9	12	14	11	9	11	23
Utilities	*2	*2	*2	*2	*2	*2	56	64	7	7	8	10	7	8	5	7	7	8
Taxes and public dues							37	37	18	18	8	8	8	8	8	8	12	12
Maintenance and repairs							42	6	1	5	0	1	1	0	2	5	9	1
Depreciation							37	37	6	6	35	35	15	15	13	13	51	51
Miscellaneous expenses							4	3	1	0	2	1	17	17	2	1	1	1
Real estate rental income	85	80	33	36	97	94	213	259	103	91	42	42	57	55	47	50	54	31
NOI	102	97	41	45	115	113	251	297	109	98	77	78	73	71	60	63	106	82
NOI yield	4.2%	4.0%	5.1%	5.6%	8.2%	8.0%	4.4%	5.3%	6.1%	5.4%	4.1%	4.2%	3.3%	3.2%	2.9%	3.1%	3.8%	3.0%

\*1 The number in parentheses represents the real percentage stake of co-ownership in the property building.

\*2 Details on leasing P/L are not disclosed herein because consent to disclose the information has not been obtained from major tenants.



## P/L by Property (3)



(million yen)

Property name	Urbannet Ikebukuro Bldg.	Urbannet Omori Bldg.	Sphere Tower Tennozu (67%) *1	Premier Yokohama Nishiguchi Bldg.	The Kanagawa Science Park R&D Bldg. (27%) *1	NU Kannai Bldg.	NTT CRED Okayama Bldg. (60%) *1	Urbannet Shizuoka Ote-machi Bldg. (40%) *1	Urbannet Shizuoka Bldg. (40%) *1									
Property photo																		
Location	Toshima Ward, Tokyo	Ota Ward, Tokyo	Shinagawa Ward, Tokyo	Yokohama City, Kanagawa	Kawasaki City, Kanagawa	Yokohama City, Kanagawa	Okayama City, Okayama	Shizuoka city, Shizuoka	Shizuoka city, Shizuoka									
Acquisition price	13,600	4,800	15,000	3,558	6,556	3,300	3,600	1,628	1,119									
Gross floor area	25,050m <sup>2</sup>	11,937m <sup>2</sup>	43,477m <sup>2</sup>	7,562m <sup>2</sup>	83,500m <sup>2</sup>	10,963m <sup>2</sup>	35,299m <sup>2</sup>	13,817m <sup>2</sup>	8,997m <sup>2</sup>									
Completed	1988/9	1992/7	1993/4	1986/4	1989/7	1987/2	1999/2	1996/3	1991/11									
Fiscal Period	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30
Real estate rental revenue	734	747	251	251	N/A *2	269	129	137	385	335	127	137	238	230	106	109	76	77
Rental revenue	645	646	239	238		164	103	109	304	255	107	115	165	160	94	96	68	69
Other income	88	100	11	13		104	26	28	80	79	19	21	73	70	11	13	7	8
Real estate rental expenses	279	310	112	119		176	69	68	259	261	138	152	203	198	36	44	26	32
Property management fees	79	81	35	36		39	17	14	58	68	28	26	69	70	15	15	13	13
Utilities	77	87	13	16		80	9	11	82	87	16	16	32	35	6	7	4	5
Taxes and public dues	33	33	18	18		0	10	10	33	33	13	13	29	29	0	5	0	5
Maintenance and repairs	4	20	2	7		12	1	0	23	9	46	61	7	4	0	0	0	1
Depreciation	79	83	38	39		38	29	29	59	60	31	32	34	35	12	13	7	7
Miscellaneous expenses	4	3	2	1		5	1	1	1	1	3	1	30	22	0	0	0	0
Real estate rental income	454	437	139	132	92	59	68	125	74	-10	-14	35	32	69	65	49	44	
NOI	533	521	178	171	131	89	98	185	135	20	17	70	68	82	79	57	52	
NOI yield	7.9%	7.8%	7.6%	7.3%	2.4%	5.6%	6.2%	7.1%	5.2%	1.2%	1.1%	3.9%	3.8%	10.1%	9.7%	10.2%	9.3%	

\*1 The number in parentheses represents the real percentage stake of co-ownership in the property building.

\*2 Sphere Tower Tennozu was acquired on June 21, 2017.



## P/L by Property (4)



(million yen)

Property name	Urban Ace Higobashi Bldg.	Akihabara UDX (19%) *1	Park Axis Yotsuya Stage	Park Axis Meiji-Jingumae	Cabin Arena Akasaka	Cabin Arena Minami-Aoyama	Bureau Kioicho	Roppongi Green Terrace	Premier Stage Shibakoen II											
Property photo																				
Location	Osaka City, Osaka	Chiyoda Ward, Tokyo	Shinjuku Ward, Tokyo	Shibuya Ward, Tokyo	Minato Ward, Tokyo	Minato Ward, Tokyo	Chiyoda Ward, Tokyo	Minato Ward, Tokyo	Minato Ward, Tokyo											
Acquisition price	4,600	19,940	5,208	2,604	1,330	1,070	1,840	4,678	2,181											
Gross floor area	11,561m <sup>2</sup>	155,629m <sup>2</sup>	8,158m <sup>2</sup>	1,913m <sup>2</sup>	1,793m <sup>2</sup>	1,399m <sup>2</sup>	2,008m <sup>2</sup>	8,332m <sup>2</sup>	2,548m <sup>2</sup>											
Completed	1997/5	2006/1	2001/11	2002/3	2002/11	2003/2	2002/11	2002/10	2003/2											
Fiscal Period	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30		
Real estate rental revenue	178	248	N/A	N/A	153	155	54	53	41	40	35	35	37	37	128	126	58	56		
Rental revenue	159	218			144	146	51	50	37	36	32	32	37	37	37	37	126	124	55	54
Other income	18	30			9	9	2	3	3	3	3	2	-	-	-	-	2	1	2	2
Real estate rental expenses	61	110			80	62	19	18	17	20	22	18	14	15	14	15	68	65	28	29
Property management fees	27	35			17	18	4	5	3	5	3	4	-	-	-	-	11	13	4	4
Utilities	13	23			0	0	1	1	0	0	0	0	-	-	-	-	2	1	0	0
Taxes and public dues	0	18			8	8	2	2	1	1	1	1	2	2	2	2	7	7	3	3
Maintenance and repairs	0	6			8	4	0	1	1	2	6	1	0	0	0	0	11	6	1	2
Depreciation	18	25			37	26	9	6	8	8	8	8	11	11	11	11	33	34	16	17
Miscellaneous expenses	1	1			7	4	1	1	0	1	0	1	0	1	0	1	1	1	0	1
Real estate rental income	116	137	432 *2	443 *2	73	92	34	35	24	20	13	16	22	21	60	60	29	27		
NOI	135	162	432 *2	443 *2	111	118	43	41	32	28	22	25	34	33	93	94	46	44		
NOI yield	8.1%	7.1%	4.3% *2	4.4% *2	5.1%	5.5%	3.6%	3.4%	5.6%	5.0%	5.1%	5.8%	4.1%	4.1%	4.7%	4.8%	5.1%	4.9%		

\*1 PIC owns 53,850 units (19%) of the 282,000 preferred securities outstanding backed by the asset Akihabara UDX.

\*2 Here, indicated based on dividends received from preferred securities.



## P/L by Property (5)



(million yen)

Property name	Langue Tower Kyobashi		Premier Stage MitaKeidaimae		Premier Rosso		Premier Blanc Yoyogikouen		Premier Stage Uchikanda		Premier Stage Ichigayakawadacho		Walk Akasaka		Premier Stage Shibakoen		MEW	
Property photo																		
Location	Chuo Ward, Tokyo		Minato Ward, Tokyo		Shibuya Ward, Tokyo		Shibuya Ward, Tokyo		Chiyoda Ward, Tokyo		Shinjuku Ward, Tokyo		Minato Ward, Tokyo		Minato Ward, Tokyo		Minato Ward, Tokyo	
Acquisition price	927		1,580		1,662		2,330		1,723		1,460		2,043		1,585		1,556	
Gross floor area	1,714m <sup>2</sup>		1,748m <sup>2</sup>		2,487m <sup>2</sup>		3,086m <sup>2</sup>		2,458m <sup>2</sup>		1,779m <sup>2</sup>		2,357m <sup>2</sup>		2,129m <sup>2</sup>		1,826m <sup>2</sup>	
Completed	2003/2		2004/11		2004/11		2005/6		2005/8		2005/7		2004/11		2006/9		2005/8	
Fiscal Period	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30
Real estate rental revenue	36	35	53	52	53	53	65	64	59	60	45	46	50	44	44	45	36	36
Rental revenue	35	34	52	51	48	49	61	62	54	56	44	44	44	41	42	41	31	30
Other income	1	1	1	1	4	3	4	2	4	4	0	1	5	2	2	3	5	5
Real estate rental expenses	15	16	18	36	23	21	33	35	23	22	18	20	31	29	20	19	21	23
Property management fees	3	3	4	5	5	5	7	6	5	5	4	5	6	5	5	6	3	4
Utilities	0	0	0	0	1	1	1	1	1	2	0	0	0	0	0	0	0	0
Taxes and public dues	1	1	2	2	2	2	3	3	2	2	1	1	2	2	2	2	2	2
Maintenance and repairs	1	1	1	18	3	1	2	5	2	0	1	2	3	1	3	2	1	2
Depreciation	7	7	8	8	9	9	17	17	10	10	10	10	16	16	8	8	13	13
Miscellaneous expenses	0	1	0	1	1	0	1	1	1	1	1	0	1	1	0	0	0	0
Real estate rental income	21	19	35	16	30	31	31	29	35	38	26	25	19	14	23	25	14	13
NOI	28	27	43	25	40	41	49	46	45	48	36	35	36	31	32	33	28	26
NOI yield	7.4%	7.0%	6.1%	3.6%	5.4%	5.6%	4.9%	4.7%	6.0%	6.5%	5.6%	5.5%	4.3%	3.8%	4.3%	4.5%	4.1%	3.9%



## P/L by Property (6)



(million yen)

Property name	Shibaura Island Air Tower (23%) *1	Storia Akasaka	Renai Shinjuku-Gyoen Tower	Shibaura Island Bloom Tower (16%) *1	Questcourt Harajuku	Urbancourt Ichigaya	B-Site Osaki	Premier Garden Hongo	Premier Grande Magome									
Property photo																		
Location	Minato Ward, Tokyo	Minato Ward, Tokyo	Shinjuku Ward, Tokyo	Minato Ward, Tokyo	Shibuya Ward, Tokyo	Shinjuku Ward, Tokyo	Shinagawa Ward, Tokyo	Bunkyo Ward, Tokyo	Ota Ward, Tokyo									
Acquisition price	7,590	3,930	6,500	5,500	4,500	1,385	1,072	975	1,560									
Gross floor area	81,760m <sup>2</sup>	6,329m <sup>2</sup>	11,203m <sup>2</sup>	104,186m <sup>2</sup>	5,408m <sup>2</sup>	3,662m <sup>2</sup>	1,462m <sup>2</sup>	1,583m <sup>2</sup>	2,446m <sup>2</sup>									
Completed	2007/3	2002/12	2002/12	2008/9	2004/1	1993/1	2002/12	2002/3	2005/2									
Fiscal Period	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30
Real estate rental revenue	337	344	89	90	183	180	275	279	147	149	59	59	29	29	31	32	42	42
Rental revenue	296	300	81	83	163	159	249	254	137	139	55	54	29	29	29	31	38	37
Other income	40	43	7	6	20	20	26	25	9	10	4	4	0	-	1	1	3	4
Real estate rental expenses	242	245	41	41	102	107	168	169	55	53	24	24	11	10	15	11	21	24
Property management fees	52	54	9	9	32	33	40	40	13	15	7	7	-	-	4	3	4	5
Utilities	8	9	1	2	5	5	2	3	3	3	0	0	-	-	0	0	0	0
Taxes and public dues	16	15	6	6	11	11	13	13	6	6	3	3	1	1	2	2	2	2
Maintenance and repairs	19	19	2	3	6	10	11	12	7	4	4	4	0	0	4	1	1	3
Depreciation	96	96	18	18	43	44	66	66	23	23	7	7	8	8	3	3	11	11
Miscellaneous expenses	49	49	1	1	2	2	34	34	1	0	0	0	0	0	0	1	1	1
Real estate rental income	95	98	47	48	81	72	107	109	91	96	35	34	17	18	15	21	20	18
NOI	191	194	66	67	125	116	173	175	115	119	42	42	25	26	19	24	31	29
NOI yield	6.3%	6.6%	3.5%	3.6%	4.1%	3.8%	7.2%	7.4%	5.3%	5.6%	6.1%	6.0%	6.0%	6.3%	4.1%	5.2%	4.8%	4.5%

\*1 The number in parentheses represents the real percentage stake of co-ownership in the property building.



## P/L by Property (7)



(million yen)

Property name	Premier Nozze Yutenji		Premier Stage Yushima		Premier Stage Komagome		Premier Stage Otsuka		Premier Stage Honjo-Azumabashi		Premier Stage Ryogoku	
Property photo												
Location	Setagaya Ward, Tokyo		Bunkyo Ward, Tokyo		Toshima Ward, Tokyo		Toshima Ward, Tokyo		Sumida Ward, Tokyo		Sumida Ward, Tokyo	
Acquisition price	1,525		1,803		1,830		1,310		2,640		1,496	
Gross floor area	1,904m <sup>2</sup>		2,527m <sup>2</sup>		2,400m <sup>2</sup>		1,894m <sup>2</sup>		3,852m <sup>2</sup>		2,475m <sup>2</sup>	
Completed	2006/3		2006/3		2007/1		2006/8		2007/11		2008/3	
Fiscal Period	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30	FP 29	FP 30
Real estate rental revenue	40	39	52	50	53	53	42	41	82	82	47	46
Rental revenue	35	34	49	47	50	51	41	40	76	75	43	44
Other income	4	4	2	2	2	2	1	0	5	6	3	2
Real estate rental expenses	21	22	30	31	48	27	21	19	40	44	28	24
Property management fees	5	6	6	8	6	5	3	3	7	8	5	4
Utilities	0	0	0	0	0	0	0	0	0	0	0	0
Taxes and public dues	1	1	2	2	2	2	1	1	4	3	2	2
Maintenance and repairs	2	2	3	2	21	1	2	0	3	4	4	1
Depreciation	10	10	14	14	15	15	10	10	22	22	14	14
Miscellaneous expenses	0	0	1	1	2	1	2	2	2	3	1	1
Real estate rental income	18	16	22	19	4	26	20	21	41	38	18	21
NOI	29	27	36	33	20	41	31	32	64	61	32	36
NOI yield	4.2%	4.0%	4.8%	4.4%	2.6%	5.4%	5.4%	5.6%	5.4%	5.2%	5.1%	5.7%

# Appraisal Values (1)

Area	Property name	Appraisal values			Cap rate*2		Book value [3] (million yen)	Unrealized gain or loss [2]-[3] (million yen)	
		FP 29 (2017/4) [1] (million yen)	FP 30 (2017/10) [2] (million yen)	Change *1 [2]-[1] (million yen)	FP 30 (2017/10)	Change			
Office	Landic Shimbashi Bldg.	6,640	6,680	+ 40	3.7%	- %	6,080	+ 599	
	Landic Shimbashi 2 Bldg.	7,370	7,400	+ 30	3.8%	- %	6,703	+ 696	
	Premier Dogenzaka Bldg.	2,670	2,570	- 100	3.8%	- %	1,487	+ 1,082	
	KN Shibuya No.3	7,280	7,290	+ 10	3.7%	- %	4,989	+ 2,300	
	Takadanobaba Center Bldg.	6,000	6,080	+ 80	4.2%	- %	4,356	+ 1,723	
	Rokubancho Bldg.	8,490	8,600	+ 110	4.1%	- %	7,740	+ 859	
	Ougaku Bldg.	1,540	1,540	-	4.4%	- %	1,695	- 155	
	Premier Kaigan Bldg.	3,810	3,830	+ 20	4.2%	- %	4,938	- 1,108	
	Urbannet Mita Bldg.	10,900	10,900	-	3.9%	- %	10,143	+ 756	
	Urbannet Azabu Bldg.	4,880	4,880	-	4.2%	- %	4,861	+ 18	
	Urbannet Ichigaya Bldg.	1,640	1,640	-	4.6%	- %	1,618	+ 21	
	Urbannet Irifune Bldg.	4,050	3,860	- 190	4.5%	- %	2,812	+ 1,047	
	Granpark	13,600	13,600	-	3.9%	- %	11,308	+ 2,291	
	Urbannet Kojimachi Bldg.	4,250	4,370	+ 120	3.9%	- %	3,619	+ 750	
	Other 18 wards of Tokyo	Premier Toyochō Bldg.	3,230	3,230	-	4.8%	- %	3,725	- 495
		Ueno TH Bldg.	2,740	2,740	-	4.7%	- %	4,497	- 1,757
		Gotanda NT Bldg.	2,740	2,740	-	4.6%	- %	4,132	- 1,392
		Ueno Tosei Bldg.	6,440	6,440	-	4.4%	- %	5,511	+ 928
		Urbannet Ikebukuro Bldg.	18,600	19,200	+ 600	4.2%	- %	13,424	+ 5,775
		Urbannet Omori Bldg.	5,650	5,670	+ 20	4.6%	- %	4,712	+ 957
Sphere Tower Tennozu		N/A	15,300	N/A	3.9%	N/A	15,282	+ 17	
Urban areas surrounding Tokyo	Premier Yokohama Nishiguchi Bldg.	3,370	3,370	-	4.5%	- %	3,163	+ 206	
	The Kanagawa Science Park R&D Bldg.	5,420	5,420	-	5.9%	- %	5,181	+ 238	
	NU Kannai Bldg.	2,930	2,930	-	4.9%	- %	3,368	- 438	
Major regional cities	NTT CRED Okayama Bldg.	3,510	3,492	- 18	6.2%	- %	3,592	- 100	
	Urbannet Shizuoka Ote-machi Bldg.	1,744	1,752	+ 8	6.6%	- %	1,644	+ 107	
	Urbannet Shizuoka Bldg.	1,208	1,224	+ 16	6.6%	- %	1,116	+ 107	
	Urban Ace Higobashi Bldg.	4,790	4,790	-	4.5%	- %	4,598	+ 191	
Subtotal		145,492	161,538	+ 746			146,306	+ 15,231	

\*1 Excludes the increase over the previous period attributable to properties newly acquired during FP 30.

\*2 Here, the cap rate is a capitalization yield arrived at using the direct capitalization method. However, a discount rate is provided in place of a cap rate for 2 residential properties (Shibaura Island Air Tower and Shibaura Island Bloom Tower) for which valuation has been performed using only a DCF method.

## Appraisal Values (2)

Area	Property name	Appraisal values			Cap rate*2		Book value [3] (million yen)	Unrealized gain or loss [2]-[3] (million yen)	
		FP 29 (2017/4) [1] (million yen)	FP 30 (2017/10) [2] (million yen)	Change *1 [2]-[1] (million yen)	FP 30 (2017/10)	Change			
Residential	5 central wards of Tokyo	Park Axis Yotsuya Stage	4,910	4,930	+ 20	4.2%	- %	4,323	+ 606
		Park Axis Meiji-Jingumae	1,740	1,750	+ 10	4.2%	- %	2,432	- 682
		Cabin Arena Akasaka	1,230	1,180	- 50	4.3%	- %	1,158	+ 21
		Cabin Arena Minami-Aoyama	1,070	1,030	- 40	4.3%	- %	881	+ 148
		Bureau Kioicho	1,420	1,330	- 90	4.1%	- %	1,641	- 311
		Roppongi Green Terrace	4,480	4,250	- 230	4.1%	- %	3,933	+ 316
		Premier Stage Shibakoen II	1,880	1,740	- 140	4.3%	- %	1,812	- 72
		Langue Tower Kyobashi	1,070	1,030	- 40	4.2%	- %	774	+ 255
		Premier Stage MitaKeidaimae	1,880	1,880	-	4.3%	- %	1,432	+ 447
		Premier Rosso	1,710	1,720	+ 10	4.2%	- %	1,478	+ 241
		Premier Blanc Yoyogikouen	2,290	2,300	+ 10	4.3%	- %	1,993	+ 306
		Premier Stage Uchikanda	2,010	2,030	+ 20	4.2%	- %	1,509	+ 520
		Premier Stage Ichigayakawadacho	1,680	1,680	-	4.4%	- %	1,293	+ 386
		Walk Akasaka	1,690	1,690	-	4.1%	- %	1,692	- 2
		Premier Stage Shibakoen	1,470	1,470	-	4.3%	- %	1,482	- 12
		MEW	1,200	1,200	-	4.5%	- %	1,358	- 158
		Shibaura Island Air Tower	7,020	7,020	-	4.0%	- %	5,940	+ 1,079
		Storia Akasaka	3,180	3,220	+ 40	4.1%	- %	3,779	- 559
		Renai Shinjuku-Gyoen Tower	5,420	5,480	+ 60	4.2%	- %	6,193	- 713
		Shibaura Island Bloom Tower	6,500	6,500	-	4.1%	+ 0.1%	4,745	+ 1,754
Questcourt Harajuku	5,060	5,070	+ 10	4.1%	- %	4,283	+ 786		
Urbancourt Ichigaya	1,760	1,760	-	4.6%	- %	1,393	+ 366		

\*1 Excludes the increase over the previous period attributable to properties newly acquired during FP 30.

\*2 Here, the cap rate is a capitalization yield arrived at using the direct capitalization method. However, a discount rate is provided in place of a cap rate for 2 residential properties (Shibaura Island Air Tower and Shibaura Island Bloom Tower) for which valuation has been performed using only a DCF method.

## Appraisal Values (3)

Area	Property name	Appraisal values			Cap rate*2		Book value [3] (million yen)	Unrealized gain or loss [2]-[3] (million yen)	
		FP 29 (2017/4) [1] (million yen)	FP 30 (2017/10) [2] (million yen)	Change *1 [2]-[1] (million yen)	FP 30 (2017/10)	Change			
Residential	Other 18 wards of Tokyo	B-Site Osaki	964	964	-	4.5%	- %	852	+ 111
		Premier Garden Hongo	968	932	- 36	4.2%	- %	949	- 17
		Premier Grande Magome	1,210	1,210	-	4.5%	- %	1,310	- 100
		Premier Nozze Yutenji	1,340	1,370	+ 30	4.5%	- %	1,390	- 20
		Premier Stage Yushima	1,690	1,690	-	4.4%	- %	1,519	+ 170
		Premier Stage Komagome	1,830	1,820	- 10	4.4%	- %	1,538	+ 281
		Premier Stage Otsuka	1,360	1,360	-	4.6%	- %	1,160	+ 199
		Premier Stage Honjo-Azumabashi	2,810	2,750	- 60	4.3%	- %	2,359	+ 390
		Premier Stage Ryogoku	1,590	1,590	-	4.4%	- %	1,277	+ 312
		Subtotal	74,432	73,946	- 486			67,895	+ 6,050
Total	219,924	235,484	+ 260			214,201	+ 21,282		

\*1 Excludes the increase over the previous period attributable to properties newly acquired during FP 30.

\*2 Here, the cap rate is a capitalization yield arrived at using the direct capitalization method. However, a discount rate is provided in place of a cap rate for 2 residential properties (Shibaura Island Air Tower and Shibaura Island Bloom Tower) for which valuation has been performed using only a DCF method.

# Monthly Occupancy Rates (1)

(%)

Area	Property name	FP 29 (2017/4)							FP 30 (2017/10)							
		Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	Ave.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Ave.	
Office	Landic Shimbashi Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Landic Shimbashi 2 Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Premier Dogenzaka Bldg.	100.0	76.5	87.7	87.7	87.7	87.7	87.9	87.7	87.7	87.7	87.7	87.7	87.7	100.0	89.7
	KN Shibuya No.3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	77.8	77.8	77.8	77.8	77.8	81.5
	Takadanobaba Center Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Rokubancho Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Ougaku Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Premier Kaigan Bldg.	96.6	96.6	96.6	98.3	98.3	100.0	97.8	100.0	100.0	98.1	98.1	98.1	98.1	98.1	98.7
	Urbannet Mita Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Urbannet Azabu Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Urbannet Ichigaya Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Urbannet Irifune Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Granpark	99.3	99.4	99.5	99.5	99.5	99.2	99.4	99.0	99.2	99.3	99.0	99.3	99.0	99.0	99.1
	Urbannet Kojimachi Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	88.0	88.0	96.9	96.9	95.0
	Premier Toyochō Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Ueno TH Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Gotanda NT Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Ueno Tosei Bldg.	100.0	100.0	57.8	57.8	57.8	57.8	71.9	57.8	57.8	57.8	68.3	100.0	100.0	100.0	73.6
	Urbannet Ikebukuro Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Urbannet Omori Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Sphere Tower Tennozu *1	-	-	-	-	-	-	-	-	-	88.1	88.1	88.1	88.1	88.1	88.1	
Premier Yokohama Nishiguchi Bldg.	85.1	89.7	89.7	100.0	100.0	100.0	94.1	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
The Kanagawa Science Park R&D Bldg.	91.9	89.8	90.2	90.3	91.6	78.4	88.7	71.6	71.6	69.4	69.4	69.4	69.4	80.4	72.0	
NU Kannai Bldg.	68.5	68.5	76.5	80.5	80.5	81.3	76.0	81.3	81.3	81.3	81.3	81.3	83.3	83.3	82.0	
Tradepia Yodoyabashi (land) *2	100.0	-	-	-	-	-	100.0	-	-	-	-	-	-	-	-	
NTT CRED Okayama Bldg.	87.0	86.1	86.1	86.1	86.1	82.9	85.7	82.9	82.9	82.9	86.1	86.1	86.1	86.9	84.6	
Urbannet Shizuoka Ote-machi Bldg.	97.5	97.5	97.5	100.0	100.0	100.0	98.8	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Urbannet Shizuoka Bldg.	98.8	98.8	98.8	98.8	98.8	100.0	99.0	100.0	100.0	100.0	100.0	100.0	100.0	97.5	99.6	
Urban Ace Higobashi Bldg. *3	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Subtotal		96.4	96.0	95.3	95.9	96.0	94.8	95.7	94.1	92.9	92.4	92.9	94.1	95.1	93.6	

\*1 Sphere Tower Tennozu was acquired on June 21, 2017.

\*2 Tradepia Yodoyabashi (land) was sold on December 20, 2016.

\*3 Urban Ace Higobashi Bldg. was acquired on December 20, 2016.



# Monthly Occupancy Rates (2)



(%)

Area	Property name	FP 29 (2017/4)							FP 30 (2017/10)							
		Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	Ave.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Ave.	
Residential	5 central wards of Tokyo	Park Axis Yotsuya Stage	97.6	94.1	99.0	99.0	96.9	96.4	97.1	97.9	96.9	99.0	99.5	98.0	96.8	98.0
	Park Axis Meiji-Jingumae	100.0	97.9	97.9	97.9	97.9	97.9	97.9	98.2	93.2	93.2	95.4	95.4	95.4	95.4	94.6
	Cabin Arena Akasaka	100.0	100.0	96.8	100.0	100.0	97.4	99.0	94.8	94.3	96.9	100.0	92.2	91.9	95.0	
	Cabin Arena Minami-Aoyama	95.3	92.6	91.2	93.8	91.6	93.8	93.0	93.8	91.6	89.0	100.0	97.4	95.3	94.5	
	Bureau Kioicho	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
	Roppongi Green Terrace	91.7	93.8	96.2	96.2	96.2	96.2	95.1	96.2	94.3	90.3	95.6	95.6	100.0	95.3	
	Premier Stage Shibakoen II	95.5	95.5	94.3	95.5	98.8	95.6	95.9	93.2	94.4	94.3	96.7	96.7	96.7	95.3	
	Langue Tower Kyobashi	100.0	98.3	98.3	100.0	96.6	100.0	98.9	96.5	96.5	95.0	95.0	94.8	94.8	95.5	
	Premier Stage MitaKeidaimae	98.1	93.4	95.3	98.4	100.0	96.6	97.0	94.7	96.6	98.4	95.0	96.6	95.0	96.0	
	Premier Rosso	98.2	98.2	98.2	93.0	92.4	89.9	95.0	91.7	100.0	100.0	97.0	100.0	100.0	98.1	
	Premier Blanc Yoyogikouen	93.8	90.5	95.2	93.8	95.6	97.2	94.3	98.4	93.8	93.8	96.8	100.0	97.2	96.7	
	Premier Stage Uchikanda	97.8	93.3	91.2	94.4	98.3	95.2	95.0	95.2	100.0	100.0	98.9	97.1	100.0	98.5	
	Premier Stage Ichigayakawadacho	96.0	96.9	96.9	96.9	96.9	96.9	96.8	95.3	89.7	96.1	100.0	100.0	96.7	96.3	
	Walk Akasaka	100.0	94.1	94.1	88.1	100.0	100.0	96.1	90.1	90.1	90.1	100.0	93.4	90.6	92.4	
	Premier Stage Shibakoen	100.0	97.7	90.9	93.0	97.7	93.3	95.4	93.2	95.3	93.1	97.7	97.9	100.0	96.2	
	MEW	95.2	95.2	95.2	95.2	100.0	100.0	96.8	100.0	100.0	95.1	91.4	86.5	91.4	94.1	
	Shibaura Island Air Tower	97.2	96.6	96.8	96.7	97.5	97.4	97.0	97.5	98.0	98.1	97.0	98.0	97.7	97.7	
	Storia Akasaka	97.7	90.1	87.9	87.9	93.7	95.9	92.2	98.0	98.0	92.6	94.5	96.1	96.1	95.9	
	Renai Shinjuku-Gyoen Tower	97.8	97.2	97.2	96.6	96.3	95.8	96.8	96.1	94.5	94.1	94.6	92.2	89.2	93.4	
	Shibaura Island Bloom Tower	96.7	97.1	97.1	97.8	98.0	98.4	97.5	98.4	97.7	97.3	97.7	97.7	98.0	97.8	
Questcourt Harajuku	100.0	100.0	100.0	96.9	93.8	93.8	97.4	100.0	100.0	100.0	100.0	97.7	100.0	99.6		
Urbancourt Ichigaya	94.8	100.0	94.8	94.8	100.0	94.7	96.5	97.3	97.3	94.8	94.8	92.3	92.3	94.8		



# Monthly Occupancy Rates (3)



(%)

Area	Property name	FP 29 (2017/4)							FP 30 (2017/10)						
		Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	Ave.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Ave.
Residential	Other 18 wards of Tokyo														
	B-Site Osaki	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Premier Garden Hongo	93.1	100.0	100.0	100.0	91.3	100.0	97.4	100.0	100.0	93.1	100.0	100.0	100.0	98.9
	Premier Grande Magome	100.0	97.0	97.0	97.0	93.9	94.5	96.6	94.0	91.5	94.0	97.0	93.9	100.0	95.1
	Premier Nozze Yutenji	93.4	100.0	100.0	96.4	93.3	92.5	95.9	87.2	89.3	93.4	96.6	93.1	96.6	92.7
	Premier Stage Yushima	97.8	98.9	97.8	100.0	94.8	93.1	97.1	90.6	90.6	92.8	97.8	96.6	100.0	94.7
	Premier Stage Komagome	96.0	94.7	97.1	100.0	97.4	94.2	96.6	98.7	98.7	98.9	96.3	97.4	97.4	97.9
	Premier Stage Otsuka	95.6	94.0	95.4	97.0	98.5	94.0	95.8	94.0	95.5	95.5	94.0	94.1	97.0	95.0
	Premier Stage Honjo-Azumabashi	98.2	98.8	97.5	98.8	99.4	98.2	98.5	97.6	98.8	95.7	96.3	97.6	95.1	96.8
	Premier Stage Ryogoku	87.5	97.7	96.7	96.7	97.7	97.7	95.7	93.1	94.2	97.7	97.7	98.9	95.6	96.2
	Subtotal	96.8	96.4	96.5	96.6	96.9	96.5	96.6	96.5	96.4	96.0	97.1	96.6	96.8	96.6
	Total	96.5	96.2	95.7	96.1	96.3	95.4	96.0	95.0	94.1	93.7	94.3	94.9	95.6	94.6

# Acquisition of Environmental Certifications from Third Party Institutions

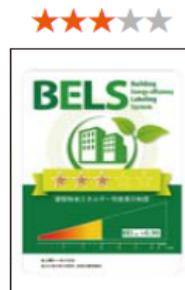
## GRESB

- GRESB (Global Real Estate Sustainability Benchmark) is an assessment system for measuring annually the environmental, social and governance awareness of real estate. It was developed in 2009 by major European pension funds and others.
- PIC has received a “Green Star” rating in the 2017 Global Real Estate Sustainability Benchmark (“GRESB”) Assessment, highly evaluated in both dimensions of “Management and Policy” and “Implementation and Measurement” with regards to activities for environmental consideration and sustainability. Moreover, PIC has received “2 Stars” in “GRESB Rating”, which is a five-grade evaluation system that awards applicants a relative evaluation based on total GRESB score.



## BELS

- BELS (Building Energy-efficiency Labeling System) is a system for the assessment and labeling, performed by a third party, of the energy efficiency of non-residential buildings, based on the 2013 Evaluation Guideline for Energy-efficiency Performance of Non-residential Buildings.
- At PIC, the Ueno Tosei Bldg. received this certification (★★★).



## CASBEE

- CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a system for evaluating the environmental performance of buildings being developed in Japan. The system operates under the guidance of Japan's Ministry of Land, Infrastructure, Transport and Tourism.
- A total of 14 properties owned by PIC have acquired a CASBEE Real Estate rank between S and A, including the following 5 properties, which received the certification in 2017.

### 2017 CASBEE Real Estate S rank certification (★★★★★)

Urbannet Omori Bldg.



### 2017 CASBEE Real Estate A rank certification (★★★★)

Urbannet Ikebukuro Bldg.  
Urbannet Kojimachi Bldg.  
Ougaku Bldg.  
Ueno TH Bldg.



## Tokyo Low-Carbon Small and Medium-Sized Model Building

- The Low-Carbon Small and Medium-Sized Model Building Certified by the Tokyo Metropolitan Government (low-carbon building benchmark) announced in May 2012 by the Metropolis of Tokyo with the aim to form a real estate market where low-carbon buildings with little CO<sub>2</sub> emissions are valued.
- At PIC, the following 3 properties have been granted certification ranging between A1 and A4: Premier Dogenzaka Bldg., Rokubancho Bldg., Urbannet Mita Bldg.



# Fiscal Period 30 List of Interest-bearing Liabilities



## List of Borrowings

Lender	Balance (mm yen)	Interest rate *1 *2	Maturity (year)	Maturity date	
<b>Short-term loans</b>	<b>5,400</b>				
Sumitomo Mitsui Trust Bank, etc.	3,080	0.22%	1	Jul. 2018	FP 32
Sumitomo Mitsui Banking Corp. etc.	2,320	0.22%	1	Sep. 2018	
<b>Long-term loans</b>	<b>100,100</b>				
Development Bank of Japan, etc.	3,000	0.98%	5	Nov. 2017	FP 31
Sumitomo Mitsui Trust Bank, etc.	7,900	0.88%	5	Mar. 2018	
Development Bank of Japan	3,000	1.15%	5	May 2018	FP 32
Mizuho Bank, etc.	5,000	1.21%	6	Sep. 2018	
Resona Bank, etc.	2,850	1.03%	6	Feb. 2019	FP 33
Development Bank of Japan	2,400	0.72%	5	Sep. 2019	FP 34
Sumitomo Mitsui Banking Corp.	2,400	0.72%	5	Sep. 2019	
Mitsubishi UFJ Trust & Banking	2,400	0.72%	5	Sep. 2019	FP 35
Aozora Bank	650	0.69%	5	Mar. 2020	
NTT Finance Corp.	2,000	0.41%	5	Jan. 2021	FP 37
Sumitomo Mitsui Banking Corp. etc.	5,000	0.24%	4	May. 2021	FP 38
Mizuho Bank	2,400	0.91%	7	Sep. 2021	
Sumitomo Mitsui Trust Bank	1,050	0.87%	7	Mar. 2022	FP 39
Sumitomo Mitsui Trust Bank, etc.	3,900	0.91%	7	Apr. 2022	
Sumitomo Mitsui Trust Bank, etc.	6,500	0.87%	7	Jul. 2022	FP 40
Mitsubishi UFJ Trust & Banking, etc.	8,000	0.80%	7	Aug. 2022	
Aozora Bank	3,000	0.74%	7	Nov. 2022	FP 41
NTT Finance Corp., etc.	8,000	0.73%	7	Nov. 2022	
Mizuho Bank	2,700	0.43%	6	May. 2023	FP 42
The Bank of Fukuoka, etc. (Syndicated loan)	5,000	0.29%	6	Aug. 2023	
NTT Finance Corp., etc.	4,000	0.53%	7	May. 2024	FP 44
Sumitomo Mitsui Banking Corp. etc.	1,550	0.52%	8	Aug. 2024	
Aozora Bank	700	0.52%	8	Aug. 2024	FP 46
Sumitomo Mitsui Trust Bank	3,300	0.60%	8	May. 2025	
Mizuho Bank, etc.	3,180	0.62%	10	Oct. 2026	FP 48
Mitsubishi UFJ Trust & Banking	1,220	0.62%	10	Oct. 2026	
Sumitomo Mitsui Trust Bank, etc.	9,000	0.74%	10	Nov. 2026	FP 49
<b>Total loans</b>	<b>105,500</b>				

## List of Corporate Bonds

Name	Issue amount (mm yen)	Interest rate	Maturity (year)	Redemption date	
Unsecured Bond No. 4	7,500	0.72%	5	Jul. 2018	FP 32
Unsecured Bond No. 5	2,500	0.45%	5	Mar. 2019	FP 33
Unsecured Bond No. 6	2,500	0.72%	7	Mar. 2021	FP 37
<b>Corporate bond total</b>	<b>12,500</b>				

## Breakdown by Lender

	Lender	Balance (million yen)			Share
		Long-term	Short-term	Total	
1	Sumitomo Mitsui Trust Bank, Limited	19,590	1,540	21,130	20.0%
2	Mizuho Bank, Ltd.	15,690	1,050	16,740	15.9%
3	Sumitomo Mitsui Banking Corporation	15,000	1,685	16,685	15.8%
4	Mitsubishi UFJ Trust and Banking Corporation	8,620	545	9,165	8.7%
5	NTT Finance Corporation	9,000	-	9,000	8.5%
6	Resona Bank, Ltd.	7,550	580	8,130	7.7%
7	Aozora Bank, Ltd.	6,200	-	6,200	5.9%
8	Development Bank of Japan	6,150	-	6,150	5.8%
9	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,300	-	3,300	3.1%
10	The Norinchukin Bank	2,500	-	2,500	2.4%
11	Mitsui Sumitomo Insurance Co., Ltd.	2,000	-	2,000	1.9%
12	The Bank of Fukuoka	2,000	-	2,000	1.9%
13	The 77 Bank, Ltd.	1,000	-	1,000	0.9%
14	The Nomura Trust and Banking Co., Ltd.	1,000	-	1,000	0.9%
15	HIGASHI-NIPPON BANK, Ltd.	500	-	500	0.5%
	<b>Total</b>	<b>100,100</b>	<b>5,400</b>	<b>105,500</b>	<b>100.0%</b>

\*1 Figures for floating rates on these loans represent the rates applicable as of the end of FP 30 (October 31, 2017).

\*2 For floating-rate denominated borrowings with interest-rate swaps, the interest rate is expressed as the fixed rate reflecting the effect of the relevant swap transaction.

# Financial Indicators

Item		FP 26 (2015/10)	FP 27 (2016/4)	FP 28 (2016/10)	FP 29 (2017/4)	FP 30 (2017/10)
Return on assets (annualized)		2.6%	2.7%	2.8%	2.8%	2.7%
Return on equity (annualized)		5.0%	5.3%	5.3%	5.4%	5.3%
Unitholders' equity ratio		52.0%	51.6%	51.8%	52.5%	49.2%
LTV (unitholders' capital basis)	*1	46.5%	46.9%	46.7%	46.1%	49.5%
LTV (market value basis)	*2	44.7%	43.9%	42.8%	41.4%	44.6%
DSCR (multiple)	*3	8.8	10.2	10.5	11.1	11.0
NOI (million yen)	*4	5,438	5,597	5,723	5,599	5,785
FFO (million yen)	*5	4,301	4,538	4,656	4,534	4,739
NOI yield	*6	4.9%	5.0%	5.1%	5.1%	4.9%
Yield after depreciation	*7	3.8%	3.8%	4.0%	3.9%	3.7%
Implied cap rate	*8	4.3%	4.0%	4.2%	4.4%	4.8%
NAV per unit (yen)	*9	103,221	108,432	112,304	116,189	117,155
Unitholders' equity per unit [BPS] (yen)		93,892	94,040	94,113	94,100	94,117
FFO per unit (yen)	*10	3,266	3,446	3,536	3,443	3,599
Market capitalization at period-end (million yen)		156,459	181,745	177,926	157,907	132,094

\*1 LTV (unitholders' capital basis) = Interest-bearing liabilities ÷ (interest-bearing liabilities + unitholders' capital) for each period-end

\*2 LTV (market value basis) = Interest-bearing liabilities ÷ (appraisal value for assets owned) for each period-end

\*3 DSCR (Debt Service Coverage Ratio) = (Net income - gains from property sales + depreciation + interest paid) ÷ interest paid

\*4 NOI = Real estate rental income + Depreciation (as rental business expenses) + dividends received from preferred securities

\*5 FFO = Net income + depreciation (as rental business expenses) - capital gains on real estate sales

\*6 NOI yield = Annualized NOI\* ÷ Amount Invested\*\*

\* NOI from each period X 2      \*\* Total book value of assets owned as of the period end

\*7 Yield after depreciation = Annualized real estate rental income \* ÷ Amount invested \*\*

\* (Profits from real estate leasing business + dividends received from preferred securities) for each period X 2      \*\* Total book value of assets owned as of the period end

\*8 Implied cap rate = Annualized NOI\* ÷ (market capitalization of investment units + interest-bearing liabilities outstanding + balance of security deposits - cash balance\*\*)

\* NOI from each period X 2      \*\* Balance as of the end of the period

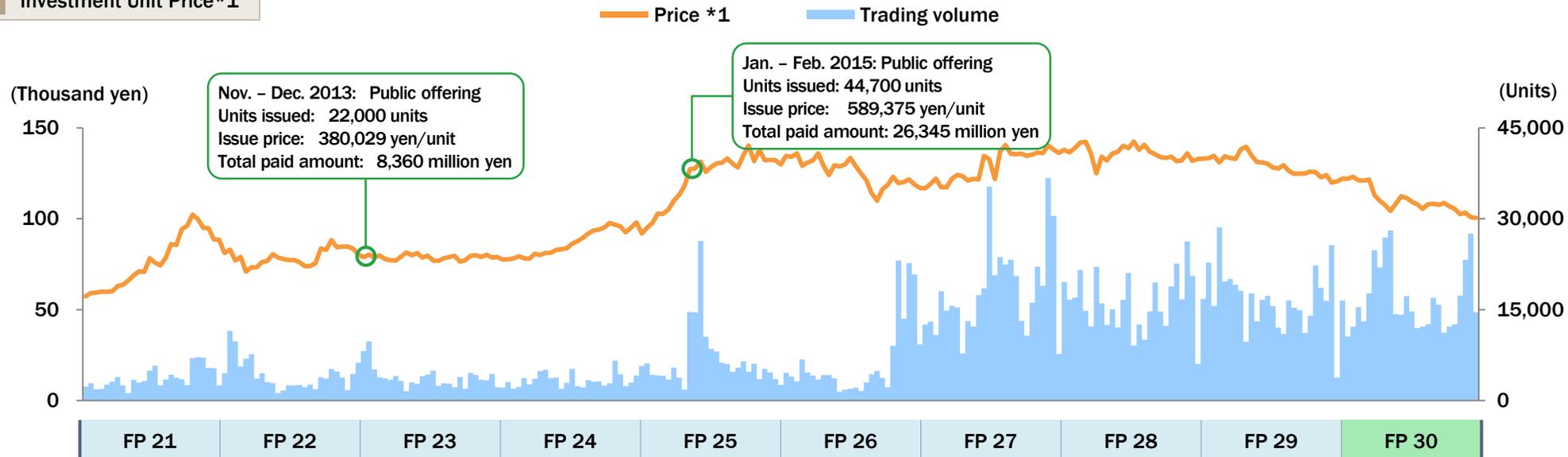
\*9 NAV per unit = (Unitholders' equity + unrealized P/L of assets held) ÷ number of investment units outstanding, for the period-end

\*10 FFO per unit = FFO ÷ number of investment units outstanding (average for the period)



# Investment Unit Price and Distribution per Unit

## Investment Unit Price\*1



## Change in Distribution per Unit \*2



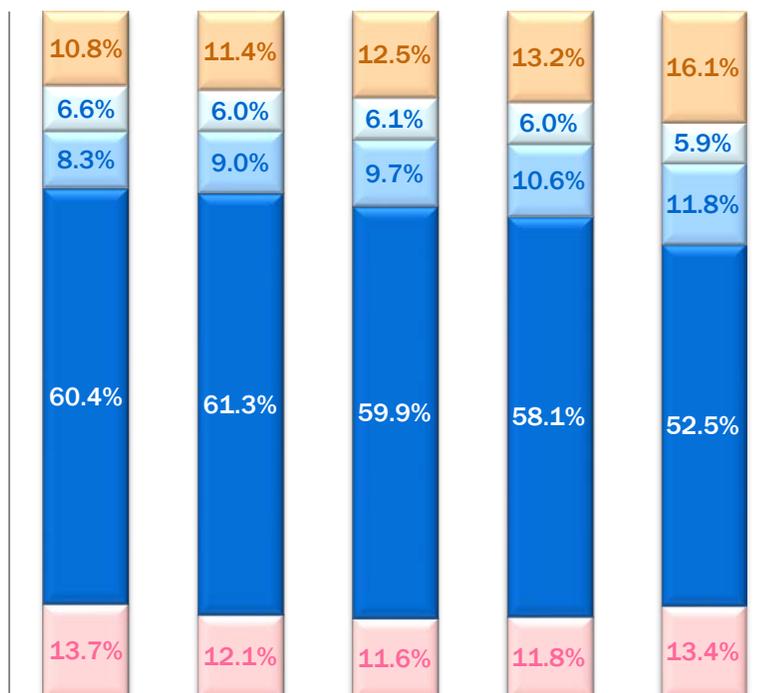
\*1 Investment Unit Price is based on the closing price from the last trading day of each week. Trading volume is the total weekly volume of buy- and sell-trades. Furthermore, investment unit prices before and on October 27, 2015 (the final day of trading at the former price) have been adjusted to reflect the 5-for-1 investment unit split implemented effective November 1, 2015.

\*2 DPU figures from FP 26 and before have been adjusted for the unit split.



# Status of Unitholders

## Breakdown of Unitholders \*1



Total no. of investment units	FP 26	FP 27	FP 28	FP 29	FP 30
	263,399	1,316,995 (5 for 1 unit split)	1,316,995	1,316,995	1,316,995

## Major Unitholders

(as of October 31, 2017)

Rank	Unitholder	Units held (Units)	Share *1	Change (Units)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	397,214	30.1%	- 43,448
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	155,466	11.8%	+ 29,325
3	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	54,055	4.1%	+ 2,234
4	Trust & Custody Service Bank, Ltd. (Money Trust Tax Account)	50,987	3.8%	- 65,007
5	NTT Urban Development Corporation	43,500	3.3%	-
6	STATE STREET BANK - WEST PENSION FUND CLIENTS - EXEMPT 505233	21,537	1.6%	+ 1,691
7	STATE STREET BANK WEST CLIENT - TREATY 505234	16,385	1.2%	+ 3,634
8	STATE STREET BANK AND TRUST COMPANY 505223	16,308	1.2%	- 926
9	STATE STREET BANK AND TRUST COMPANY 505012	14,133	1.0%	- 2,260
10	Mitsubishi UFJ Trust and Banking Corporation	14,045	1.0%	-
Total		783,630	59.5%	

\*1 Percentage figures have been rounded down to the first decimal place.



## 1. Comprehensive Support from NTTUD, the Main Sponsor



〈NTT UD took an equity stake in the REIT's asset manager at May 2010〉

- Abundant track record of development and pipelines for office buildings
- Operating capability in real estate rental business
- Fund-raising capability based on its high credibility

## 2. Portfolio Comprising Both Office and Residential Assets



Office



Residential

### Profitability

(Exerts strengths when the economy is recovering)

- Mitigates the impact of economic fluctuations by combining asset types that have low correlation to each other in terms of market rent fluctuations
- Diversifies the tenant base into different types such as corporations and individuals

### Stability

(Stable demands even in the receding economy)

## 3. Focused Investments in Greater Tokyo



- Focuses investments in Greater Tokyo, which enjoys an established economic base due to a high concentration of population and industry
- Partially expands the target investment area to Major Regional Cities (strengthening ties with NTTUD)



## Features of PIC (2)

### Portfolio (at period-end FP 30)

Asset size		249.0 billion yen (all 60 properties)	
Distribution of the portfolio	By asset type		
	By geographical area		
NOI yield (Yield after depreciation)		4.9% (3.7%)	
Occupancy rate at period-end		95.6%	
Major properties		<p><b>AkihabaraUDX</b> (Chiyoda Ward, Tokyo)</p>	<p><b>Sphere Tower Tennozu</b> (Shinagawa Ward, Tokyo)</p>
		<p><b>Urbannet Ikebukuro Bldg.</b> (Toshima Ward, Tokyo)</p>	

### Financial Standing (at period-end FP 30)

Issuer ratings	JCR (Japan Credit Rating Agency)	AA- (stable)
	R&I (Rating and Investment Information)	A+ (stable)
LTV (Unitholders' capital basis)	49.5%	
LTV (Market value basis)	44.6%	
Amount of interest-bearing liabilities	118.0 billion yen	

### Overview of the Asset Management Company (as of October 31, 2017)

Tradename	<b>Premier REIT Advisors Co., Ltd.</b>	
	(Financial Instruments Business Operator: Kanto Local Finance Bureau Director-General No. 393)	
Establishment	July 17, 2001	
Paid-in capital	300 million yen	
Shareholders	NTT Urban Development Corporation	53.1%
	Kenedix, Inc.	30.0%
	SOHGOH REAL ESTATE CO., LTD.	10.0%
	Sumitomo Mitsui Trust Bank, Limited	4.9%
	Nikko Properties Corporation	2.0%



# Terminology Used in this Presentation

Term	Definition
<ul style="list-style-type: none"> <li>Investment areas</li> </ul>	<ul style="list-style-type: none"> <li>5 central wards of Tokyo: The 3 central wards of Tokyo (Chiyoda, Chuo and Minato) plus Shinjuku and Shibuya</li> <li>Other 18 wards of Tokyo: The remaining 18 of 23 wards of Tokyo, after excluding the 5 central wards of Tokyo</li> <li>Urban areas surrounding Tokyo: Other urban areas within Greater Metropolitan Tokyo, which comprises The Metropolis of Tokyo (excluding 23 wards of Tokyo), Kanagawa Prefecture (densely populated areas such as Yokohama City and Kawasaki City), Saitama Prefecture (densely populated areas such as Saitama City) and Chiba Prefecture (densely populated areas such as Chiba City)</li> <li>Major regional cities: Major cities such as Sapporo, Sendai, Shizuoka, Nagoya, Osaka, Kyoto, Kobe, Hiroshima, Okayama and Fukuoka</li> </ul>
<ul style="list-style-type: none"> <li>Akihabara UDX</li> </ul>	<p>An office building located in Tokyo's Chiyoda Ward that is the underlying asset to UDX SPC Preferred Securities            PIC owns 53,580 units (19.0%) of the 282,000 Preferred Securities. Unless noted otherwise, the Preferred Securities are represented herein as "Akihabara UDX". We categorize it as an office building located within the Central 5 Wards of Tokyo.</p>
<ul style="list-style-type: none"> <li>Acquisition price ▪ Transfer price</li> </ul>	<p>The transaction price before taxes, not considering various expenses (such as real estate taxes) required for the acquisition or transfer of the property in question.</p>
<ul style="list-style-type: none"> <li>Occupancy rate</li> </ul>	<p>Total area under lease ÷ Gross leasable area</p>
<ul style="list-style-type: none"> <li>Occupancy rate by cash flows</li> </ul>	<p>For any given month, the area actually generating cash flow * ÷ Gross leasable area            * The portion of area under lease remaining after excluding any area for which the rent (including common area charges) stipulated under the lease agreement is not being received due to special incentives such as free rent. (the area actually generating cash flows during the month in question.)</p>
<ul style="list-style-type: none"> <li>NOI</li> </ul>	<p>Real estate rental income* + Depreciation (as rental business expenses)            * NOI of the portfolio includes dividends received on preferred securities as office operating revenues.</p>
<ul style="list-style-type: none"> <li>FFO</li> </ul>	<p>Net income + Depreciation (as rental business expenses) - capital gains on real estate sales</p>
<ul style="list-style-type: none"> <li>NOI yield (for individual properties)</li> </ul>	<p>Annualized NOI* ÷ Amount invested ** (for each property in the portfolio during the fiscal period in question)            * Annualized NOI = NOI X 2, for assets held during the fiscal period in question (For properties bought or sold at some point within the fiscal period in question, actual results from the period in question X 365 ÷ Number of days the property was held in the portfolio)            ** Amount invested = Total book value for assets held at the end of the period during the period in question (for properties sold, the book value at the time of sale is used in place of book value at the end of the period.)</p>
<ul style="list-style-type: none"> <li>NOI yield (of portfolio)</li> </ul>	<p>Annualized rental NOI* ÷ Amount invested ** for assets (including preferred securities) held during the period in question            * Annualized rental NOI = NOI X 2, for the fiscal period in question            ** Amount invested = Total book value for assets held at the end of the period during the period in question</p>
<ul style="list-style-type: none"> <li>Yield after depreciation (of portfolio)</li> </ul>	<p>Annualized real estate rental income* ÷ Amount invested** for assets (including preferred securities) held during the period in question            * Annualized real estate rental income = The total of (Real estate rental income + Dividend income from preferred securities) X 2, for the fiscal period in question            ** Amount invested = Total book value for assets held at the end of the period during the period in question</p>
<ul style="list-style-type: none"> <li>Appraisal NOI yield (each property)</li> </ul>	<p>Appraisal NOI* ÷ Acquisition price            * Appraisal NOI = Net operating income arrived at using the direct capitalization method described in the real estate appraisal document issued in the acquisition of the property in question</p>
<ul style="list-style-type: none"> <li>LTV (Unitholders' capital basis)</li> </ul>	<p>Interest-bearing liabilities ÷ (interest-bearing liabilities + unitholders' capital) for each period-end</p>
<ul style="list-style-type: none"> <li>LTV (Market value basis)</li> </ul>	<p>Interest-bearing liabilities ÷ (appraisal values of asset holdings, including preferred shares) for each period-end</p>



# Disclaimers

- Unless indicated otherwise, amounts and figures have been rounded down to the nearest unit and percentages have been rounded to the first decimal place.
- These materials include forward-looking performance forecasts, future plans, management objectives and strategies. These forward-looking statements are based on current assumptions and premises made by Premier Investment Corporation (PIC) concerning anticipated events, business environment trends and other issues. Inherent to these assumptions are known and unknown risks, uncertainties and other factors, all of which may have an impact on PIC. Therefore, these forward-looking statements are no guarantee of PIC's future business performance, management results or financial conditions. Actual results may differ materially from any explicit or implicit forward-looking statements about PIC's future business performance, management results or financial conditions.
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- PIC intends to distribute cash dividends to unitholders, but whether the distribution is actually made and the amounts of the distribution are not guaranteed on any account. Profitability in any given fiscal period may vary materially depending on any gains or losses accompanying the sale of real estate, losses on the write-down of any assets subject to redevelopment, or other factors, causing fluctuations in the distributions to unitholders.
- Aside from the above, due to changes in the price and profitability of the underlying real estate asset, among other factors, transaction prices for real estate investment securities may decline, resulting in a loss. Furthermore, deterioration in the financial standing, including but not limited to a bankruptcy, of the issuer may also result in a loss. For other risks related to investments in real estate securities, please refer to the Investment Securities Report (Section 1: Information on the Fund; Paragraph 1: Status of the Fund; Sub-paragraph 3: Investment Risks) published by PIC on the latest edition.
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<Investment Corporation>

**Premier Investment Corporation (PIC)**

<Asset Management Company>

**Premier REIT Advisors Co., Ltd.**

**Financial Products Transaction Operator Registration No.: Kanto Local Finance Bureau Director-General No. 393**

**Member of the Investment Trusts Association, Japan**