



# Premier Investment Corporation

**Fiscal Period**

**32**

**(6-month Period Ended October 2018)**

**Earnings  
Presentation**



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# Executive Summary

External Growth	Internal Growth	Financial Strategy
<ul style="list-style-type: none"> <li>■ FP 32: no acquisitions</li> <li>■ FP 33: asset replacement transaction with NTT Urban Development and a third party (planned)</li> <li>● New acquisitions <ul style="list-style-type: none"> <li>Urbannet Gotanda NN Building [acquisition price: 5,250 million yen]</li> </ul> </li> <li>● Transferred properties <ul style="list-style-type: none"> <li>Urbannet Irifune Building [sale price: 3,350 million yen]</li> <li>Premier Kaigan Building [sale price: 5,350 million yen]</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Occupancy rate at period-end (change from previous period-end): 97.7% (+ 0.8%) <ul style="list-style-type: none"> <li>● Office: 97.8% (+ 1.4%)</li> <li>● Residence: 97.4% (- 0.5%)</li> </ul> </li> <li>■ Monthly rent change <ul style="list-style-type: none"> <li>● Tenant turnover: + 6.0 million yen <ul style="list-style-type: none"> <li>[Office: + 3.5 million yen]</li> <li>[Residence: + 2.4 million yen]</li> </ul> </li> <li>● Contract renewal: + 3.9 million yen <ul style="list-style-type: none"> <li>[Office: + 3.3 million yen]</li> <li>[Residence: + 0.6 million yen]</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Period-end LTV (unitholders' capital basis): 48.3% (change from previous period-end - 0.1%)</li> <li>■ Period-end interest-bearing liability cost (average interest rate): 0.64% (change from previous period-end - 0.05%)</li> <li>■ Period-end interest-bearing liability average remaining maturity on debt: 4.8 years (change from previous period-end + 0.7yrs)</li> <li>■ Portfolio unrealized gain or loss : 40 billion yen (change from previous period-end + 7.2 billion yen)</li> </ul>

## Continuous Unitholder Value Improvement

- NAV per unit (FP 32) 124,830 yen (comparison to previous period + 5,483 yen)
- Actual DPU (FP 32) 2,696 yen (comparison to previous period + 9 yen, comparison to forecast \*1 + 96 yen)
- DPU Forecast (FP 33) 2,940 yen (comparison to previous period + 244 yen, comparison to forecast \*1 + 340 yen)

\*1 Here, "comparison to forecast" refers to the forecast of the operating environment in FP 32 and FP 33 disclosed in the release published June 18, 2018, entitled "Financial Report for the 31st Fiscal Period Ended April 30, 2018."

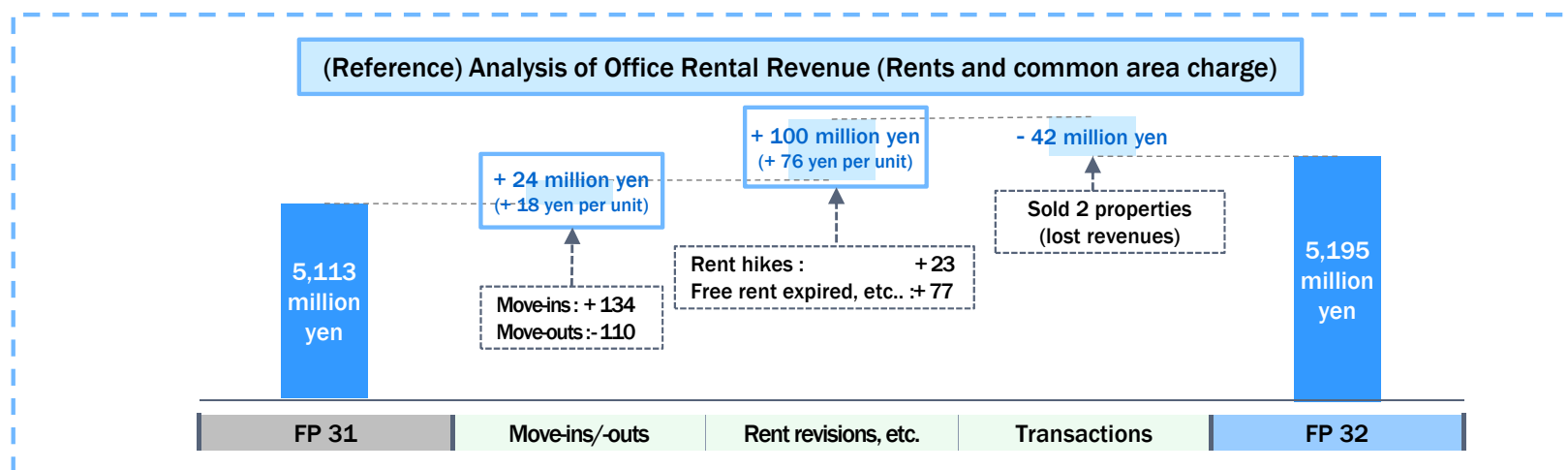
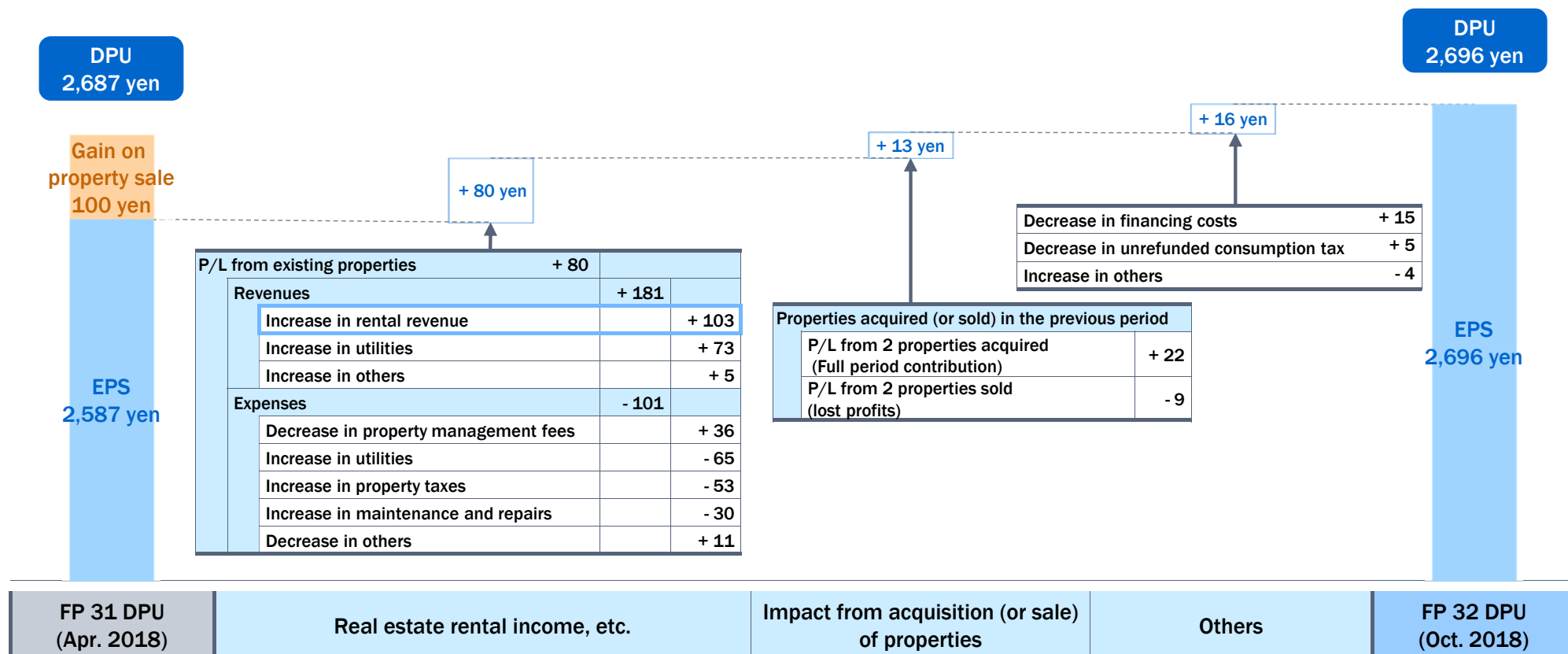
# Fiscal Period 32 Earnings Overview

(million yen)

		FP 31 Actual (~Apr. 2018) [1]	FP 32 Actual (~Oct. 2018) [2]	Change [2]-[1]	Forecast [3]	Vs. forecast [2]-[3]
Operating revenues		9,154	9,119	- 35	8,982	+ 137
	Gain on property sale	271	-	- 271	-	-
Operating expenses		5,020	5,131	+ 111	5,116	+ 15
Operating income		4,134	3,988	- 146	3,865	+ 122
	Real estate rental income (including UDX dividends)	4,453	4,575	+ 122	4,455	+ 119
Ordinary income		3,680	3,552	- 127	3,425	+ 127
Net income		3,679	3,550	- 128	3,424	+ 126
NOI (including UDX dividends)		5,855	5,969	+ 114	5,853	+ 116
FFO		4,809	4,944	+ 135	4,821	+ 123
Reserve for reduction entry	Provisions	140	-	- 140	-	-
	Reversals	-	-	-	-	-
	Balance (after profit appropriation)	400	400	-	400	-
Distribution per unit		2,687 yen	2,696 yen	+ 9 yen	2,600 yen	+ 96 yen
Average Occupancy Rate	Office	96.4%	97.7%	+ 1.3%	97.6%	+ 0.1%
	Residential	97.4%	97.1%	- 0.3%	95.8%	+ 1.3%
	Total	96.8%	97.5%	+ 0.7%	96.9%	+ 0.6%
Number of investment properties		60	60	-	60	-

\*1 "Forecast" refers to the forecast of the operating environment in FP32 disclosed in "Financial Report for the Fiscal Period Ended April 30, 2018" published on June 18, 2018.

# DPU Analysis (Comparison to Results from Previous Period)



# DPU Analysis (Comparison to Forecast)

DPU  
2,600 yen

EPS  
2,600 yen

P/L from existing properties	+77	
Revenues	+90	
Increase in rental revenue		+32
Increase in utilities		+29
Increase in rewards		+8
Increase in penalties		+6
Increase in others		+15
Expenses	-13	
Increase in property management fees		-7
Increase in utilities		-22
Decrease in property taxes		+7
Decrease in others		+9
Increase in dividend income	+13	

+90 yen

Decrease in financing costs	+4
Increase in asset management fees	-7
Decrease in unrefunded consumption tax	+2
Decrease in others	+7

+6 yen

DPU  
2,696 yen

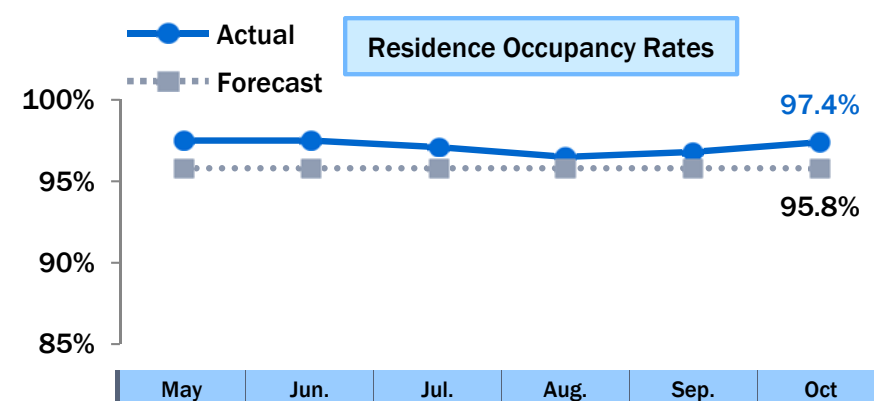
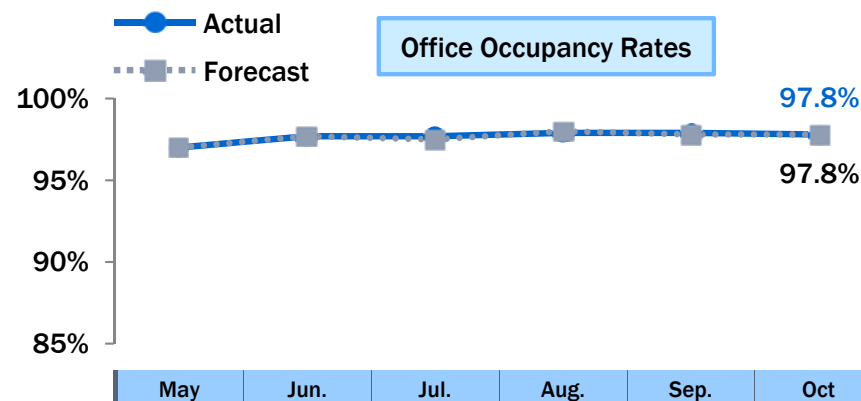
EPS  
2,696 yen

DPU forecast

Real estate rental income, etc.

Others

FP 32 DPU  
(Oct. 2018)





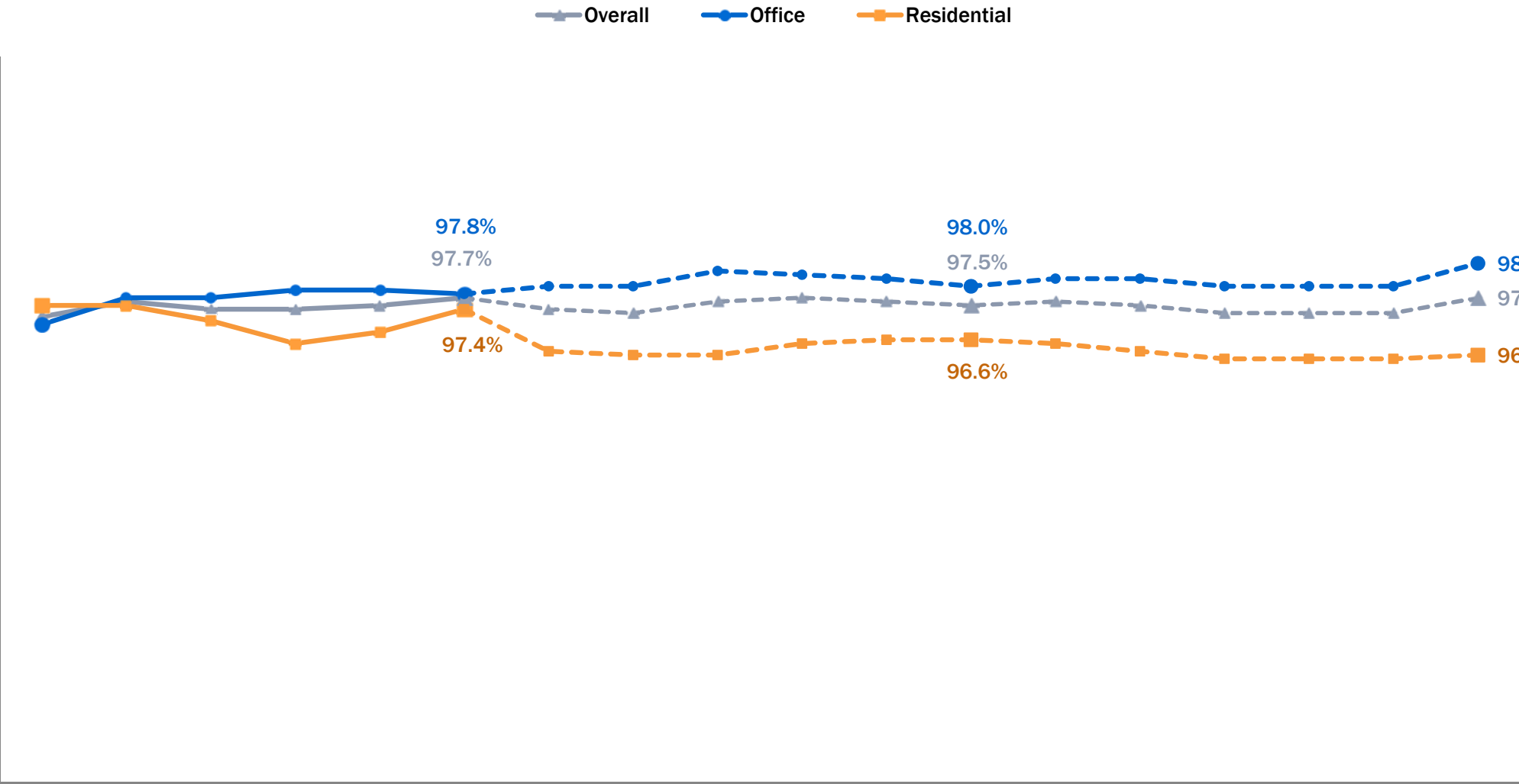
## Performance Forecasts for Fiscal Periods 33 and 34

(million yen)

		FP 32 Actual (Oct. 2018) [1]	FP 33 Forecast (Apr. 2018) [2]	Change [2]-[1]	FP 34 Forecast (Oct. 2019) [3]	Change [3]-[2]
Operating revenues		9,119	9,827	+ 707	9,116	- 710
	Gain on property sale	-	855	+ 855	-	- 855
Operating expenses		5,131	5,204	+ 73	5,231	+ 26
Operating income		3,988	4,622	+ 634	3,885	- 737
	Real estate rental income (including UDX dividends)	4,575	4,433	- 142	4,522	+ 88
Ordinary income		3,552	4,216	+ 663	3,479	- 737
Net income		3,550	4,215	+ 664	3,477	- 737
NOI (including UDX dividends)		5,969	5,818	- 151	5,925	+ 107
FFO		4,944	4,744	- 200	4,881	+ 137
Reserve for reduction entry	Provisions	-	342	+ 342	-	-
	Reversals	-	-	-	-	-
	Balance (after profit appropriation)	400	742	+ 342	742	-
Distribution per unit		2,696 yen	2,940 yen	+ 244yen	2,640 yen	- 300 yen
Average Occupancy Rate	Office	97.7%	98.2%	+ 0.5%	98.2%	-
	Residential	97.1%	96.4%	- 0.7%	96.2%	- 0.2%
	Total	97.5%	97.5%	-	97.4%	- 0.1%
Number of investment properties		60	59	- 1	59	-



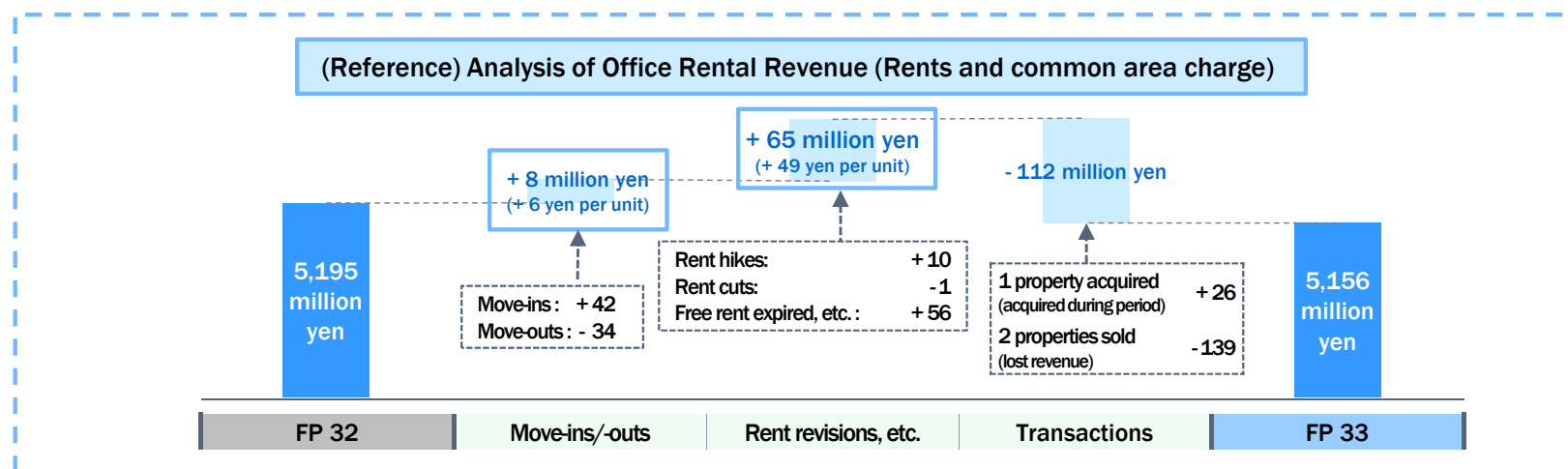
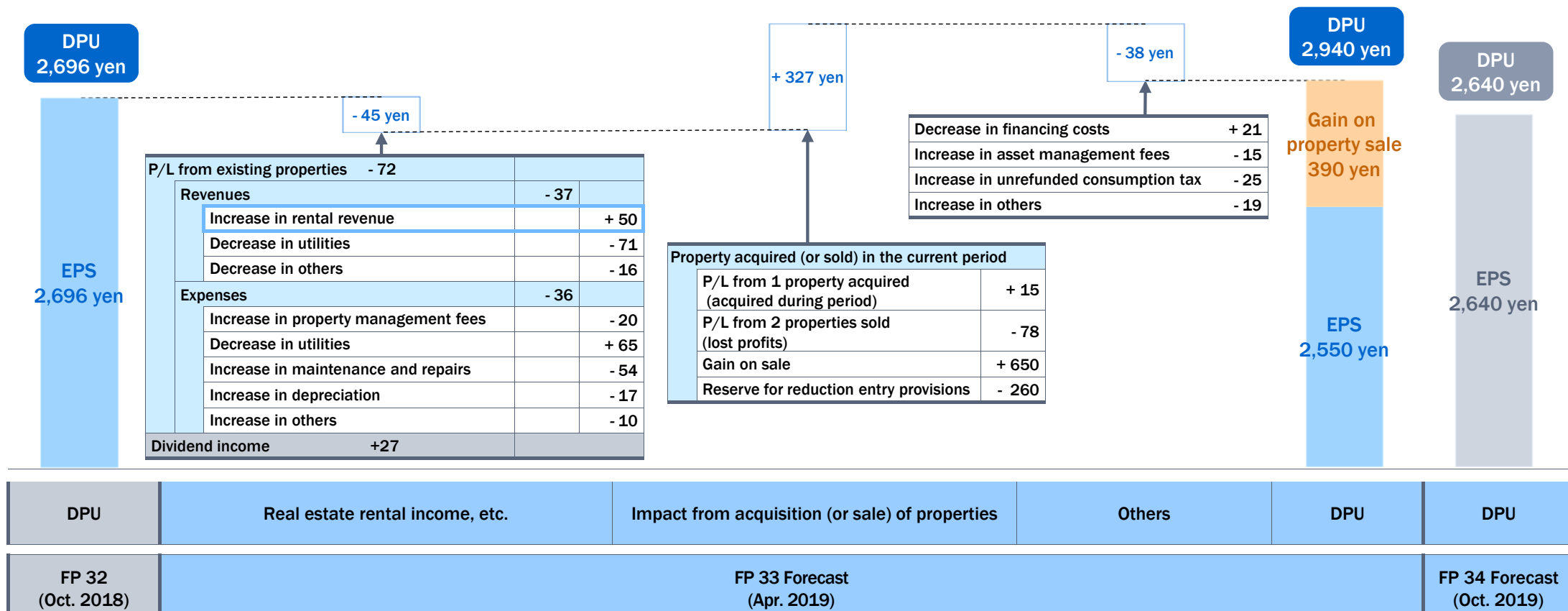
# Occupancy Rate Assumptions for Fiscal Period 33 and 34



2018								2019									
May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.
FP 32 Actual						FP 33 Forecast						FP 34 Forecast					

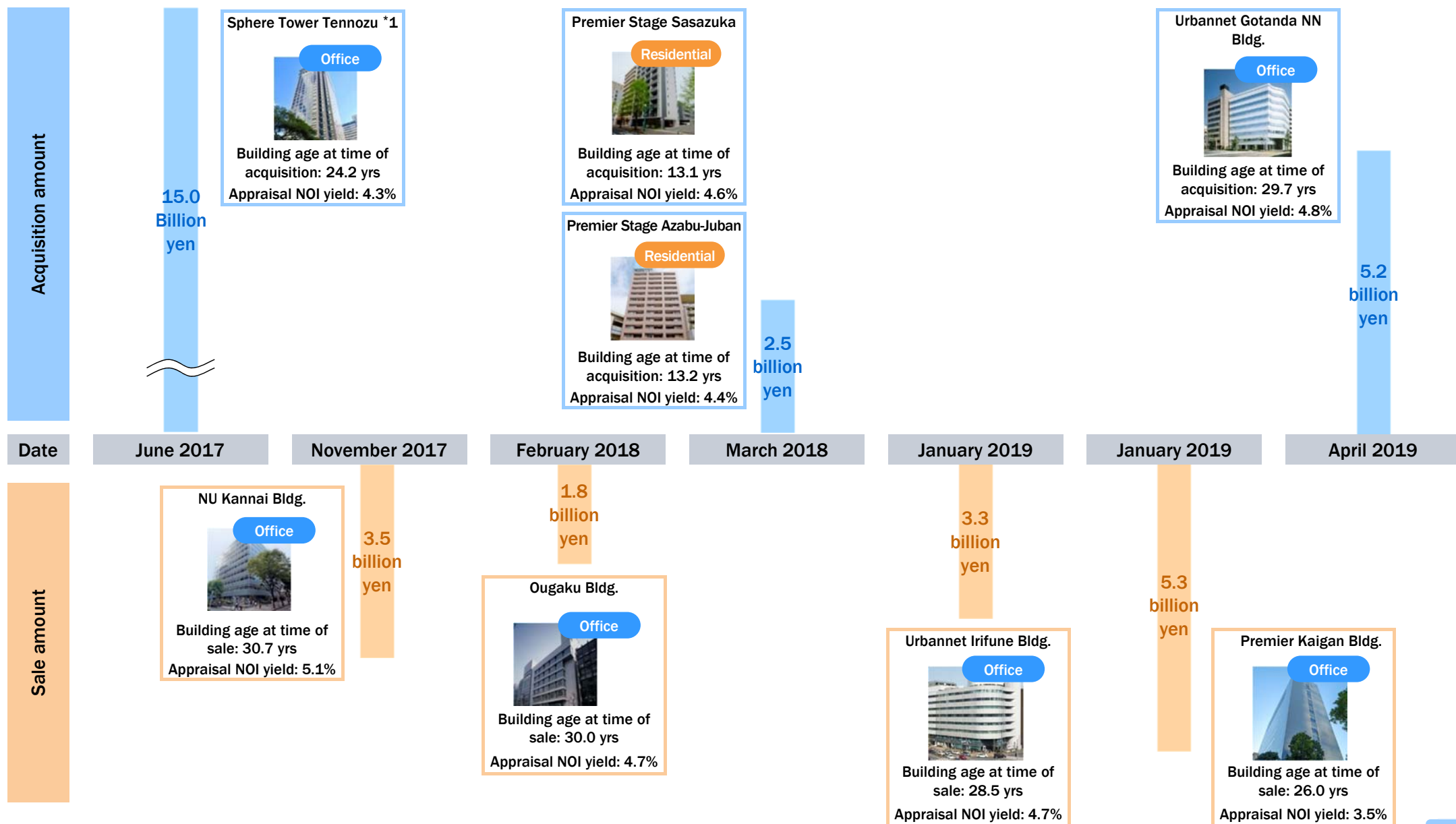


# DPU Forecasts for Fiscal Periods 33 and 34



# External Growth (Fiscal Periods 30 - 33)

■ Asset replacement transaction with NTT Urban Development (sponsor) and third parties. To improve the quality of the portfolio.



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

# Acquisition and Sale of Properties (FP 33)

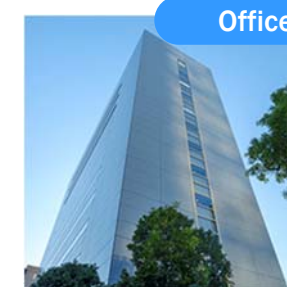
## New Acquisitions

Property acquisition	Urbannet Gotanda NN Bldg.
	 <div>Office</div>
Location	Nishigotanda, Shinagawa-ku
Seller	NTT Urban Development Corporation
Scheduled acquisition date	April 5, 2019
Acquisition price	5,250 million yen
Appraisal value at time of acquisition	5,280 million yen
Gross floor area	9,445 m <sup>2</sup>
Building age (as of End of FP 32)	29.3 years
Occupancy rate (as of End of FP 32)	100.0%
Appraisal NOI yield	4.8%

## Disposition

Disposition Property	Urbannet Irihune Bldg.
	 <div>Office</div>
Location	Irihune, Chuo-ku
Buyer	NTT Urban Development Corporation
Scheduled sale date	January 16, 2019
Sale price	3,350 million yen
Appraisal value at time of sale	3,320 million yen
Gain on sale (estimate)	513 million yen
Gross floor area	6,058 m <sup>2</sup>
Building age (as of end of FP 32)	28.3 years
Occupancy rate (as of end of FP 32)	100.0%
Appraisal NOI yield	4.7%

## Premier Kaigan Bldg.



Kaigan, Minato-ku

Not disclosed

January 30, 2019

5,350 million yen

3,920 million yen

342 million yen

8,476 m<sup>2</sup>

25.8 years

98.3%

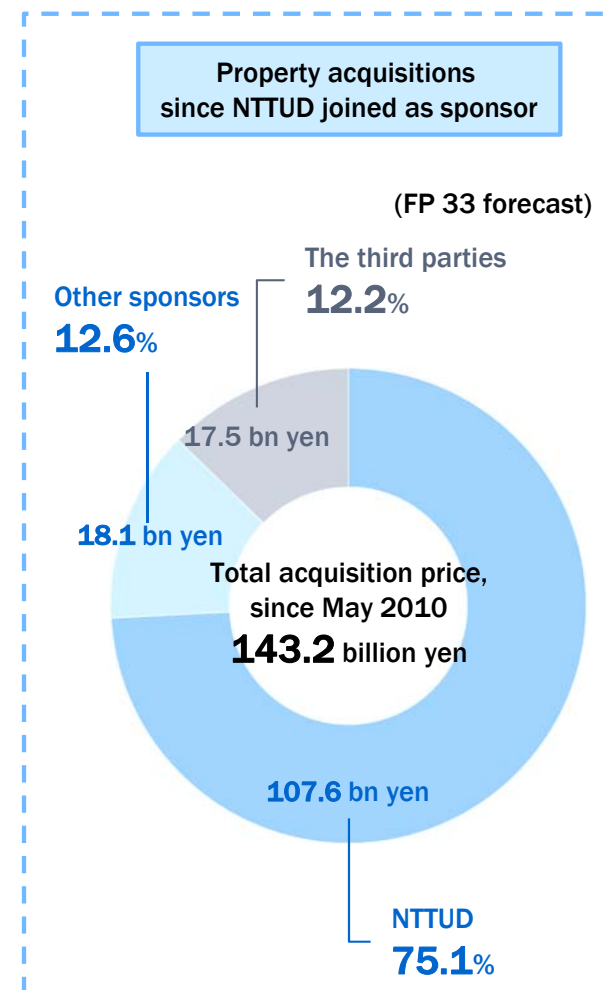
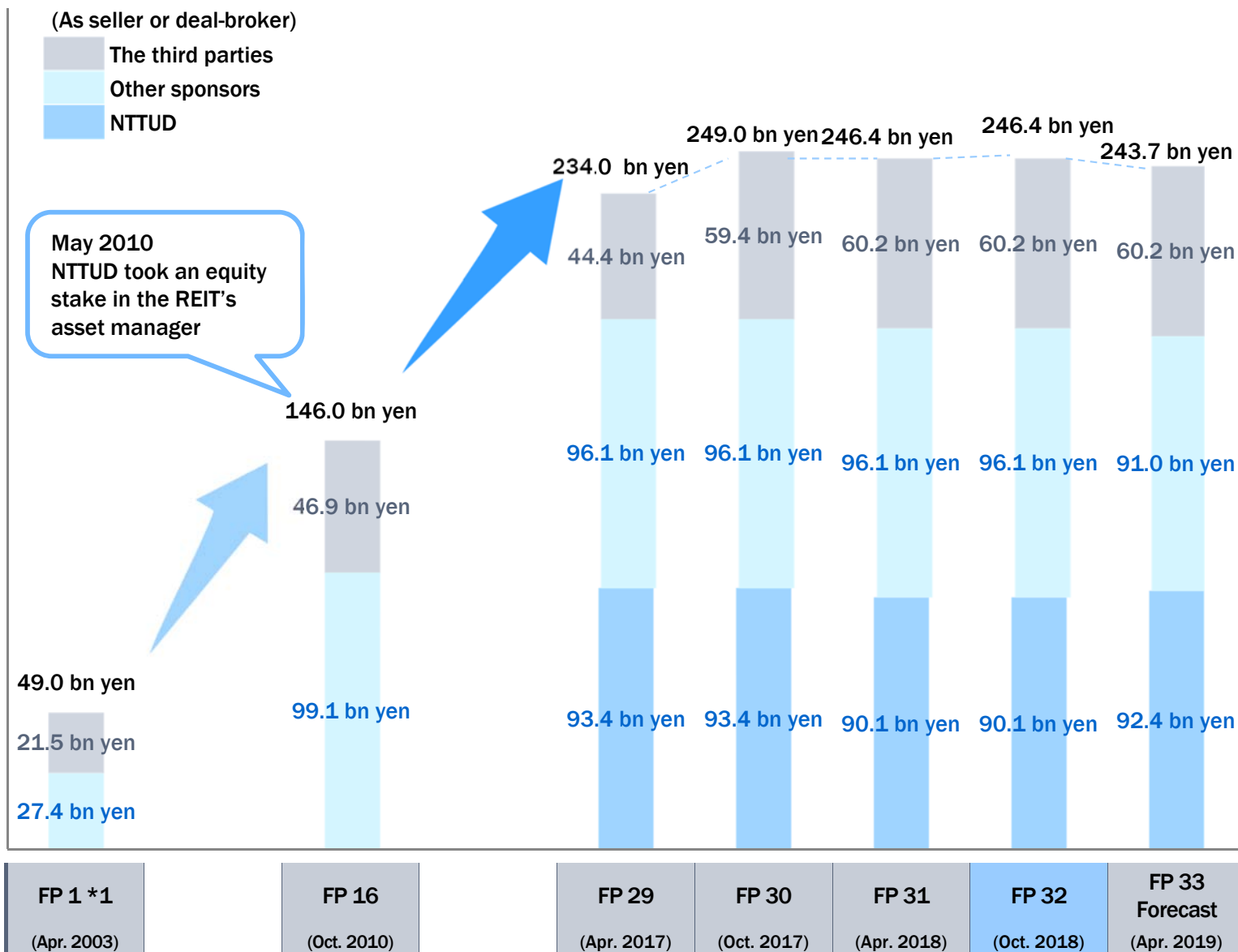
3.5%



# Asset Size



## Growth in Asset Size



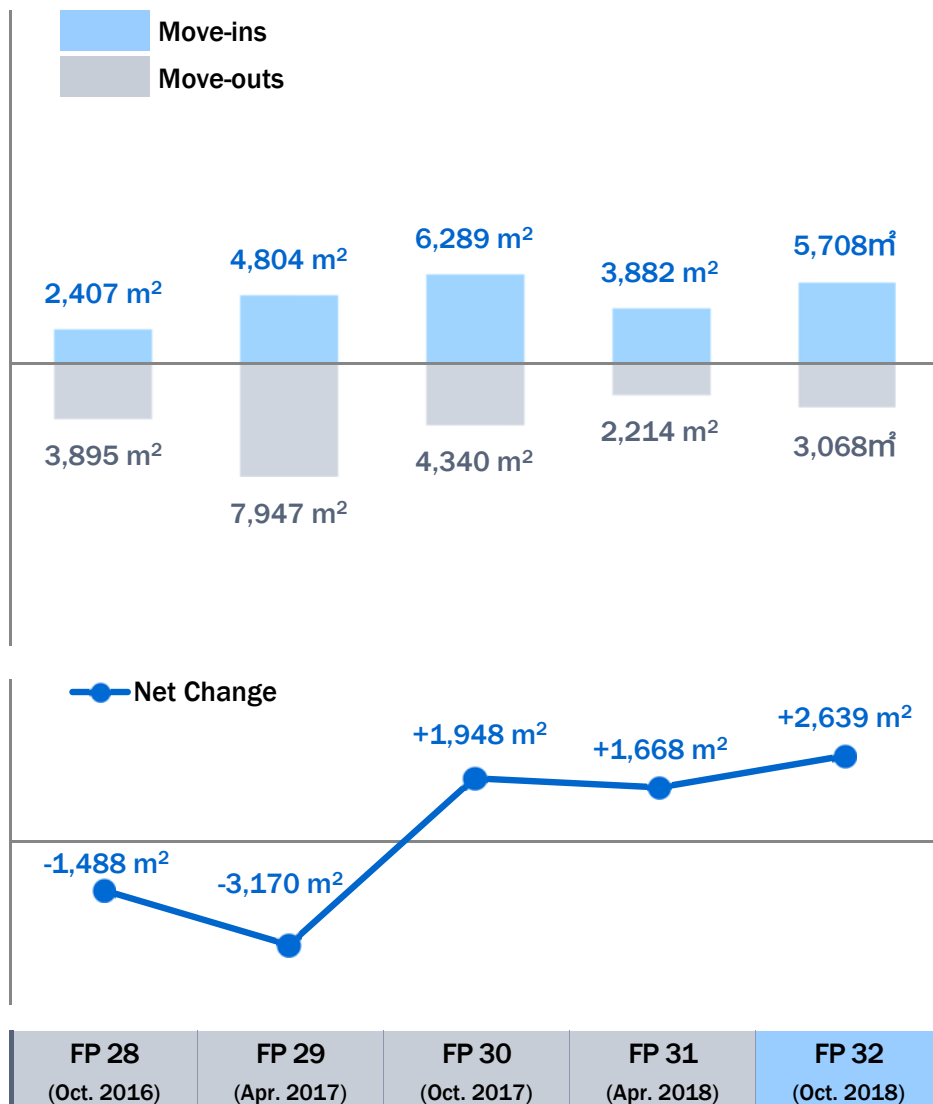
\*1 PIC was listed on the Tokyo Stock Exchange (J-REIT securities market) at September 10, 2002.

# Status of the Portfolio

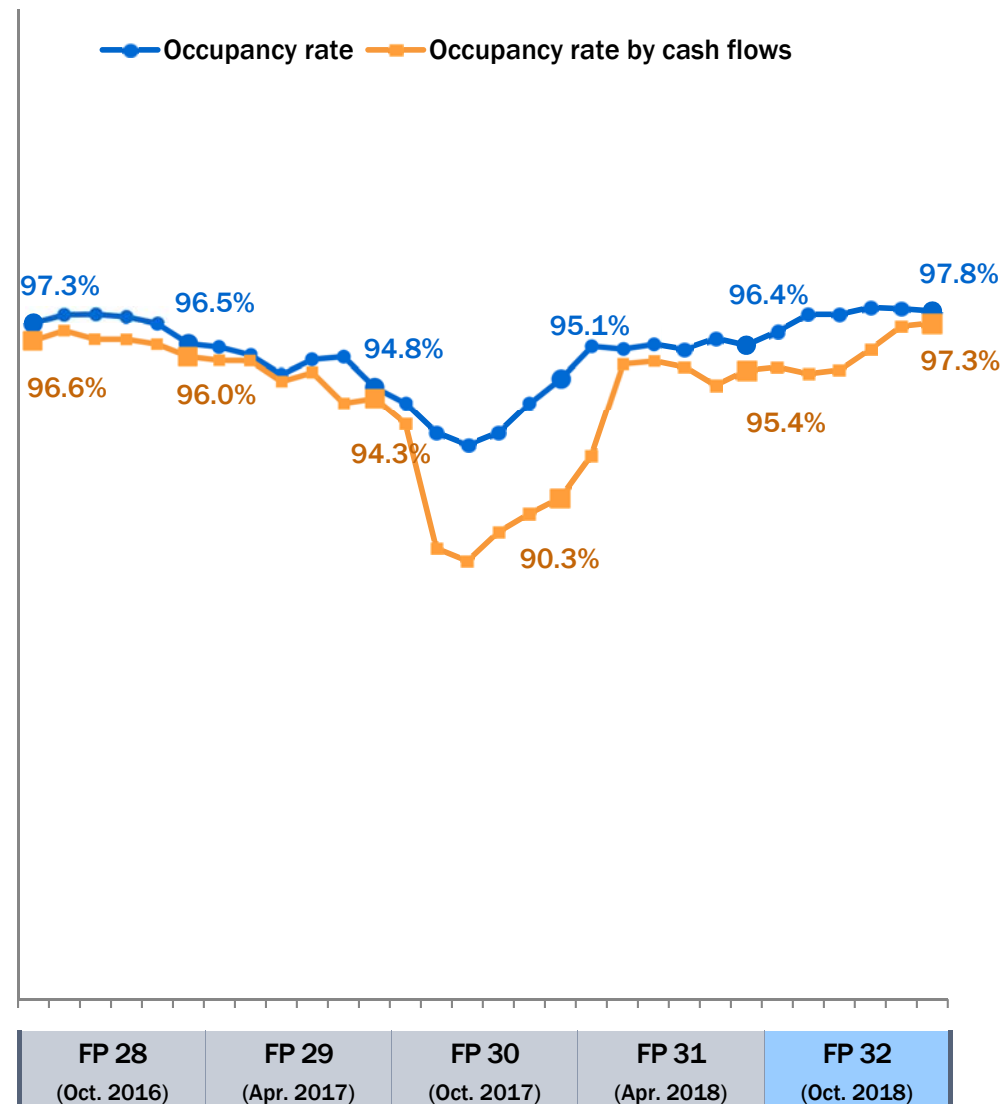
	FP 31 (Ended Apr. 2018)	FP 32 (Ended Oct. 2018)	FP 33 forecast (Ending Apr. 2019)
Number of properties	60	60	59
Asset size	246.4 billion yen	246.4 billion yen	243.7 billion yen
NOI yield	5.1% (Office 5.0% / Residential 5.1%)	5.2% (Office 5.3% / Residential 4.9%)	5.1% (Office 5.2% / Residential 4.9%)
Yield after depreciation	3.9% (Office 4.0% / Residential 3.4%)	4.0% (Office 4.3% / Residential 3.3%)	3.9% (Office 4.2% / Residential 3.2%)
Average age across portfolio	22.2 years (Office 26.9 years / Residential 13.7 years)	22.7 years (Office 27.4 years / Residential 14.2 years)	23.2 years (Office 28.0 years / Residential 14.7 years)
Distribution of the Portfolio	By asset type 		
	By geographical area 		

# Office: Tenant Turnover and Occupancy Rates

Office Tenant Turnover (area)

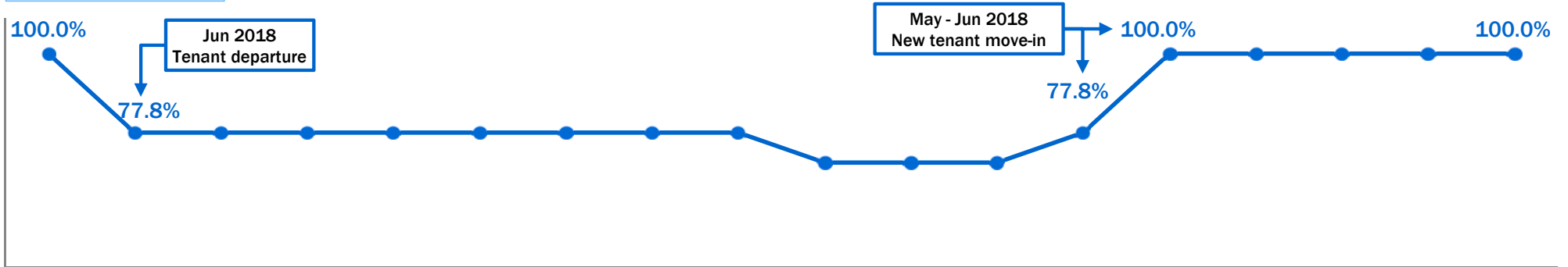


Occupancy Rate and Occupancy Rate by Cash Flows



## Properties with Tenant Departures (1)

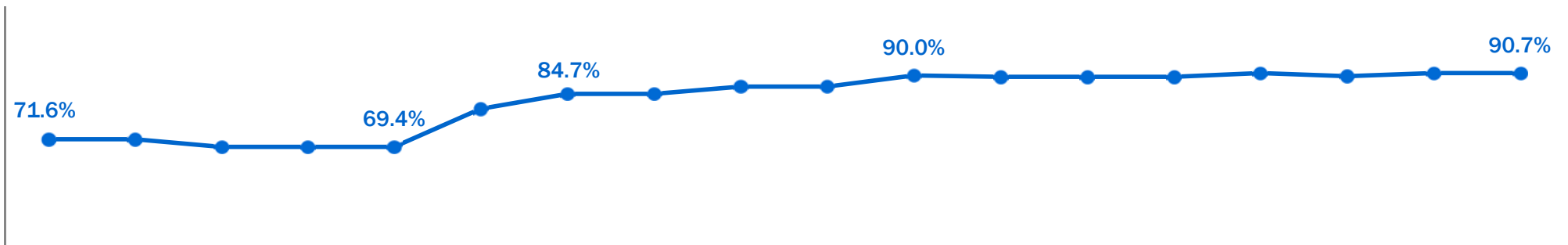
### KN Shibuya No.3



FP 30						FP 31						FP 32					
May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.

■ Re-Leasing has progressed smoothly helped by low vacancy rate in the submarket. Backfilling complete in June.

### The Kanagawa Science Park R&D Building

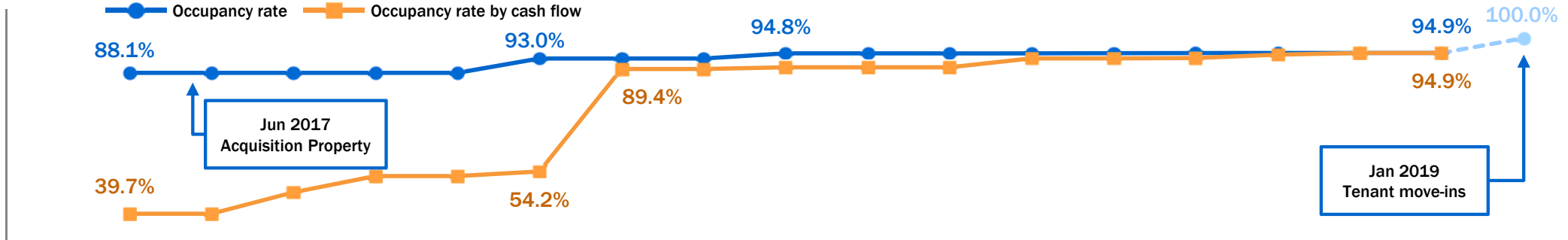


FP 30						FP 31						FP 32					
May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.

■ Leasing has progressed smoothly in the area where renting halted due to air conditioning equipment improvement work.

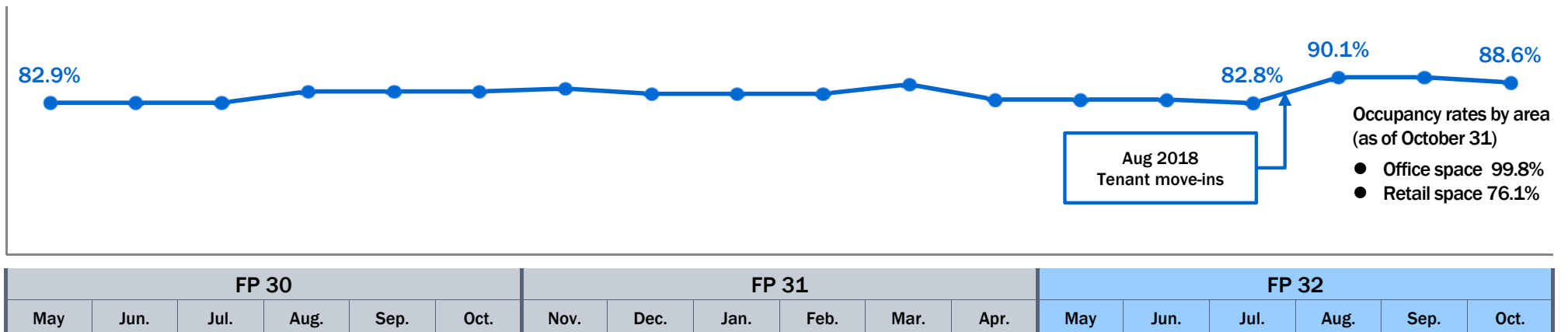
## Properties with Tenant Departures (2)

### Sphere Tower Tennozu



- Succeeded at leasing the 26th and 27th floor (converted a current retail space to office use). To have 100% occupancy in January.

### NTT CRED Okayama Bldg.



- Succeeded at renting a floor (conference room) for retail space. Occupancy rates in the office space remains high.

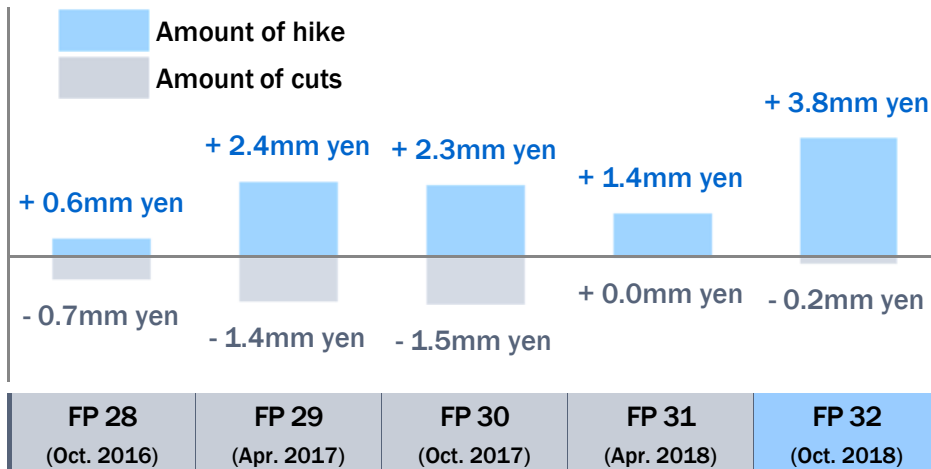




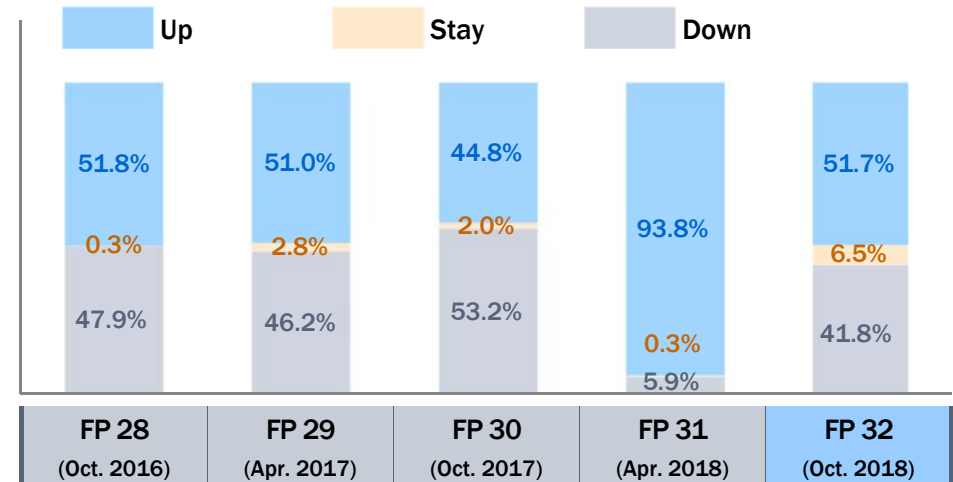
# Office Rent Trends



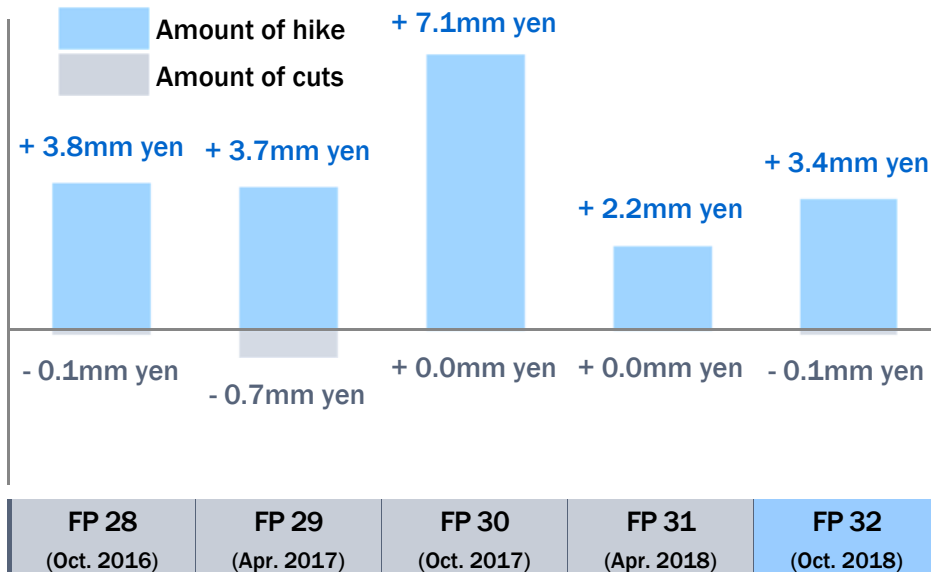
## Change in Rents at Tenant Turnover (monthly)



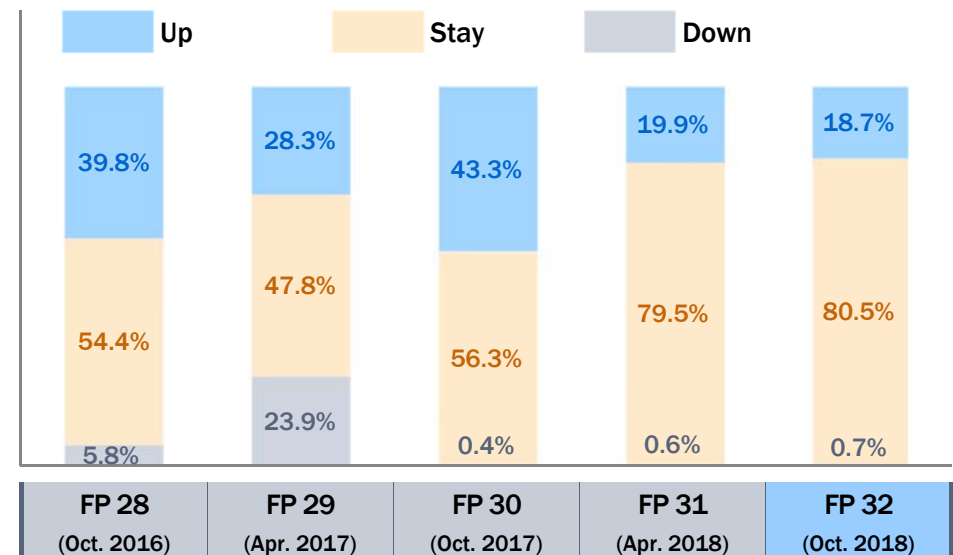
## Analysis of Rents Subject to Tenant Turnover



## Change in Rents at Contract Renewal (monthly)

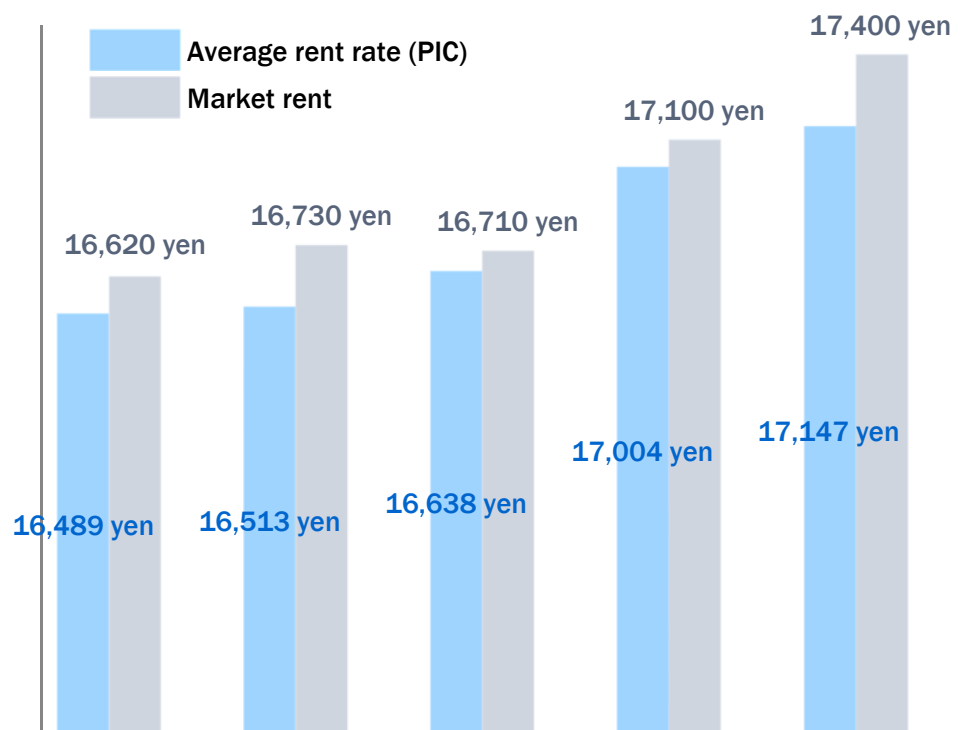


## Change in Rents Subject to Contract Renewal

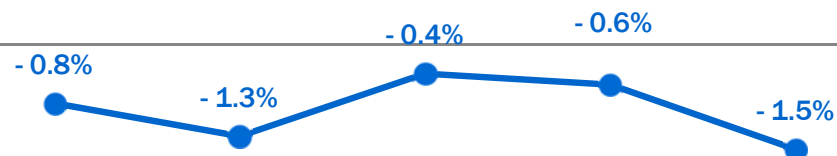


# Office: Rent Analysis (Greater Tokyo)

Comparison to Market Rents (per tsubo)

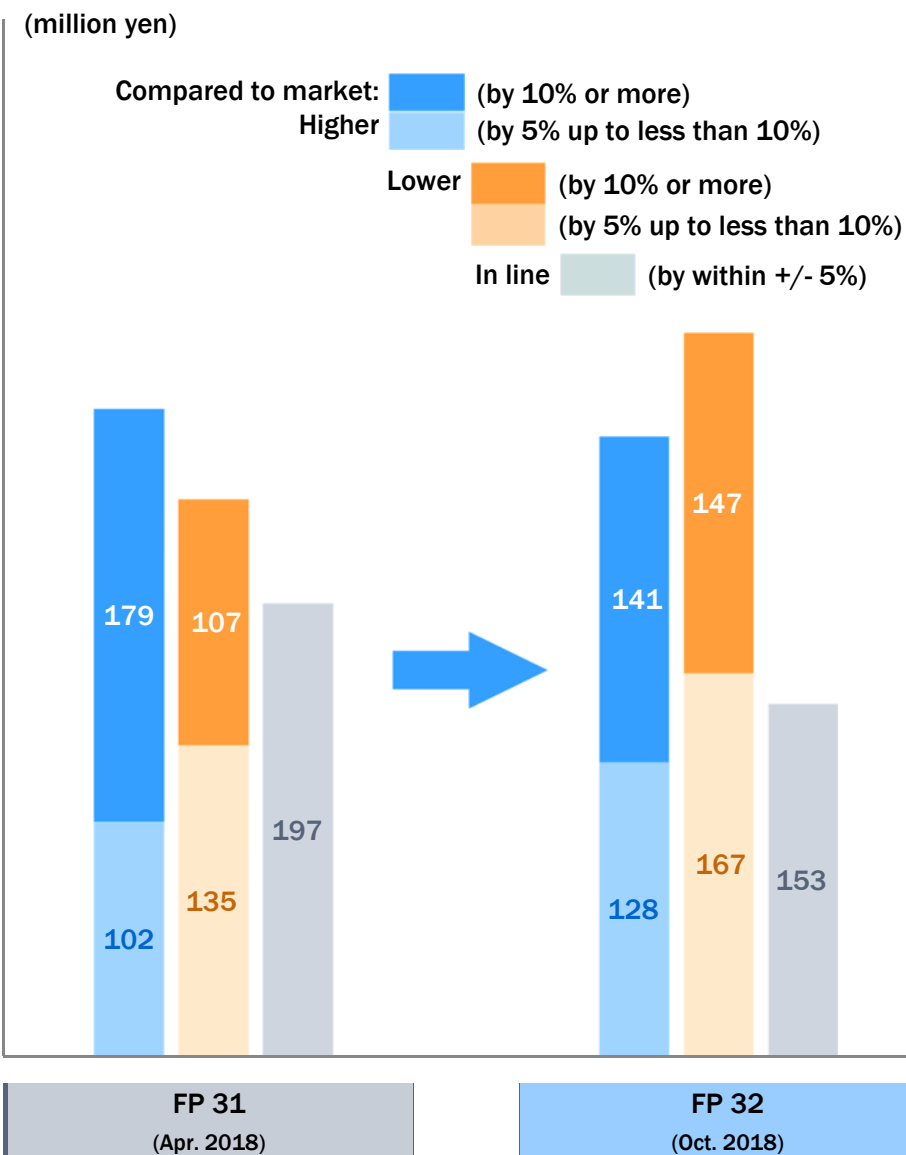


Rent gap \*1



FP 28	FP 29	FP 30	FP 31	FP 32
(Oct. 2016)	(Apr. 2017)	(Oct. 2017)	(Apr. 2018)	(Oct. 2018)

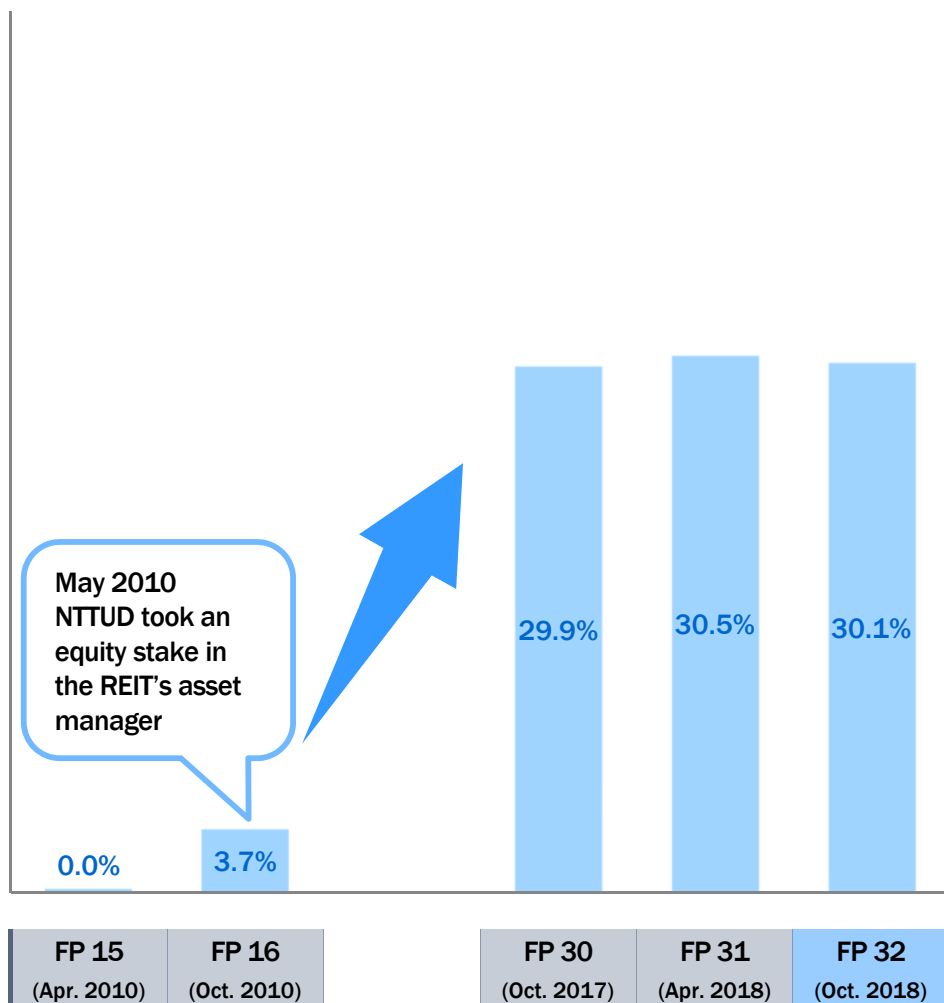
Rent Gap Analysis



\*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 leased area. Does not include properties located in major regional cities.

# Office: Status of Tenants

## Office Tenant Exposure to NTT Group



## Top 10 Office Tenants

NTT group

(as of October 31, 2018)

	Tenant	Space leased	% *1	Property name	Next lease renewal	
1	NTT Facilities, Inc.	10,681m <sup>2</sup>	5.9%	UA Higobashi Bldg. and others	Mar. 2020	FP 35
2	Docomo CS, Inc.	10,525m <sup>2</sup>	5.8%	UN Ikebukuro Bldg.	Apr. 2020	FP 35
3	NTT Business Associe East Co., Ltd.	7,488m <sup>2</sup>	4.2%	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. 2020	FP 36
8	NTT Learning Systems Corporation	4,801m <sup>2</sup>	2.7%	UN Azabu Bldg.	Mar. 2020	FP 35
9	Japan Display Inc.	4,140m <sup>2</sup>	2.3%	Landic Shimbashi 2 Bldg.	Sep. 2020	FP 36
10	ITOKI CORPORATION *2	4,037m <sup>2</sup>	2.2%	UN Irifune Bldg.	Jun. 2019	FP 34

\*1 Of the entire PIC portfolio, a percentage to gross area under lease in office use sections is shown

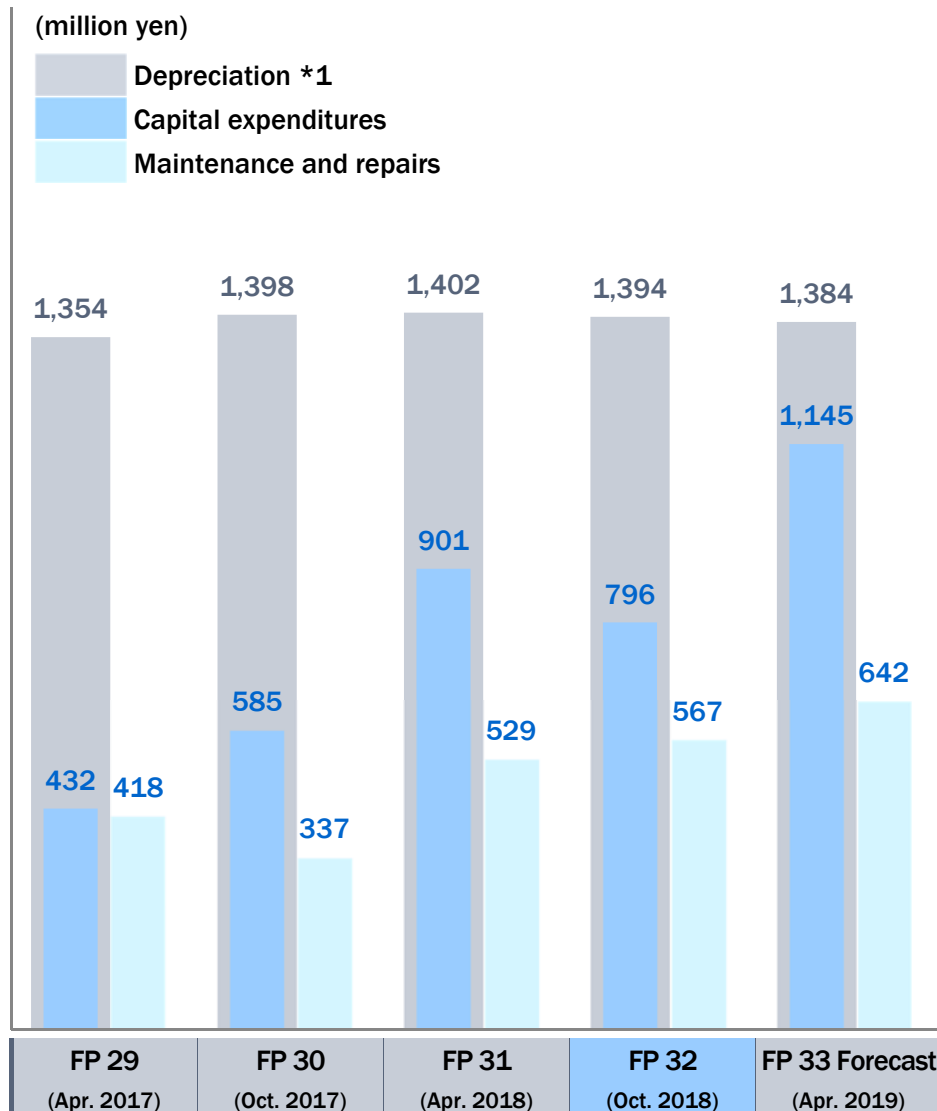
\*2 PIC received a notice of move-out from ITOKI CORPORATION with January 15, 2019, as the planned contract cancellation date.



# Status of Construction Works



## Changes in Construction Fees and Depreciation



## Maintenance and Repairs

(million yen)

	Property name	Expenditures	Main details of work
FP 32 actual [567 million yen]	Urbannet Ikebukuro Bldg.	118	Renovation of HVAC
	Questcourt Harajuku	43	Waterproofing of roof
	Sphere Tower Tennozu	32	Maintenance of hot water pump
FP 33 planned [642 million yen]	Park Axis Yotsuya Stage	128	Repairing of exterior wall
	Urbannet Ikebukuro Bldg.	99	Renovation of HVAC
	Urbannet Azabu Bldg.	40	Repairing of ceiling

## Capital Expenditures

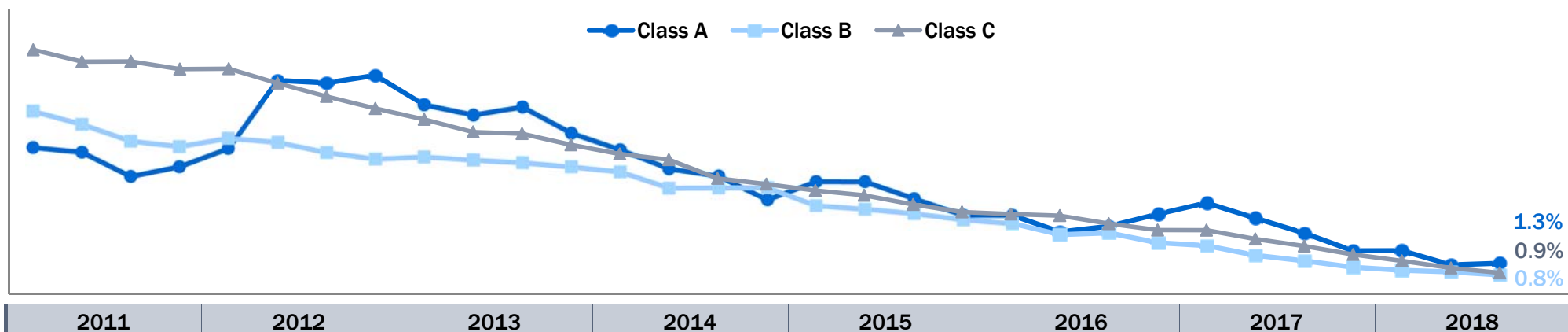
(million yen)

	Property name	Expenditures	Main details of work
FP 32 actual [796 million yen]	Urbannet Ikebukuro Bldg.	350	Renovation of sanitation facilities
	NTT CRED Okayama Bldg.	94	Work related to tenant move-in
	Sphere Tower Tennozu	47	Renovation of HVAC
FP 33 planned [1,145 million yen]	Urbannet Ikebukuro Bldg.	261	Renovation of sanitation facilities
	Sphere Tower Tennozu	233	Work related to tenant move-in
	The Kanagawa Science Park R&D Bldg.	174	Replacement of elevators

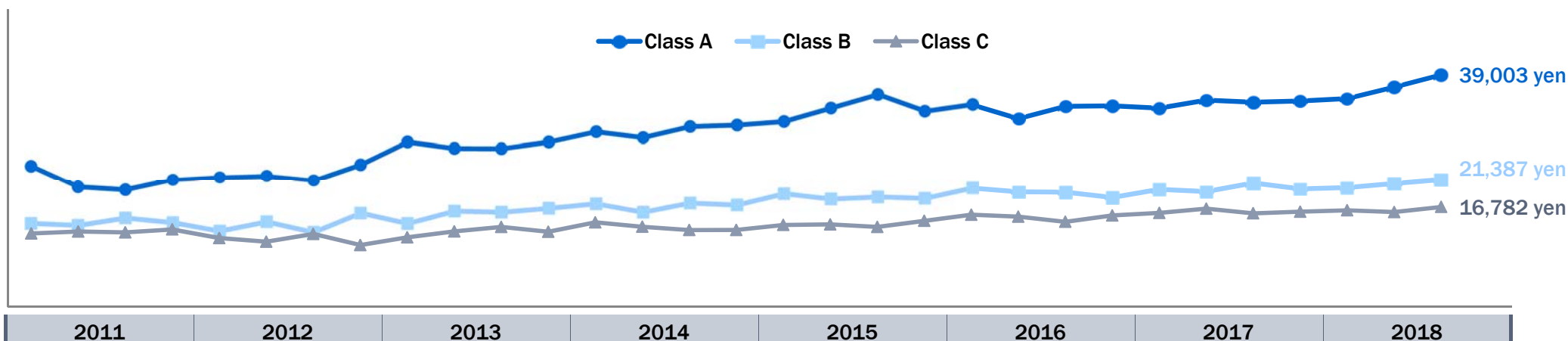
\*1 Depreciation expenses indicate the amount related to real estate rental expenses.

# Office Market Trends (Tokyo)

Market Vacancy Rate \*1



Market Rents per Month per Tsubo \*1



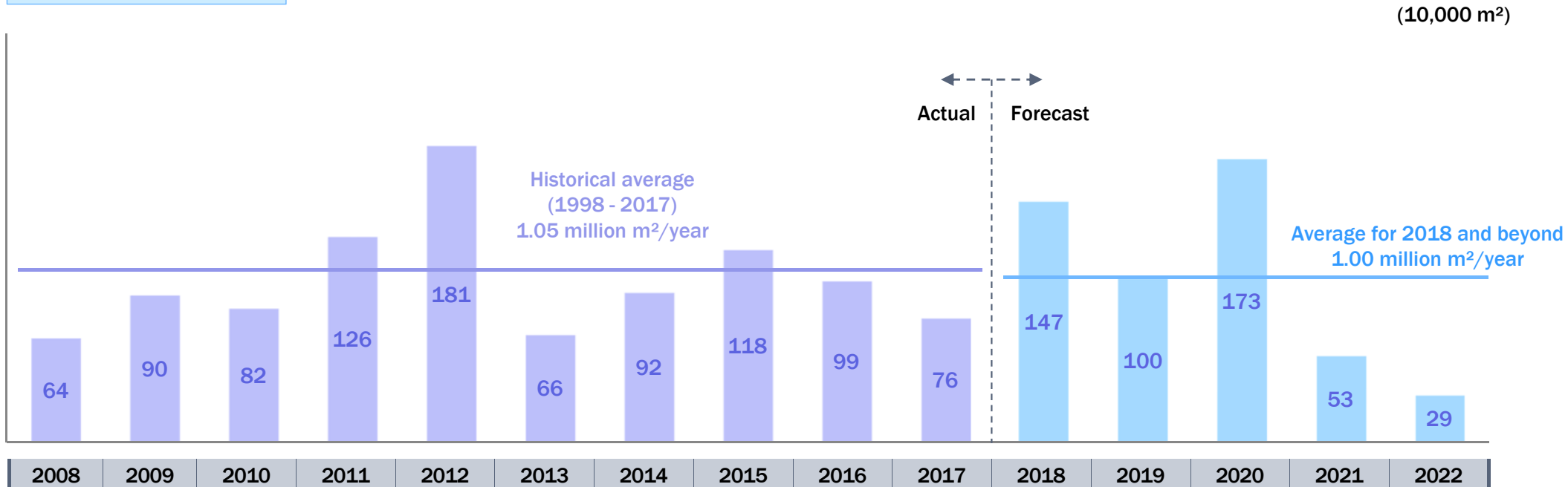
\*1 Prepared by PRA based on "Office Rent Index" from Sanko Estate Co., Ltd. "Market rents per month per tsubo" display prices based on contracted rents, not including common area charges. Moreover, the indices are categorized by the standards below.

	Area located	Gross floor area	Typical floor plate	Years since construction	Facilities
Class A	Main office districts in five central Tokyo wards and office building areas in surrounding wards (Gotanda/Osaki, Kita-Shinagawa/Higashi-Shinagawa, Yushima/Hongo/Koraku, Meguro-ku)	10,000 tsubos or more	300 tsubos or more	15 years and under	Ceiling height 2.7 m and above
Class B		No limits	200 tsubos or more	No limits	No limits
Class C		No limits	100 tsubos or more and less than 200 tsubos	No limits	No limits

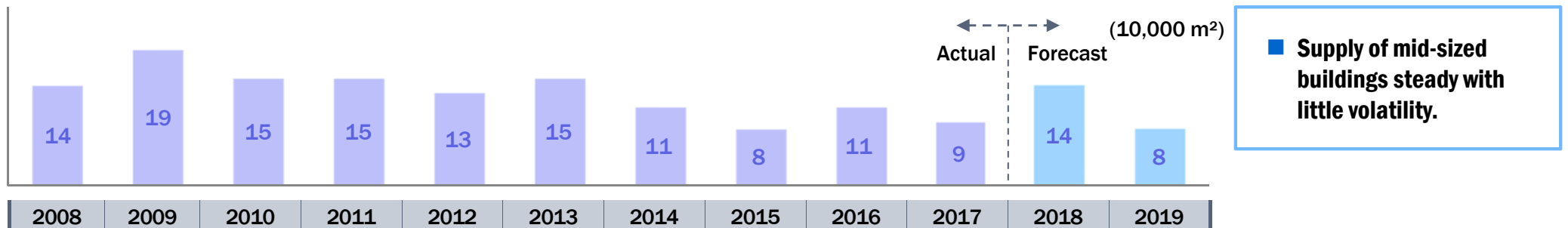
# Office Supply (23 Wards of Tokyo)

- Average new supply of large-scale office buildings over next 5 years equal to historical average.
- New supply primarily located in central Tokyo. Much of new supply will come from tearing down existing buildings.

## Large-scale Buildings \*1



## Mid-sized Buildings \*1

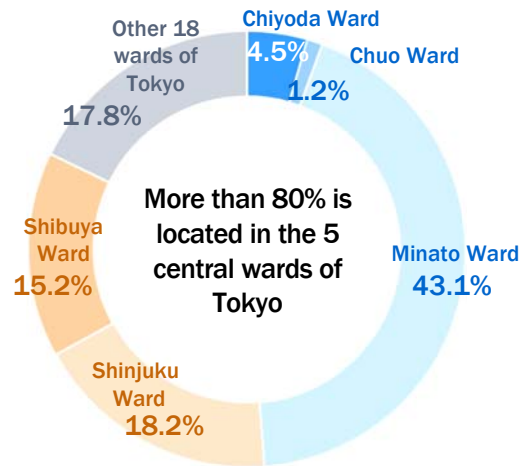


\*1 Prepared by PRA based on Survey of Large-scale Office Building Supply in Tokyo's 23 Wards by Mori Trust (dated April 25, 2018). Large-scale buildings refers to properties with 10,000 m<sup>2</sup> or more in gross floor area in office space. Mid-sized buildings refers to office buildings with gross floor area of 5,000 m<sup>2</sup> to less than 10,000 m<sup>2</sup>.

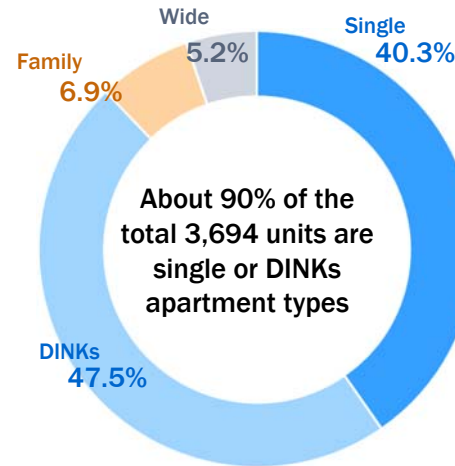


# Residential: Portfolio Analysis

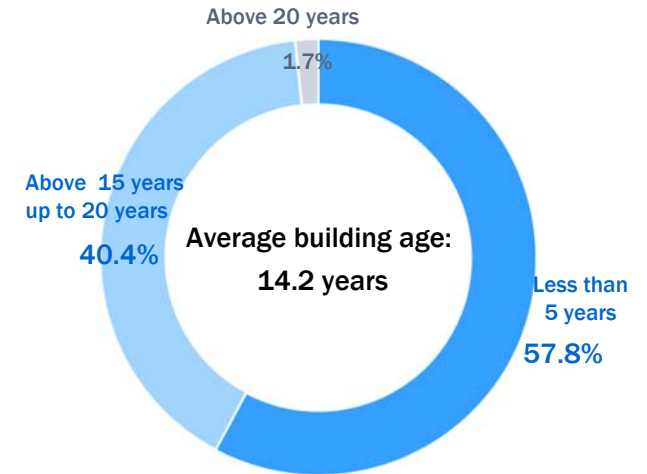
**Geographical Distribution** (based on acquisition price)



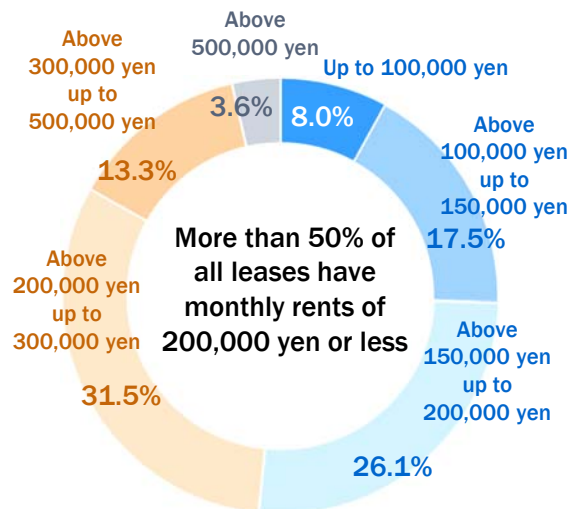
**Apartment Type** (by number of apartment units)



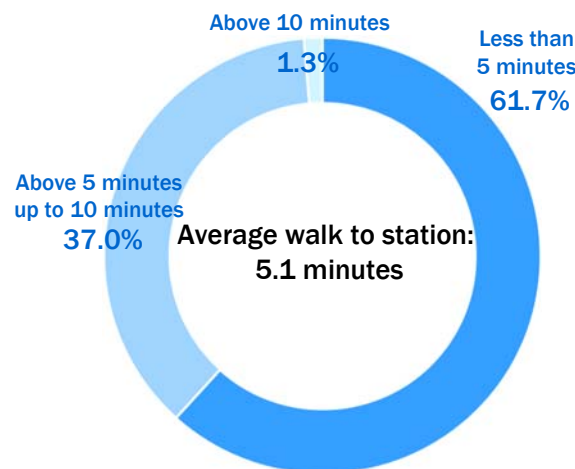
**Building Age** (based on acquisition price)



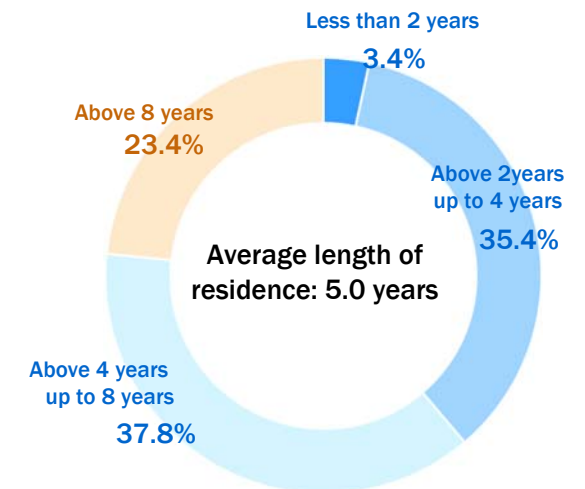
**Monthly Rent** (by number of apartment units)



**Access to Closest Train Station** (based on acquisition price)

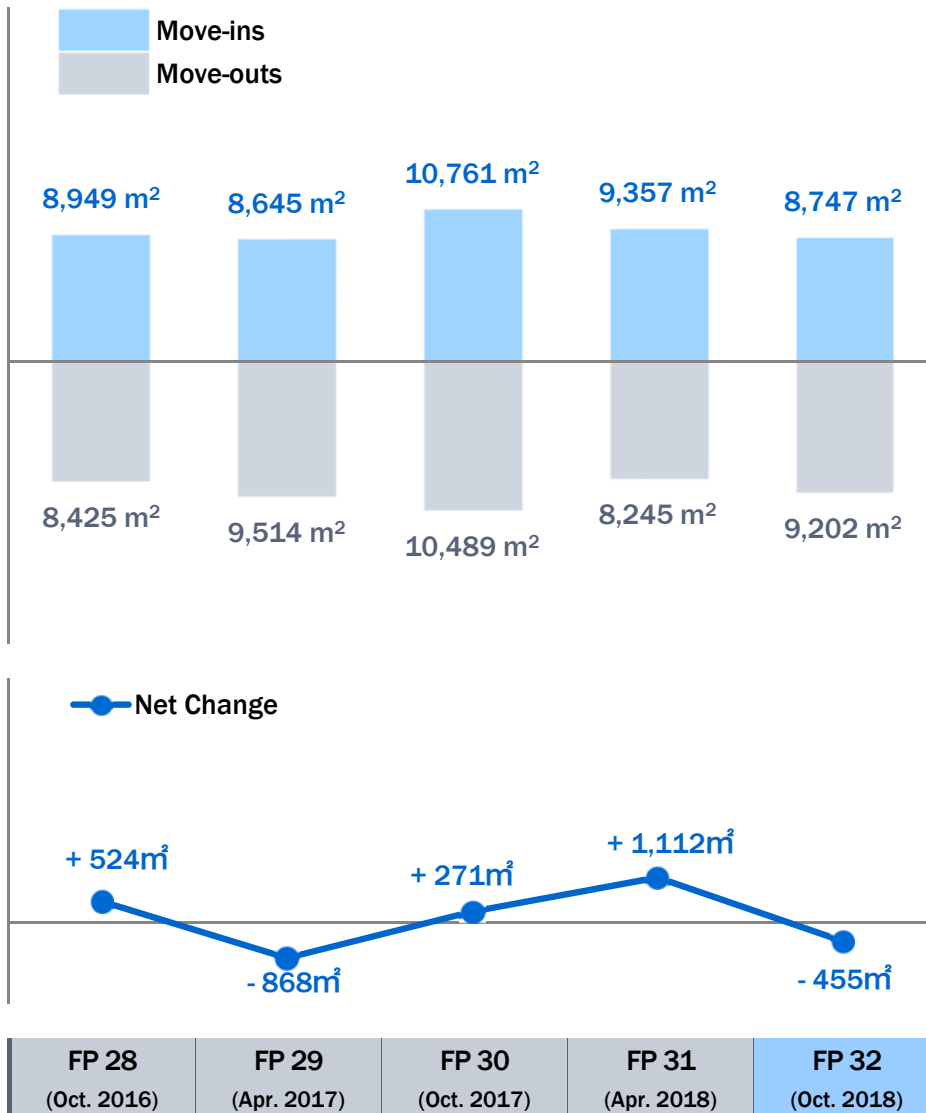


**Length of Residence** (by number of apartment units)

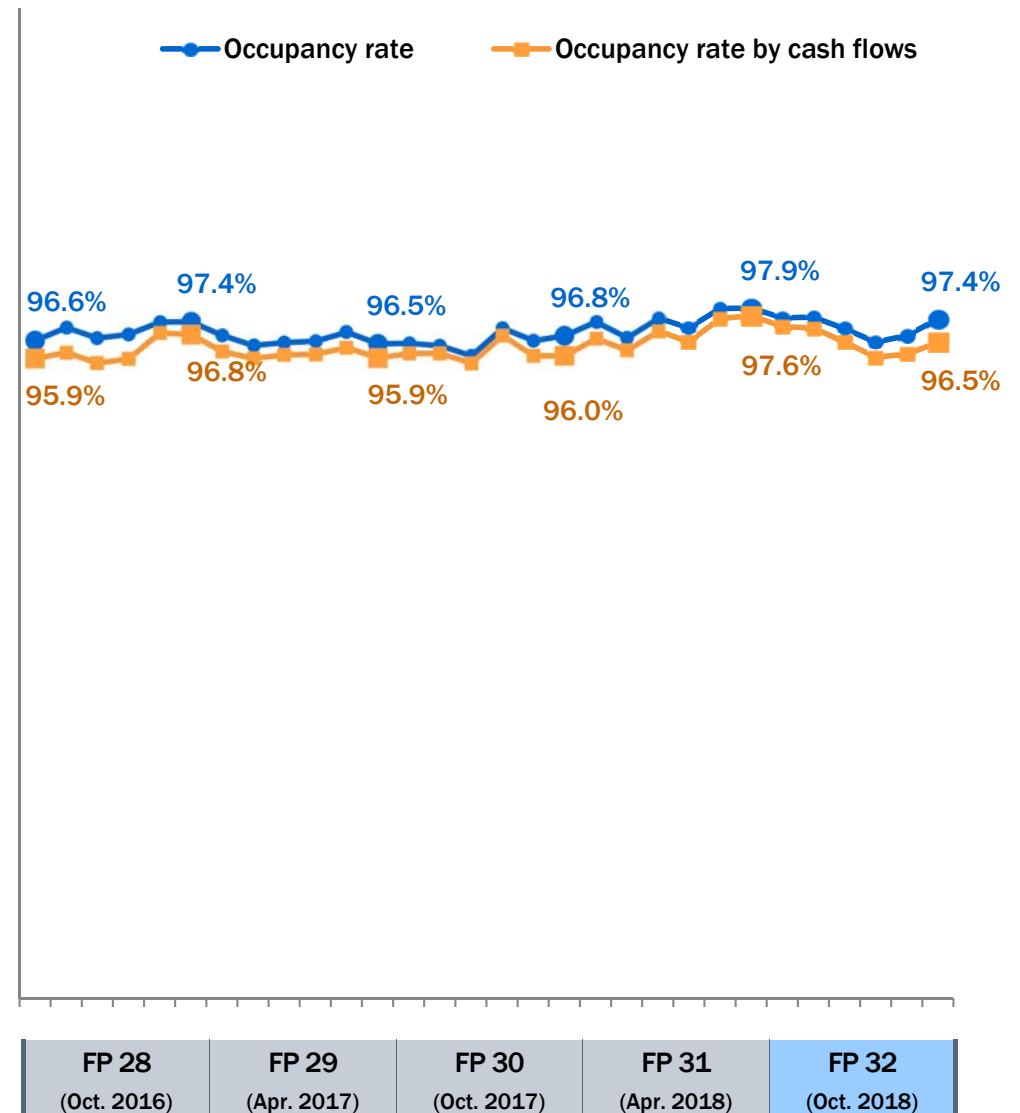


# Residential: Tenant Turnover and Occupancy Rates

Residential: Tenant Turnover (area)



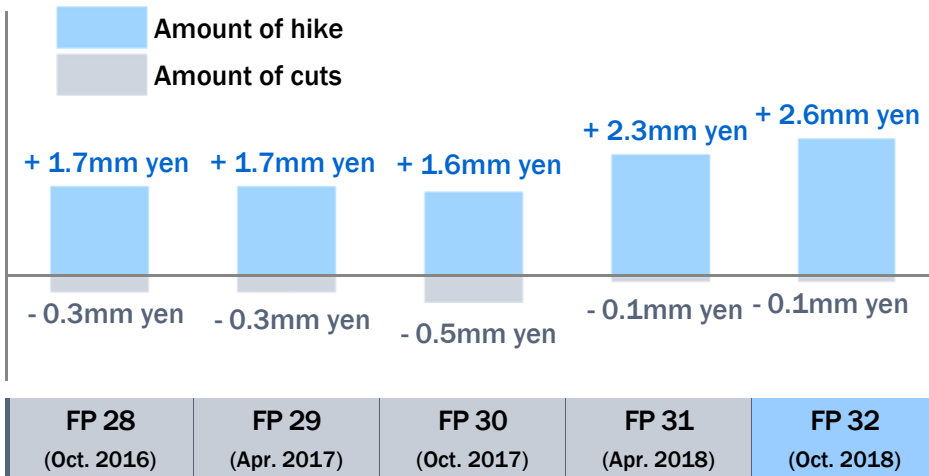
Occupancy Rate and Occupancy Rate by Cash Flows



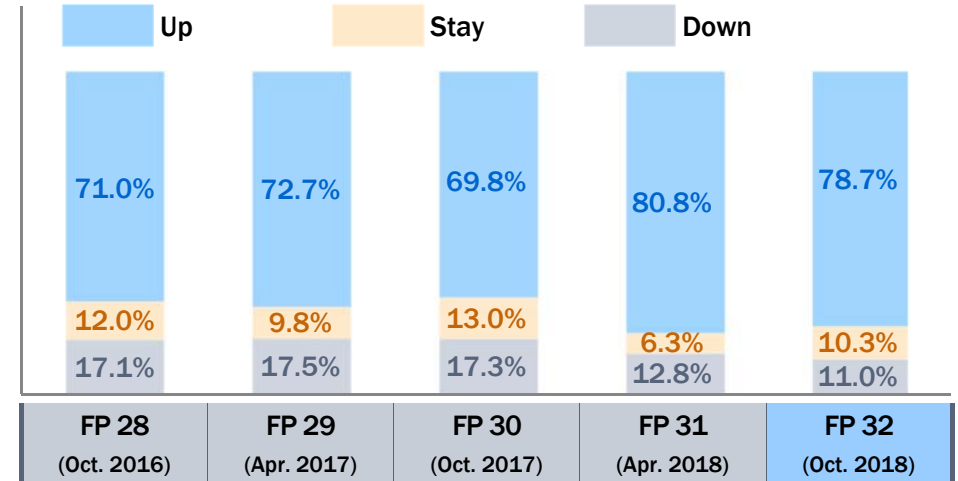


# Residential: Rent Trends

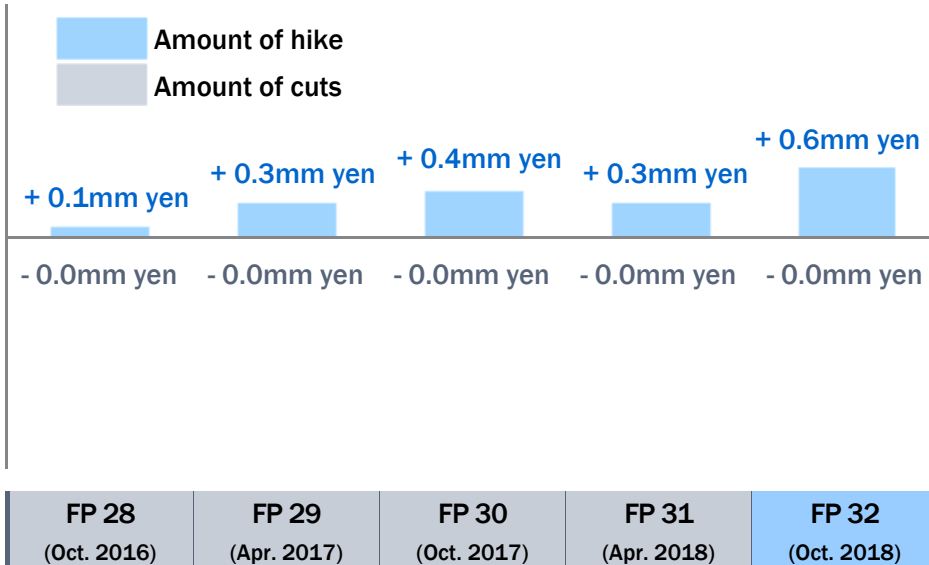
## Change in Rents at Tenant Turnover (monthly)



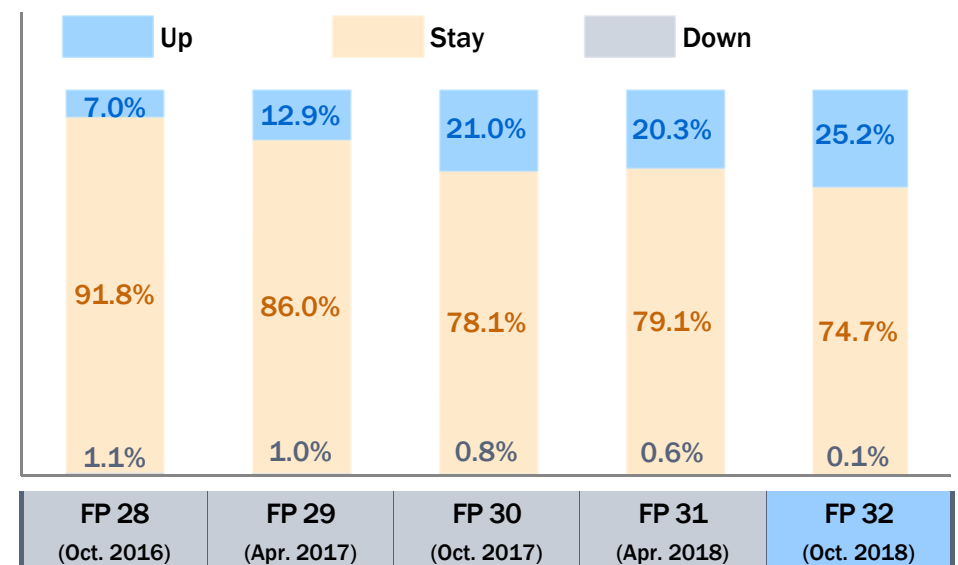
## Analysis of Rents Subject to Tenant Turnover



## Change in Rents at Contract Renewal (monthly)

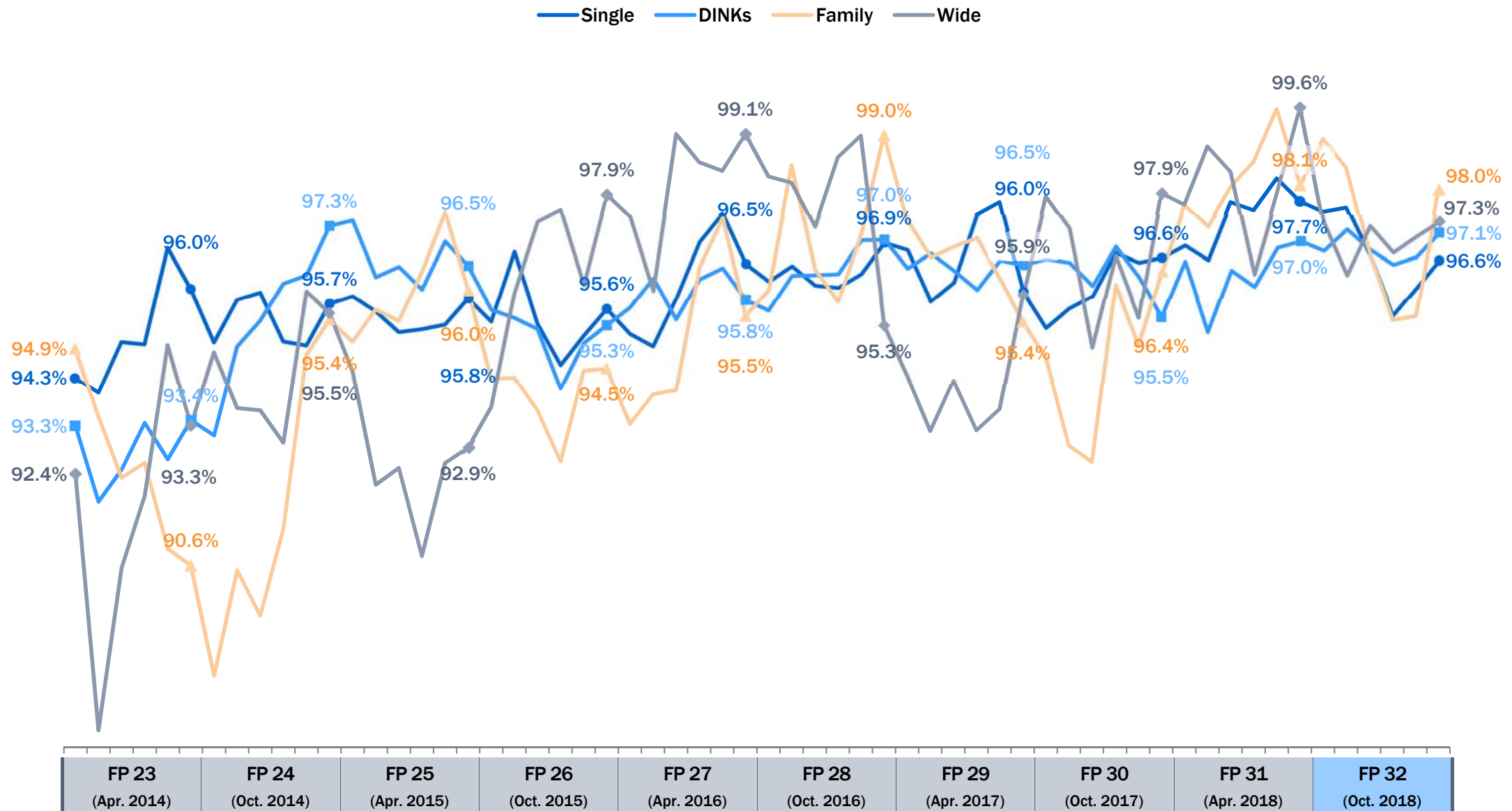


## Change in Rents Subject to Contract Renewal





## Residential: Occupancy Rates by Unit Type

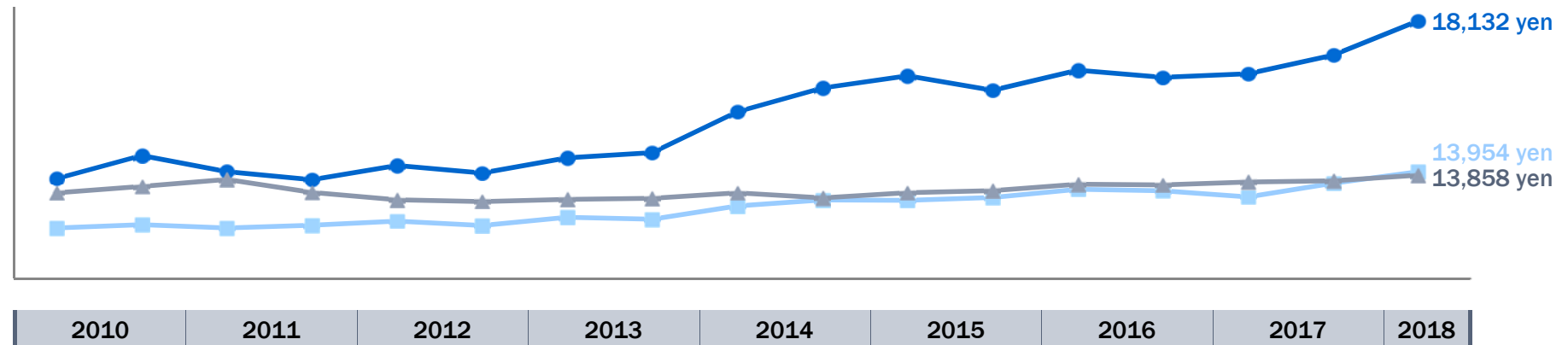




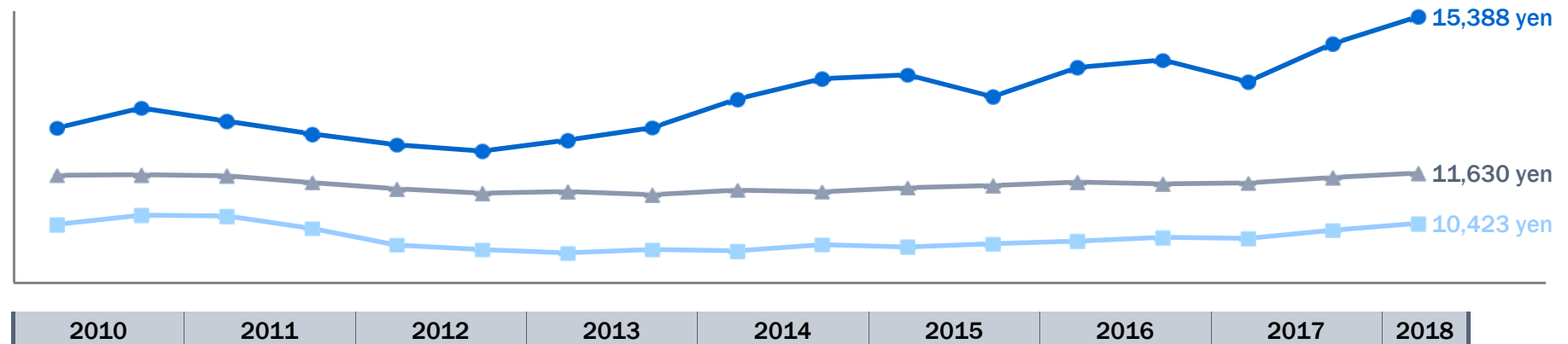
# Apartment Rent Trends in Tokyo

- ▲ 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

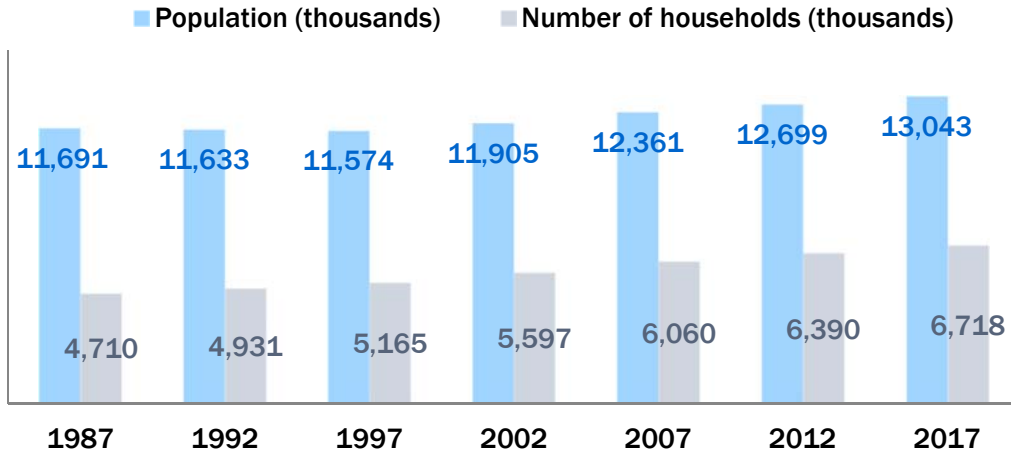


Rent (per tsubo) in 23 Wards of Tokyo \*1

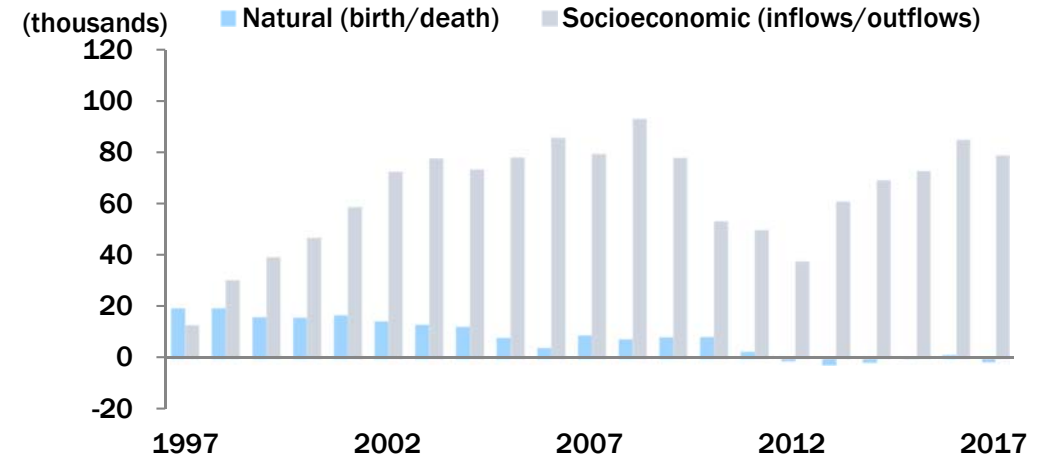


# Residential: Macro Environment (Tokyo)

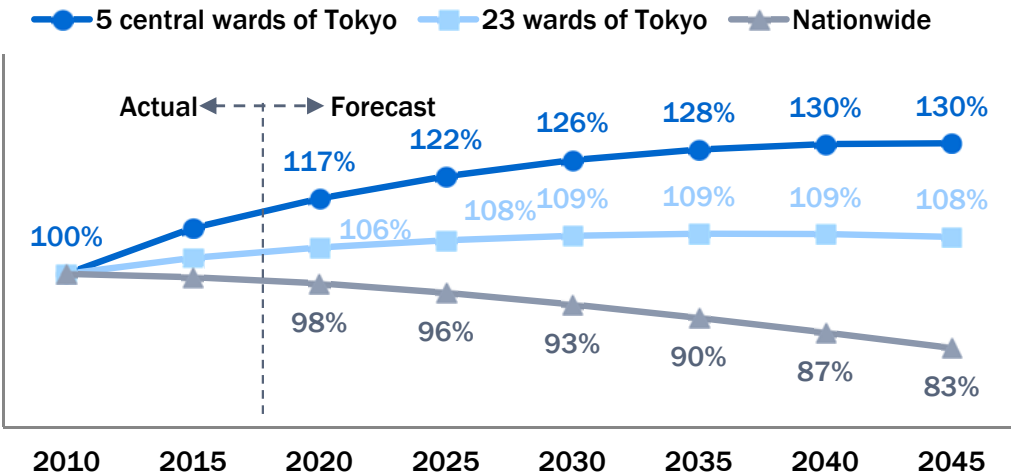
Population and Households (Tokyo) \*1



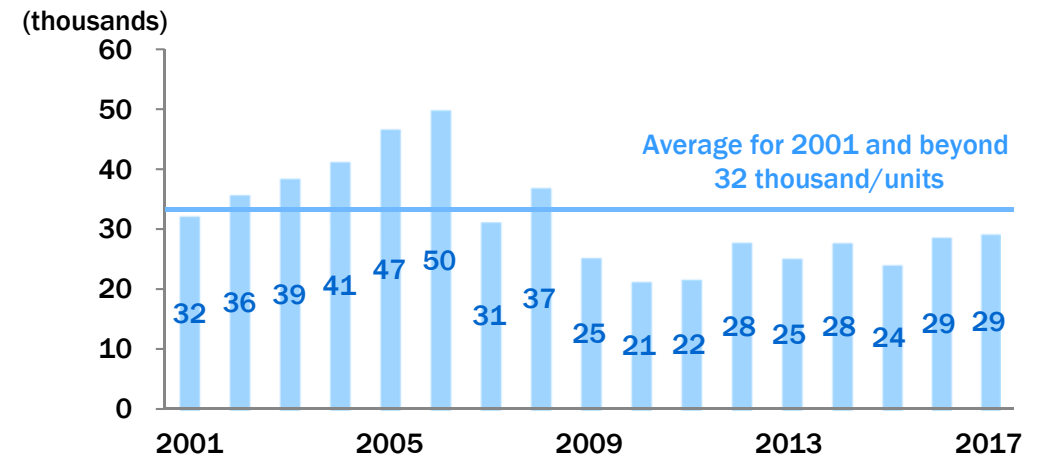
Population Change (Tokyo) \*1



Projected Future Population \*2



Housing Starts of Rental Condominiums (Tokyo) \*3



\*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 2018 Population Projections for Japan by the National Institute of Population and Social Security Research. Populations as of 2010 have been indexed to 100%.

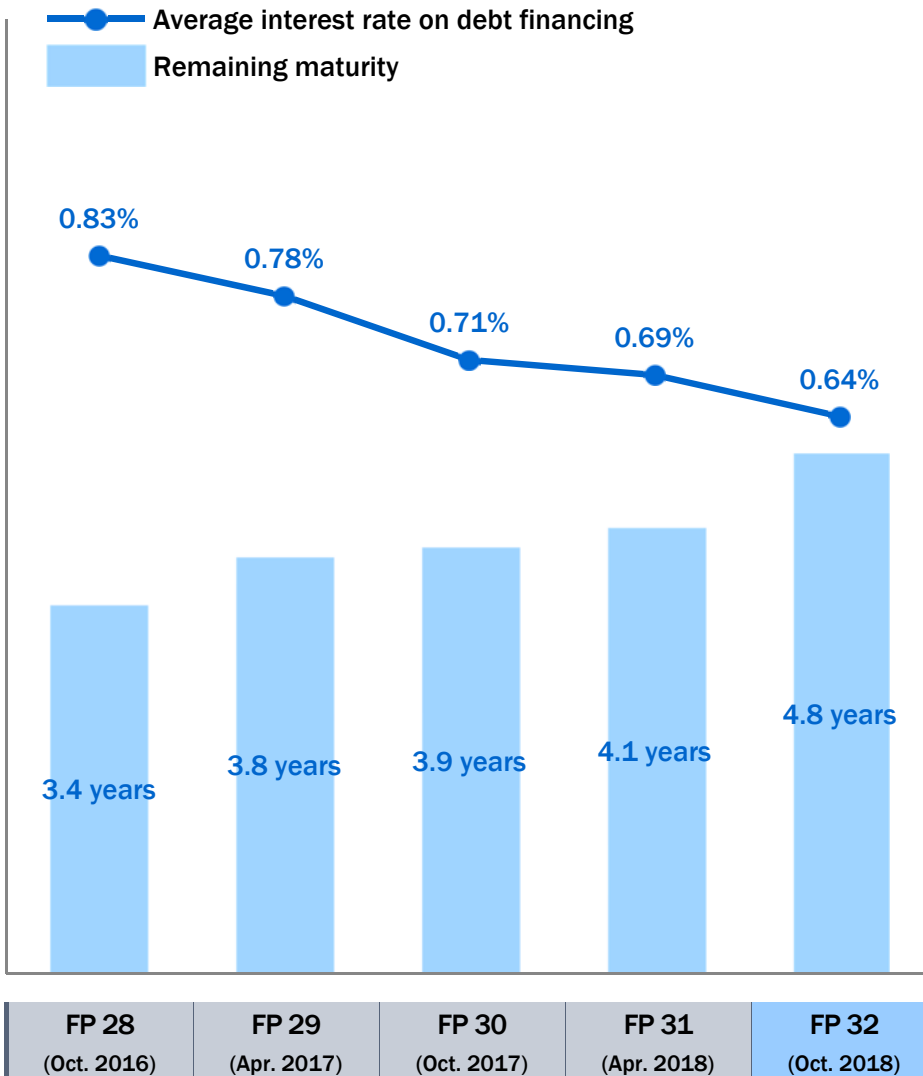
\*3 Prepared by PRA based on the "Housing Starts Statistical Survey" (Reinforced concrete structure & steel-framed reinforced concrete structure) by Bureau of the Ministry of Land, Infrastructure, Transport and Tourism. Figures have been rounded to the nearest thousand.



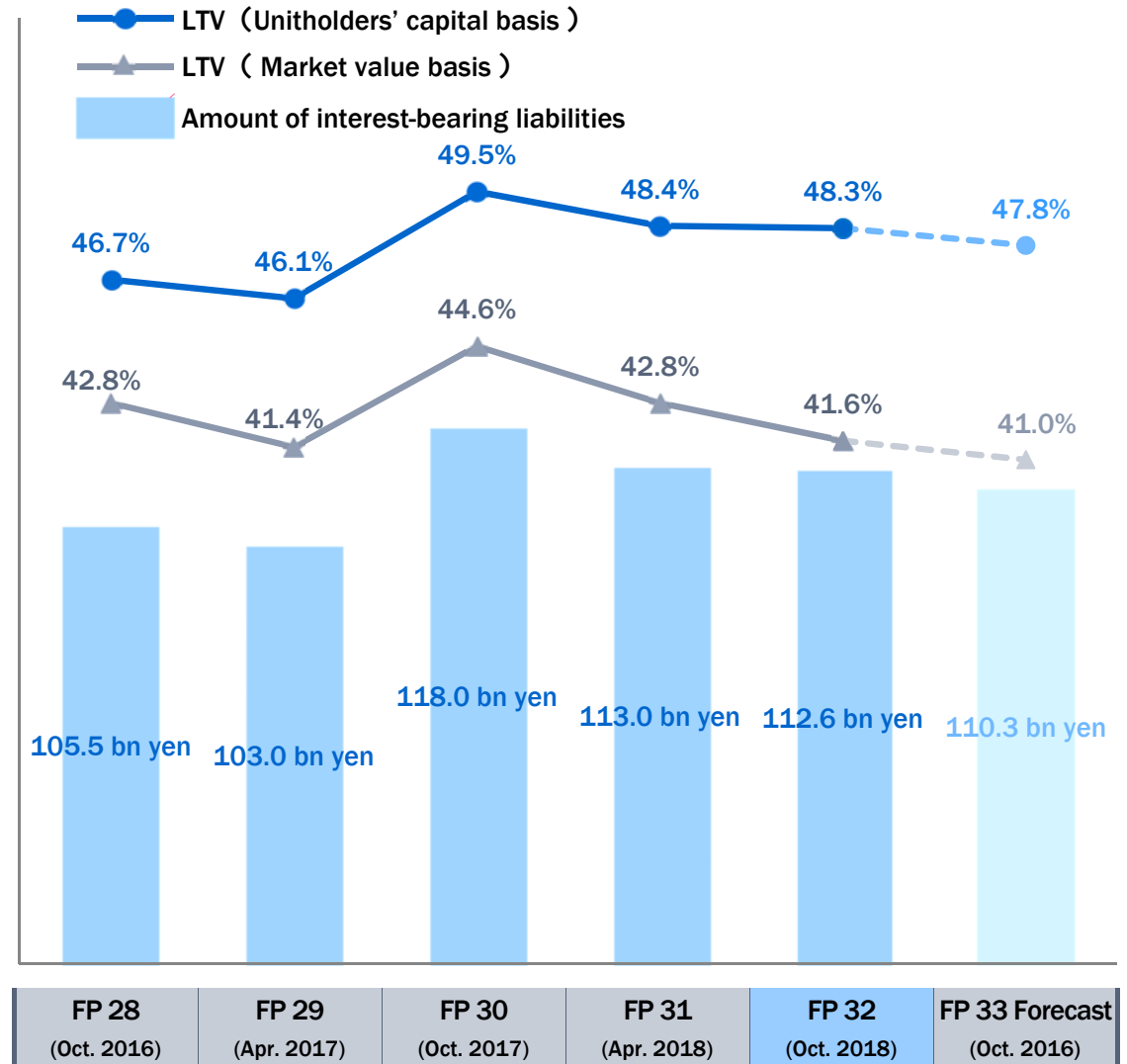
# Financial Information



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.

# Repayment Schedule

Short-term loans

Long-term loans

Corporate bonds

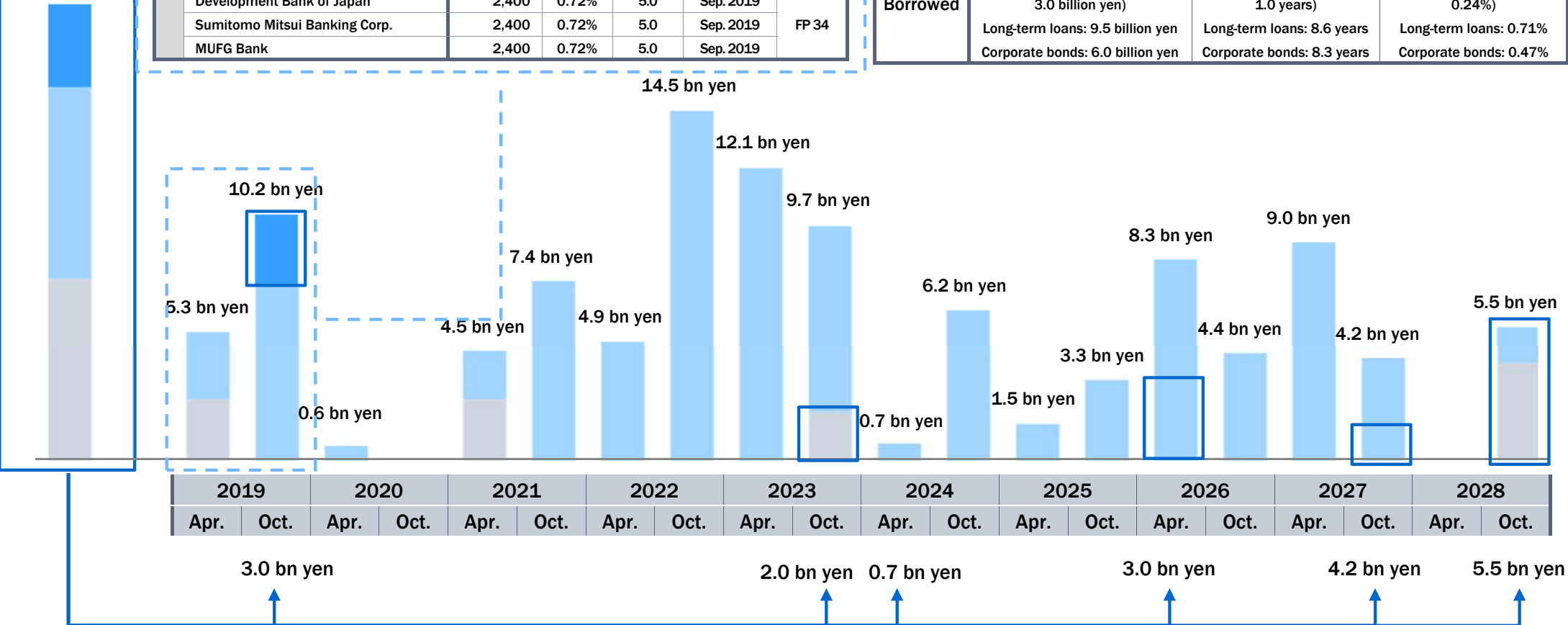
## Redemptions scheduled for next year

Lender	Balance (million yen)	Interest rate	Maturity (year)	Maturity date	
Short-term loans	3,055				
Sumitomo Mitsui Trust Bank, etc.	1,595	0.25%	1.0	Jul. 2019	FP 34
Sumitomo Mitsui Banking Corp., etc.	1,460	0.25%	1.0	Jul. 2019	
Long-term loans/Corporate Bonds	12,550				
Resona Bank, etc.	2,850	1.03%	6.0	Feb. 2019	FP 33
Unsecured Bond No. 5	2,500	0.45%	5.0	Mar. 2019	
Development Bank of Japan	2,400	0.72%	5.0	Sep. 2019	FP 34
Sumitomo Mitsui Banking Corp.	2,400	0.72%	5.0	Sep. 2019	
MUFG Bank	2,400	0.72%	5.0	Sep. 2019	

## Repaid and borrowed during the fiscal period

	Amount	Average loan duration	Average interest rate *1
Repaid	<b>18.9 billion yen</b> (short-term loans payable: 3.4 billion yen)	<b>4.5 years</b> (short-term loans payable: 1.0 years)	<b>0.83%</b> (short-term loans payable: 0.24%)
	Long-term loans: 8.0 billion yen Corporate bonds: 7.5 billion yen	Long-term loans: 5.6 years Corporate bonds: 5.0 years	Long-term loans: 1.19% Corporate bonds: 0.72%
Borrowed	<b>18.5 billion yen</b> (short-term loans payable: 3.0 billion yen)	<b>7.2 years</b> (short-term loans payable: 1.0 years)	<b>0.56%</b> (short-term loans payable: 0.24%)
	Long-term loans: 9.5 billion yen Corporate bonds: 6.0 billion yen	Long-term loans: 8.6 years Corporate bonds: 8.3 years	Long-term loans: 0.71% Corporate bonds: 0.47%

FP 32  
Amount repaid  
18.9 bn yen

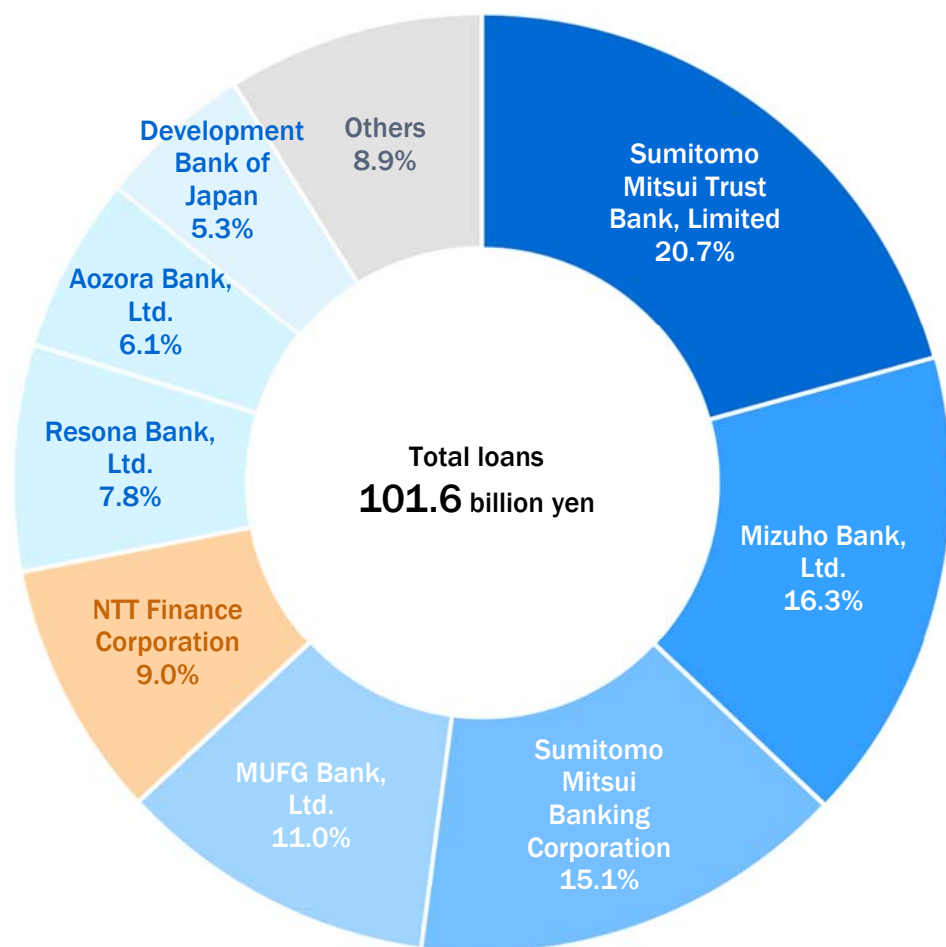


\*1 The average interest rate for borrowings with floating interest rates is calculated using the applicable interest rate from the time of repayment or procurement.



# Interest-Bearing Liabilities and Rating

## Lender Formation

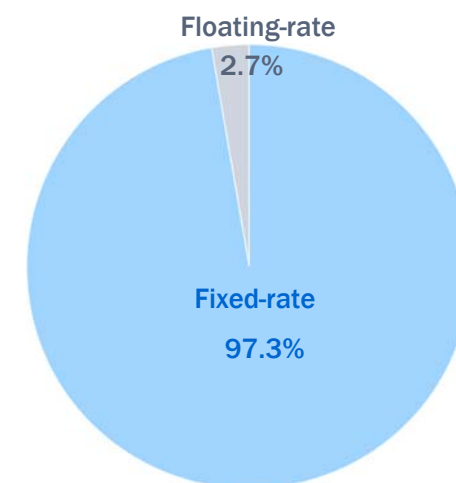


(As of October 31, 2018)

## Ratio of Long-term Debts



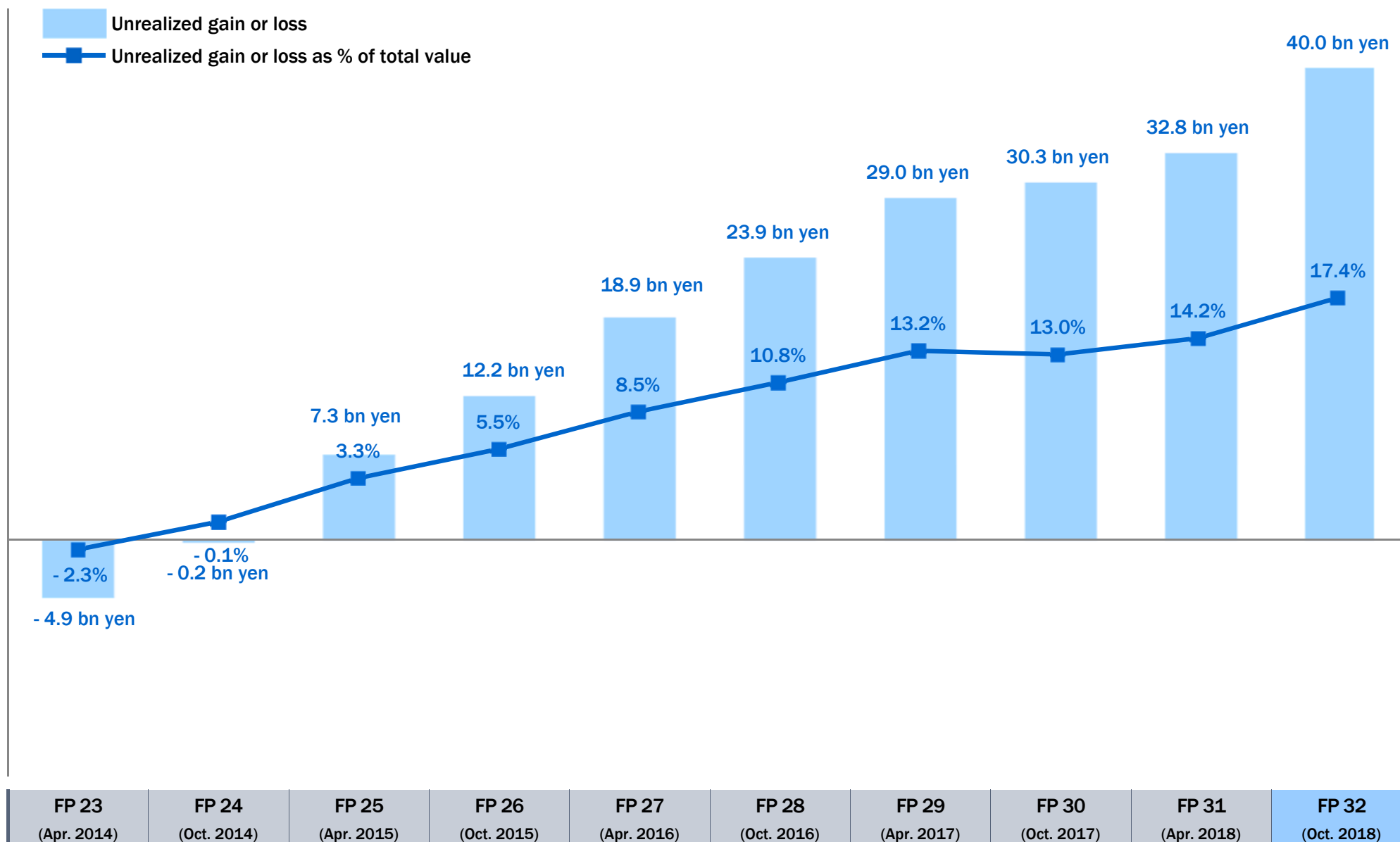
## Ratio of Debts with Fixed Interest Rates



## 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.





# Analysis of Period-end Appraisal Values

## Analysis of Unrealized Gain or Loss

(billion yen)

	FP 31 (Ended Apr. 2018)	FP 32 (Ended Oct. 2018)	Change
Number of assets	60	60	-
Period-end Appraisal Value	264.1	270.7	+ 6.6
Book value	231.2	230.6	- 0.5
Unrealized gain or loss	32.8	40.0	+ 7.2
Unrealized gain or loss as % of total value	14.2%	17.4%	+ 3.2%

## Analysis of Cap Rates and Appraisal Rents

(Number of properties)

		FP 31 (Ended Apr. 2018)	FP 32 (Ended Oct. 2018)	Change
Cap rate *1	Raised	0	0	-
	No change	43	9	- 34
	Lowered	14	50	+ 36
Appraisal rent *2	Raised	20	27	+ 7
	No change	31	27	- 4
	Lowered	2	1	- 1

\*1 (1) Capitalization yield based on direct capitalization method. (For those properties valued using DCF and not direct capitalization approach, the analysis is performed using a discount rate.)

(2) Excludes from the number of properties held at the end of each period [1] properties acquired during the period in question (2 residential properties in FP 31 and none in FP 32) and [2] preferred equity shares in 1 name.

\*2 (1) Appraisal rents arrived at using the direct capitalization method.

(2) Excludes from the number of properties held at the end of each period [1] properties acquired during the period in question (2 residential properties FP 31 and none in FP 32), [2] preferred equity shares in 1 name and [3] 4 residential properties valued using the DCF method instead of direct capitalization.



# Strategy of Premier Investment Corporation (PIC)

- Aiming for continued improvement of investor value by realizing stable operations in the medium to long-term and steady asset size expansion.

	Recognition of Current Environment	Future Initiatives
External Growth	<div><div>Office</div><ul style="list-style-type: none"><li>● Overheated competition to acquire limited supply of quality properties</li><li>● Cap rates compressing in Greater Tokyo as well as other parts of Japan</li></ul></div> <div><div>Residential</div><ul style="list-style-type: none"><li>● Foreign and individual investors getting involved in over-heated acquisition market</li><li>● Cap rates for prime properties in city centers remain compressed</li></ul></div>	<ul style="list-style-type: none"><li>● Strengthening ties with NTTUD as core focus. Also studying acquisitions from third parties</li><li>● Considering replacement of current properties</li><li>● Selective investment in properties with stable cash flows</li></ul>
Internal Growth	<div><div>Office</div><ul style="list-style-type: none"><li>● While vacancy rates continue at low levels in Greater Tokyo and rents are on a gradual upward trend, in anticipation of future mass supply, rent increases are limited</li></ul></div> <div><div>Residential</div><ul style="list-style-type: none"><li>● Occupancy rates and rent levels continue to do well</li><li>● Occupancy rates in high-end properties in city centers also at high levels</li></ul></div>	<ul style="list-style-type: none"><li>● Strengthening ties with sponsors and tenant brokers</li><li>● Enhancing competitiveness with improvements implemented according to plan and value-added renovations</li><li>● Improve tenant satisfaction levels</li></ul>
Financial Operations	<ul style="list-style-type: none"><li>● Loans remain possible at low cost, although long-term interest rates require attention</li><li>● Investment unit prices are on an upward trend</li></ul>	<ul style="list-style-type: none"><li>● Decreased refinancing risk (maturity date distribution, etc.)</li><li>● Decreased funding costs (studying bond issuances)</li><li>● Appropriate control of loan to value (LTV) rates</li></ul>

# ESG Initiatives

## GRESB

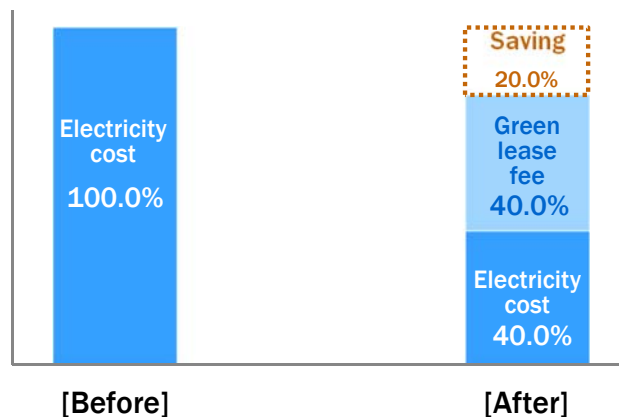
- The Global Real Estate Sustainability Benchmark (GRESB) is an assessment system for measuring annually the Environmental, Social and Governance (ESG) awareness on real estate investment. It was developed in 2009 by major European pension funds and others.
- Acquired Green Star in 2018 GRESB Real Estate Assessment.
- Acquired 4 Stars in GRESB Rating, which is a relative evaluation on total GRESBE score.



## Green Lease Contract

- Executed green lease contract with tenants in Urbannet Ichigaya Bldg. and Gotanda NT Bldg. and installed LED lighting in space dedicated to the tenant.
- The building saw improved environmental performance due to energy efficiencies. The tenants can expect to save on electricity cost while the owner can recover some of the construction costs through green lease fees.

(Approximation of Tenant Cost Savings)



## Implementing a Bike Share Service

- Implement a bike share and cycle port service at Urbannet Gotanda NN Building's open space above ground by outsourcing to Docomo Bike Share, Inc.
- In addition to responding to the request of the municipality which is aiming to expand cycle port, it was implemented with the hope that will improve tenant satisfaction levels by improving access to the nearest station.

(Photograph of Cycle Support \*1)



\*1 A cycle port photograph is set up at Premier Kaigan Building, which is scheduled to be sold on January 30, 2019, is used.

# Supplementary Data on Fiscal Period 32 Earnings



## Table of Contents

■ Fiscal Period 32 Balance Sheet	P.36	■ Fiscal Period 32 List of Interest-bearing Liabilities	P.53
■ Fiscal Period 32 Income Statement and Distribution Information	P.37	■ Financial Indicators	P.54
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■ Performance Forecast Assumptions	P.39	■ Status of Unitholders	P.56
■ P/L by Property	P.40	■ Features of PIC	P.57
■ Period-end Appraisal Values	P.47	■ Terminology Used in this Presentation	P.59
■ Monthly Occupancy Rates	P.50	■ Disclaimers	P.60



# Fiscal Period 32 Balance Sheet



(million yen)

Item	FP 31 Actual (2018/4) [1]	FP 32 Actual (2018/10) [2]	Change [2]-[1]
<b>Current assets</b>	<b>15,991</b>	<b>15,933</b>	<b>- 57</b>
Cash and deposits	3,177	2,519	- 658
Cash and deposits held in trust	12,440	13,042	+ 602
Other current assets	373	370	- 2
Tenant receivable	118	122	+ 3
Prepaid expenses	157	126	- 31
Income taxes refund receivables	95	97	+ 1
Consumption taxes refund receivables	-	24	+ 24
Other current assets	1	1	- 0
<b>Long-term assets</b>	<b>232,261</b>	<b>231,694</b>	<b>- 566</b>
Property and equipment	209,414	208,816	- 597
Buildings held in trust, net	63,338	62,748	- 589
Structures held in trust, net	937	916	- 21
Tools, furniture and fixture held in trust, net	140	152	+ 12
Land held in trust	144,997	144,998	+ 1
Intangible fixed assets	1,786	1,785	- 1
Lease hold held in trust	1,777	1,777	-
Other intangible fixed assets held in trust	0	0	- 0
Other Intangible fixed assets	8	6	- 1
Investment and other assets	21,060	21,093	+ 32
Investment securities	20,035	20,035	-
Other deposits	10	10	-
Long-term prepaid expenses	388	415	+ 26
Other deposits held in trust	623	630	+ 7
Deferred tax assets	3	1	- 1
Deferred assets	9	37	+ 28
Corporate bond issuance costs	9	37	+ 28
<b>Total assets</b>	<b>248,262</b>	<b>247,665</b>	<b>- 596</b>

(million yen)

Item	FP 31 Actual (2018/4) [1]	FP 32 Actual (2018/10) [2]	Change [2]-[1]
<b>Current liabilities</b>	<b>27,824</b>	<b>18,756</b>	<b>- 9,068</b>
Accounts payable	1,649	1,648	- 0
Short-term loans payable	3,400	3,055	- 345
Long-term loans payable within 1 year	10,850	10,050	- 800
Corporate bonds payable within 1 year	10,000	2,500	- 7,500
Accrued expenses	129	121	- 8
Rents received in advance	1,280	1,277	- 2
Other current liabilities	514	103	- 411
Income taxes payable	1	0	- 0
Consumption taxes payable	401	-	- 401
Business office taxes payable	10	5	- 4
Deposits received	90	86	- 4
Distribution payable	10	10	+ 0
Long-term liabilities	96,147	104,607	+ 8,460
Long-term loans payable	86,250	88,550	+ 2,300
Corporate bonds	2,500	8,500	+ 6,000
Tenant security deposits held in trust	7,397	7,557	+ 160
<b>Total liabilities</b>	<b>123,972</b>	<b>123,364</b>	<b>- 608</b>
<b>Unitholders' equity</b>	<b>124,289</b>	<b>124,301</b>	<b>+ 11</b>
Unitholders' capital	120,350	120,350	-
Surplus			
Voluntary reserve			
Reserve for reduction entry	260	400	+ 140
Total voluntary reserve	260	400	+ 140
Unappropriated income	3,679	3,551	- 128
<b>Total equity</b>	<b>124,289</b>	<b>124,301</b>	<b>+ 11</b>
<b>Total liabilities and equity</b>	<b>248,262</b>	<b>247,665</b>	<b>- 596</b>

# Fiscal Period 32 Income Statement and Distribution Information



(million yen)

Item		FP 31 Actual (2018/4) [1]	FP 32 Actual (2018/10) [2]	Change [2]-[1]	Office			Residential		
					FP 31 Actual	FP 32 Actual	Change	FP 31 Actual	FP 32 Actual	Change
Operating P/L	Total real estate rental revenue [1]	8,407	8,644	+ 236	5,884	6,063	+ 178	2,523	2,581	+ 57
	Rental revenue	7,449	7,586	+ 137	5,113	5,195	+ 82	2,336	2,391	+ 54
	Rents	6,232	6,368	+ 135	3,955	4,038	+ 82	2,277	2,330	+ 52
	Common area charge	1,216	1,218	+ 2	1,158	1,157	- 0	58	61	+ 2
	Other rental revenues	958	1,057	+ 99	771	867	+ 96	187	189	+ 2
	Parking fees	226	224	- 2	158	156	- 1	68	68	- 0
	Facilities fees	62	60	- 2	53	51	- 2	9	9	- 0
	Incidental revenue	565	656	+ 91	551	641	+ 89	13	15	+ 1
	Miscellaneous income	103	115	+ 12	8	18	+ 10	95	96	+ 1
	Dividend income [2]	475	475	- 0	475	475	- 0	-	-	-
	Capital gains on property sales [3]	271	-	- 271	271	-	- 271	-	-	-
	[A] Operating revenues [1]+[2]+[3]	9,154	9,119	- 35	6,631	6,538	- 92	2,523	2,581	+ 57
	Total real estate rental expenses [4]	4,430	4,544	+ 113	3,107	3,097	- 9	1,323	1,446	+ 123
	Property management fees	1,084	1,036	- 48	779	728	- 50	305	307	+ 2
	Utilities	625	707	+ 81	584	661	+ 77	41	45	+ 4
	Taxes and public dues	565	622	+ 56	439	494	+ 55	126	128	+ 1
	Insurance	16	16	- 0	11	11	- 0	4	4	+ 0
	Maintenance and repairs	529	567	+ 38	391	297	- 94	137	270	+ 132
	Trust fees	32	31	- 0	17	16	- 1	14	15	+ 0
	Depreciation	1,402	1,394	- 7	813	830	+ 17	588	563	- 24
	Other expenses	173	167	- 6	69	56	- 13	104	110	+ 6
Non-operating P/L	Real estate rental income (incl. UDX dividends) [1]+[2]-[4]	4,453	4,575	+ 122	3,253	3,440	+ 187	1,200	1,134	- 65
	NOI (including UDX dividends)	5,855	5,969	+ 114	4,066	4,271	+ 204	1,788	1,698	- 90
	Other operating expenses [5]	589	587	- 2	Statement of Distribution Information					
	Asset management fees	366	366	+ 0						
	Directors' compensation	4	4	-						
	Custodian fees	11	11	+ 0						
	Administration fees	86	86	+ 0						
	Audit fees	8	8	-						
	Other expenses	112	109	- 3						
	[B] Operating expenses [4]+[5]	5,020	5,131	+ 111						
	[A]-[B] Operating income	4,134	3,988	- 146	Statement of Distribution Information					
	Non-operating income	2	1	- 1						
	Interest expenses	446	428	- 17						
	Other expenses	9	7	- 1						
	Non-operating expenses	456	436	- 19						
	Ordinary income	3,680	3,552	- 127						
	Income tax	1	2	+ 1						
	Net income	3,679	3,550	- 128						

## Statement of Distribution Information

(yen)

Item	FP 31 (2018/4)	FP 32 (2018/10)
I. Unappropriated income	3,679,603,879	3,551,188,807
II. Cash distribution declared (distribution per unit)	3,538,765,565 2,687	3,550,618,520 2,696
III. Income carried forward	779,245	570,287



# Fiscal Period 33 Income Statement (Forecast)



(million yen)

Item		FP 32 Actual (2018/10) [1]	FP 33 Forecast (2019/4) [2]	Change [2]-[1]	Office			Residential		
					FP 32 Actual	FP 33 Forecast	Change	FP 32 Actual	FP 33 Forecast	Change
Operating P/L	Total real estate rental revenue [1]	8,644	8,460	- 183	6,063	5,892	- 170	2,581	2,567	- 13
	Rental revenue	7,586	7,540	- 46	5,195	5,156	- 39	2,391	2,384	- 6
	Rents	6,368	6,344	- 23	4,038	4,021	- 17	2,330	2,323	- 6
	Common area charge	1,218	1,195	- 22	1,157	1,134	- 22	61	61	- 0
	Other rental revenues	1,057	920	- 137	867	736	- 130	189	183	- 6
	Parking fees	224	212	- 11	156	145	- 11	68	67	- 0
	Facilities fees	60	58	- 2	51	47	- 3	9	10	+ 0
	Incidental revenue	656	553	- 103	641	539	- 101	15	13	- 1
	Miscellaneous income	115	95	- 20	18	3	- 15	96	91	- 5
	Dividend income [2]	475	510	+ 35	475	510	+ 35	-	-	-
	Capital gains on property sales [3]	-	855	+ 855	-	855	+ 855	-	-	-
	[A] Operating revenues [1]+[2]+[3]	9,119	9,827	+ 707	6,538	6,403	- 134	2,581	2,567	- 13
	Total real estate rental expenses [4]	4,544	4,538	- 5	3,097	3,085	- 12	1,446	1,452	+ 6
	Property management fees	1,036	1,046	+ 9	728	743	+ 14	307	302	- 4
	Utilities	707	611	- 95	661	569	- 91	45	41	- 3
	Taxes and public dues	622	626	+ 3	494	498	+ 3	127	127	- 0
	Insurance	16	16	- 0	11	11	- 0	4	4	+ 0
	Maintenance and repairs	567	642	+ 74	297	347	+ 50	270	294	+ 24
	Trust fees	31	29	- 2	16	15	- 0	15	13	- 1
	Depreciation	1,394	1,384	- 9	830	825	- 5	563	559	- 4
	Other expenses	167	181	+ 13	56	73	+ 17	111	107	- 3
	Real estate rental income (incl. UDX dividends) [1]+[2]-[4]	4,575	4,433	- 142	3,440	3,318	- 122	1,134	1,115	- 19
	NOI (including UDX dividends)	5,969	5,818	- 151	4,271	4,143	- 127	1,698	1,674	- 23
Non-operating P/L	Other operating expenses [5]	587	666	+ 79						
	Asset management fees	366	387	+ 20						
	Directors' compensation	4	4	-						
	Custodian fees	11	11	- 0						
	Administration fees	86	91	+ 4						
	Audit fees	8	8	-						
	Other expenses	109	164	+ 54						
	[B] Operating expenses [4]+[5]	5,131	5,204	+ 73						
	[A]- [B] Operating income	3,988	4,622	+ 634						
	Non-operating income	1	2	+ 1						
	Interest expenses	428	402	- 26						
	Other expenses	7	6	- 1						
	Non-operating expenses	436	408	- 28						
Ordinary income		3,552	4,216	+ 663						
Income tax		2	1	- 1						
Net income		3,550	4,215	+ 664						





# Performance Forecast Assumptions



	Fiscal period 33 (2019/4)	Fiscal period 34 (2019/10)
Investment properties	Assumes 59 investment properties owned as of the end of FP 33, based on the 60 properties (includes preferred equity shares in 1 name) owned as of October 31, 2018, with the presumption that one office building will be sold each on January 16, 2019 and January 30, 2019 and that one will be acquired on April 5, 2019.	Assumes no change to the number of investment properties (59) owned as of the end of FP 33.
Number of investment units outstanding	Assumes no change from the 1,316,995 investment units outstanding as of the end of FP 32.	Assumes no change from the 1,316,995 investment units outstanding as of the end of FP 33.
Interest-bearing liabilities	Assumes the following changes from the 112,655 million yen in interest-bearing liabilities outstanding as of the end of FP 32. <ul style="list-style-type: none"><li>The long-term loan of 2,850 million yen due to mature on February 28, 2019, will be fully reimbursed using a portion of sales proceeds from real estate, etc.</li><li>No. 5 Unsecured Corporate Bonds of 2,500 million yen due to mature on March 6, 2019 will be fully reimbursed using a portion of sales proceeds from real estate, etc.</li><li>Conduct a new borrowings of 3,000 million for a portion of the acquisition price of the office building (Urbannet Gotanda NN Building) to be acquired April 5, 2019.</li></ul> (Planned period-end balance: 110,305 million yen)	Assumes the following changes from the 110,305 million yen in interest-bearing liabilities expected to be outstanding as of the end of FP 33. (Refinancing) Roll over same amount for the following loans and bonds. <ul style="list-style-type: none"><li>Short-term loan of 1,595 million yen due to mature on July 31, 2019</li><li>Short-term loan of 1,460 million yen due to mature on July 31, 2019</li><li>Long-term loan of 2,400 million yen due to mature on September 30, 2019</li><li>Long-term loan of 2,400 million yen due to mature on September 30, 2019</li><li>Long-term loan of 2,400 million yen due to mature on September 30, 2019</li></ul> (Planned period-end balance: 110,305million yen)
Average occupancy rate	Office: 98.2% Residential: 96.4% Total: 97.5%	Office: 98.2% Residential: 96.2% Total: 97.4%
Other	(Operating revenue) Forecasting an increase in revenue compared to the previous period due to improved office building occupancy rates and capital gains on 2 property sales, etc. (Major operating expenses) Property management fees: 1,046 million yen Property taxes: 626 million yen Maintenance and repairs: 642 million yen Depreciation: 1,384 million yen Operating expenses excluding rental expenses: 666 million yen (Major non-operating expenses) Interest expenses (including bond interest): 402 million yen (Distributions) Assuming a new reserve for reduction entry will be established at an estimated 342 million yen based on an expected 855 million yen of gains from property sales that will occur during the same period, and that DPU will be distributed from the remaining value after provisions are subtracted from net income.	(Operating revenue) Forecasting a decrease in revenue compared to the previous period because capital gains on real estate booked in the previous period will go away, despite anticipated increases with the conclusion of free-rent incentives, etc. (Major operating expenses) Property management fees: 1,029 million yen Property taxes: 600 million yen Maintenance and repairs: 655 million yen Depreciation: 1,403 million yen Operating expenses excluding rental expenses: 637 million yen (Major non-operating expenses) Interest expenses (including bond interest): 402 million yen (Distributions) 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/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. *1	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	6,914 m²	8,332 m²	2,721 m²	7,737 m²	9,906 m²	9,339 m²	2,776 m²	8,476 m²	13,987 m²									
Completed	1982/6	1978/12	1991/6	1993/2	1992/5	1987/4	1988/3	1993/1	1987/9									
Fiscal Period	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32
Real estate rental revenue	200	201	223	225	80	82	N/A *2	207	249	252	N/A *2	N/A *2	42	N/A *1	136	137	305	311
Rental revenue	181	182	205	205	70	71		166	210	210			36		112	111	284	284
Other income	19	19	18	20	10	11		40	39	42			5		24	25	20	27
Real estate rental expenses	96	86	111	92	27	30		89	101	113			22		73	79	167	129
Property management fees	16	16	20	19	5	5		17	24	25			4		13	14	37	34
Utilities	9	10	13	14	4	5		26	15	18			3		9	11	21	27
Taxes and public dues	22	24	15	16	5	5		16	20	20			4		14	15	29	31
Maintenance and repairs	15	3	22	2	0	3		3	1	10			3		2	4	45	2
Depreciation	30	30	37	38	9	9		23	36	37			6		31	33	31	31
Miscellaneous expenses	2	1	1	1	1	0		1	1	1			0		1	1	2	1
Real estate rental income	103	114	112	132	53	52	62	118	148	139	166	166	19	63	57	137	182	
NOI	133	145	149	170	63	61	85	141	185	176	198	198	26	95	90	169	214	
NOI yield	4.4%	4.8%	4.5%	5.1%	8.6%	8.4%	3.4%	5.7%	8.6%	8.2%	5.2%	5.2%	4.8%	3.9%	3.7%	3.4%	4.2%	

\*1 Ougaku Bldg. was sold on February 28, 2018.










\*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 (2)



(million yen)

Property name	Urbannet Azabu Bldg.		Urbannet Ichigaya Bldg.		Urbannet Irifune Bldg.		Granpark (13%) *1		Urbannet Kojimachi Bldg.		Premier Toyochi 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	6,486 m²		4,217 m²		6,058 m²		160,042 m²		6,231 m²		5,054 m²		4,799 m²		7,545 m²		6,868 m²	
Completed	1992/4		1993/12		1990/7		1996/8		1987/5		2006/10		1985/12		1987/11		2007/5	
Fiscal Period	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32
Real estate rental revenue	N/A *2	N/A *2	N/A *2	N/A *2	N/A *2	N/A *2	443	470	163	156	106	113	115	126	94	94	202	205
Rental revenue							386	400	152	144	93	97	99	108	85	84	178	181
Other income							56	70	10	11	13	16	15	17	9	10	24	24
Real estate rental expenses							227	213	67	58	69	80	64	65	45	41	91	92
Property management fees							52	53	25	21	9	10	12	12	10	8	13	12
Utilities							58	66	7	8	9	11	7	9	6	7	10	12
Taxes and public dues							37	38	18	20	8	8	8	8	8	8	12	12
Maintenance and repairs							35	9	7	0	5	14	0	1	2	2	0	0
Depreciation							37	38	6	6	35	35	15	16	13	13	52	52
Miscellaneous expenses							4	6	1	1	1	1	18	16	3	0	1	1
Real estate rental income	88	83	22	7	95	97	215	257	95	97	36	32	50	60	49	53	110	113
NOI	105	100	31	16	114	116	253	296	102	104	72	68	66	77	63	67	163	165
NOI yield	4.3%	4.2%	3.9%	2.1%	8.2%	8.4%	4.5%	5.3%	5.7%	5.8%	3.9%	3.7%	3.0%	3.4%	3.1%	3.3%	6.0%	6.1%

\*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. *2		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	25,050 m²		11,937 m²		43,477 m²		7,562 m²		83,500 m²		10,963 m²		35,299 m²		13,817 m²		8,997 m²	
Completed	1988/9		1992/7		1993/4		1986/4		1989/7		1987/2		1999/2		1996/3		1991/11	
Fiscal Period	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32
Real estate rental revenue	736	746	250	251	514	582	141	146	382	417	6	N/A *2	235	247	110	109	72	76
Rental revenue	646	645	238	238	409	460	115	119	307	322	5		170	175	96	95	65	68
Other income	89	100	12	12	105	122	26	27	74	94	0		64	72	13	14	7	8
Real estate rental expenses	377	423	114	121	288	331	90	71	258	272	13		225	211	44	46	33	34
Property management fees	89	79	35	33	69	58	15	14	63	63	1		70	69	15	15	12	13
Utilities	80	87	14	17	102	118	11	13	82	94	1		30	33	6	7	4	5
Taxes and public dues	33	33	18	18	0	57	10	10	33	33	9		29	29	5	5	5	5
Maintenance and repairs	80	118	3	8	53	32	21	2	9	9	0		29	19	1	2	2	1
Depreciation	88	100	40	41	54	55	29	29	67	69	-		37	40	14	15	7	7
Miscellaneous expenses	4	3	1	2	8	8	1	1	1	1	0		27	20	0	0	0	0
Real estate rental income	358	322	135	130	226	250	51	74	123	144	- 7		10	35	65	62	39	42
NOI	447	423	176	171	280	306	80	103	191	214	- 7		47	75	79	77	46	49
NOI yield	6.5%	6.1%	7.5%	7.4%	3.7%	4.0%	5.2%	6.7%	7.2%	8.1%	-10.3%		2.6%	4.1%	9.6%	9.4%	8.4%	9.1%

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










\*2 NU Kannai Bldg. was sold on November 9, 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	11,561 m²	155,629 m²	8,158 m²	1,913 m²	1,793 m²	1,399 m²	2,008 m²	8,332 m²	2,548 m²									
Completed	1997/5	2006/1	2001/11	2002/3	2002/11	2003/2	2002/11	2002/10	2003/2									
Fiscal Period	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32
Real estate rental revenue	244	249	N/A	N/A	156	152	55	55	41	40	36	36	37	38	134	132	59	59
Rental revenue	218	218			144	141	51	51	37	36	34	34	37	38	133	132	56	57
Other income	26	31			11	11	4	4	4	3	2	1	-	-	0	0	2	1
Real estate rental expenses	104	113			70	82	19	24	15	20	18	18	13	13	59	50	27	23
Property management fees	36	35			19	18	5	5	5	5	4	3	-	-	10	10	4	4
Utilities	18	23			1	1	1	1	0	0	0	0	-	-	1	1	0	0
Taxes and public dues	18	19			8	8	2	2	1	1	1	1	2	2	7	7	3	3
Maintenance and repairs	3	7			8	18	2	6	1	6	2	5	0	3	3	3	1	2
Depreciation	25	26			27	27	6	6	6	6	8	6	10	7	34	25	17	12
Miscellaneous expenses	1	1			5	7	1	1	0	0	0	0	0	0	1	1	0	0
Real estate rental income	139	136	475 *2	475 *2	86	69	35	31	25	19	18	17	24	24	74	82	31	35
NOI	165	162	475 *2	475 *2	113	97	42	37	31	25	27	23	34	31	109	107	48	47
NOI yield	7.3%	7.1%	4.7% *2	4.7% *2	5.3%	4.6%	3.5%	3.1%	5.5%	4.4%	6.2%	5.5%	4.2%	3.9%	5.6%	5.5%	5.5%	5.3%

\*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	1,714 m²	1,748 m²	2,487 m²	3,086 m²	2,458 m²	1,779 m²	2,357 m²	2,129 m²	1,826 m²									
Completed	2003/2	2004/11	2004/11	2005/6	2005/8	2005/7	2004/11	2006/9	2005/8									
Fiscal Period	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32
Real estate rental revenue	36	37	52	54	57	53	67	65	61	62	45	46	46	51	45	44	35	37
Rental revenue	34	35	51	53	50	50	63	61	57	57	43	44	42	48	43	42	31	32
Other income	1	2	1	1	7	3	3	3	3	4	1	1	4	3	2	1	4	5
Real estate rental expenses	17	14	20	18	29	25	33	36	27	55	20	21	38	28	19	21	22	24
Property management fees	4	4	4	3	6	5	6	7	4	6	5	3	9	4	5	6	4	3
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	2	1	2	1	7	4	4	6	6	31	2	3	5	1	2	3	0	4
Depreciation	7	5	9	9	9	10	17	17	10	10	10	10	17	17	8	8	13	13
Miscellaneous expenses	0	0	1	0	1	1	1	1	1	1	0	1	2	1	0	0	1	0
Real estate rental income	19	22	31	35	28	28	34	28	33	7	25	25	8	22	26	22	13	13
NOI	26	28	41	44	38	38	51	45	43	17	35	35	25	39	34	31	26	26
NOI yield	7.0%	7.5%	5.8%	6.3%	5.2%	5.3%	5.2%	4.7%	5.9%	2.4%	5.5%	5.6%	3.1%	4.8%	4.7%	4.2%	3.9%	4.0%



## 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	Premier Stage Azabu-Juban *2	Premier Stage Sasazuka *2	B-site Osaki									
Property photo																		
Location	Minato Ward, Tokyo	Minato Ward, Tokyo	Shinjuku Ward, Tokyo	Minato Ward, Tokyo	Shibuya Ward, Tokyo	Shinjuku Ward, Tokyo	Minato Ward, Tokyo	Shibuya Ward, Tokyo	Shinagawa Ward, Tokyo									
Acquisition price	7,590	3,930	6,500	5,500	4,500	1,385	1,420	1,080	1,072									
Gross floor area	81,760 m²	6,329 m²	11,203 m²	104,186 m²	5,408 m²	3,662 m²	1,354 m²	1,452 m²	1,462 m²									
Completed	2007/3	2002/12	2002/12	2008/9	2004/1	1993/1	2005/1	2005/1	2002/12									
Fiscal Period	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32
Real estate rental revenue	347	352	95	92	176	180	280	284	149	145	55	62	13	38	10	31	29	29
Rental revenue	305	309	88	83	157	160	255	259	138	136	53	58	12	34	10	30	29	29
Other income	42	42	6	8	18	20	24	24	11	9	2	3	1	3	0	1	0	-
Real estate rental expenses	245	243	40	40	109	106	168	174	54	95	27	27	4	14	4	10	17	9
Property management fees	53	53	9	10	34	34	39	40	14	15	9	7	1	4	1	2	-	-
Utilities	9	10	1	1	5	5	2	3	3	3	0	0	0	0	0	0	-	-
Taxes and public dues	15	15	6	6	11	11	13	13	6	6	3	3	0	-	0	-	1	1
Maintenance and repairs	22	17	1	7	9	8	11	15	4	43	4	6	0	3	0	1	7	1
Depreciation	96	96	18	12	44	41	66	66	24	24	8	8	1	5	1	5	8	5
Miscellaneous expenses	48	50	1	1	3	3	34	35	1	0	0	0	0	1	0	0	0	0
Real estate rental income	102	108	55	51	67	74	111	110	95	50	28	34	9	23	6	21	12	19
NOI	198	204	73	64	111	116	178	176	119	74	37	42	10	28	8	26	20	25
NOI yield	6.8%	7.1%	3.9%	3.4%	3.6%	3.8%	7.6%	7.6%	5.6%	3.5%	5.3%	6.2%	4.5%	4.0%	4.6%	4.9%	4.8%	6.1%

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









\*2 Premier Stage Azabu-Juban and Premier Stage Sasazuka were acquired on March 1, 2018.



## P/L by Property (7)



(million yen)

Property name	Premier Garden Hongo	Premier Grande Magome	Premier Nozze Yutenji	Premier Stage Yushima	Premier Stage Komagome	Premier Stage Otsuka	Premier Stage Honjo-Azumabashi	Premier Stage Ryogoku								
Property photo																
Location	Bunkyo Ward, Tokyo	Ota Ward, Tokyo	Setagaya Ward, Tokyo	Bunkyo Ward, Tokyo	Toshima Ward, Tokyo	Toshima Ward, Tokyo	Sumida Ward, Tokyo	Sumida Ward, Tokyo								
Acquisition price	975	1,560	1,525	1,803	1,830	1,310	2,640	1,496								
Gross floor area	1,583 m <sup>2</sup>	2,446 m <sup>2</sup>	1,904 m <sup>2</sup>	2,527 m <sup>2</sup>	2,400 m <sup>2</sup>	1,894 m <sup>2</sup>	3,852 m <sup>2</sup>	2,475 m <sup>2</sup>								
Completed	2002/3	2005/2	2006/3	2006/3	2007/1	2006/8	2007/11	2008/3								
Fiscal Period	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32	FP 31	FP 32
Real estate rental revenue	31	32	42	42	39	40	53	51	54	54	42	44	81	82	47	47
Rental revenue	31	29	38	37	36	37	50	49	51	51	40	42	76	77	44	45
Other income	0	2	3	4	2	2	2	1	2	2	1	1	5	4	2	2
Real estate rental expenses	10	15	27	54	19	20	27	38	28	29	20	19	39	39	24	24
Property management fees	3	3	4	6	4	3	6	6	6	5	4	3	7	7	4	4
Utilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxes and public dues	2	2	2	2	1	2	2	2	2	2	1	1	3	3	2	2
Maintenance and repairs	1	4	7	32	0	2	1	12	1	3	1	1	2	2	1	1
Depreciation	3	2	11	11	10	10	14	14	15	15	11	10	22	22	14	14
Miscellaneous expenses	0	1	1	1	0	0	1	1	1	2	1	1	1	1	1	1
Real estate rental income	21	16	15	- 12	20	20	25	12	25	24	21	24	41	43	22	23
NOI	24	19	26	- 0	30	31	40	27	41	40	32	35	64	66	37	38
NOI yield	5.1%	4.2%	4.1%	- 0.1%	4.5%	4.6%	5.4%	3.6%	5.4%	5.3%	5.7%	6.2%	5.5%	5.7%	5.9%	6.1%



## Period-end Appraisal Values (1)

Area		Property name	Period-end appraisal value			Cap rate *2		Book value [3] (million yen)	Unrealized gain or loss [2]-[3] (million yen)
			FP 31 (2018/4) [1] (million yen)	FP 32 (2018/10) [2] (million yen)	Change *1 [2]-[1] (million yen)	FP 32 (2018/10)	Change		
Office	5 central wards of Tokyo	Landic Shimbashi Bldg.	6,680	6,880	+ 200	3.6%	- 0.1%	6,020	859
		Landic Shimbashi 2 Bldg.	7,400	7,470	+ 70	3.8%	-%	6,659	810
		Premier Dogenzaka Bldg.	2,570	2,630	+ 60	3.7%	- 0.1%	1,470	1,159
		KN Shibuya No.3	8,080	8,580	+ 500	3.5%	- 0.2%	4,944	3,635
		Takadanobaba Center Bldg.	6,100	6,240	+ 140	4.1%	- 0.1%	4,290	1,949
		Rokubancho Bldg.	8,570	8,760	+ 190	4.0%	- 0.1%	7,677	1,082
		Premier Kaigan Bldg.	3,830	3,920	+ 90	4.1%	- 0.1%	4,923	- 1,003
		Urbannet Mita Bldg.	10,900	11,100	+ 200	3.8%	- 0.1%	10,112	987
		Urbannet Azabu Bldg.	4,880	4,940	+ 60	4.1%	- 0.1%	4,833	106
		Urbannet Ichigaya Bldg.	1,640	1,670	+ 30	4.5%	- 0.1%	1,602	67
		Urbannet Irifune Bldg.	3,310	3,320	+ 10	4.2%	- 0.1%	2,776	543
		Granpark	13,700	13,400	- 300	3.8%	- 0.1%	11,252	2,147
		Urbannet Kojimachi Bldg.	4,570	4,800	+ 230	3.7%	- 0.1%	3,608	1,191
	Other 18 wards of Tokyo	Premier Toyochi Bldg.	3,230	3,310	+ 80	4.7%	- 0.1%	3,654	- 344
		Ueno TH Bldg.	2,650	2,780	+ 130	4.5%	- 0.2%	4,490	- 1,710
		Gotanda NT Bldg.	2,710	2,890	+ 180	4.4%	- 0.2%	4,109	- 1,219
		Ueno Tosei Bldg.	6,440	6,840	+ 400	4.3%	- 0.1%	5,407	1,432
		Urbannet Ikebukuro Bldg.	19,200	19,600	+ 400	4.2%	-%	13,960	5,639
		Urbannet Omori Bldg.	5,670	5,810	+ 140	4.5%	- 0.1%	4,656	1,153
		Sphere Tower Tennozu	15,400	15,800	+ 400	3.7%	- 0.2%	15,252	547
	Urban areas Surrounding Tokyo	Premier Yokohama Nishiguchi Bldg.	3,660	3,840	+ 180	4.3%	- 0.1%	3,105	734
		The Kanagawa Science Park R&D Bldg.	5,750	5,970	+ 220	5.6%	- 0.2%	5,325	644
	Major regional cities	NTT CRED Okayama Bldg.	3,438	3,414	- 24	6.2%	-%	3,685	- 271
		Urbannet Shizuoka Ote-machi Bldg.	1,752	1,752	-	6.6%	-%	1,662	89
		Urbannet Shizuoka Bldg.	1,224	1,224	-	6.6%	-%	1,101	122
		Urban Ace Higobashi Bldg.	4,790	4,870	+ 80	4.4%	- 0.1%	4,550	319
	Subtotal			158,144	161,810	+ 3,666			141,135





## Period-end Appraisal Values (2)



Area		Property name	Period-end appraisal value			Cap rate *2		Book value [3] (million yen)	Unrealized gain or loss [2]-[3] (million yen)
			FP 31 (2018/4) [1] (million yen)	FP 32 (2018/10) [2] (million yen)	Change *1 [2]-[1] (million yen)	FP 32 (2018/10)	Change		
Residential	5 central wards of Tokyo	Park Axis Yotsuya Stage	4,930	5,070	+ 140	4.1%	- 0.1%	4,280	789
		Park Axis Meiji-Jingumae	1,750	1,830	+ 80	4.0%	- 0.2%	2,420	- 590
		Cabin Arena Akasaka	1,180	1,210	+ 30	4.2%	- 0.1%	1,155	54
		Cabin Arena Minami-Aoyama	1,030	1,060	+ 30	4.2%	- 0.1%	873	186
		Bureau Kioicho	1,340	1,370	+ 30	3.9%	- 0.1%	1,625	- 255
		Roppongi Green Terrace	4,270	4,410	+ 140	4.0%	- 0.1%	3,896	513
		Premier Stage Shibakoen II	1,740	1,770	+ 30	4.2%	- 0.1%	1,784	- 14
		Langue Tower Kyobashi	1,040	1,090	+ 50	4.1%	- 0.1%	761	328
		Premier Stage MitaKeidaimae	1,880	1,930	+ 50	4.1%	- 0.1%	1,415	514
		Premier Rosso	1,630	1,630	-	4.2%	-%	1,463	166
		Premier Blanc Yoyogikouen	2,350	2,370	+ 20	4.1%	- 0.1%	1,960	409
		Premier Stage Uchikanda	2,050	2,140	+ 90	4.1%	- 0.1%	1,489	650
		Premier Stage Ichigayakawadacho	1,720	1,730	+ 10	4.2%	- 0.1%	1,272	457
		Walk Akasaka	1,690	1,390	- 300	4.1%	-%	1,668	- 278
		Premier Stage Shibakoen	1,530	1,560	+ 30	4.1%	- 0.1%	1,465	94
		MEW	1,220	1,250	+ 30	4.3%	- 0.1%	1,332	- 82
		Shibaura Island Air Tower	7,080	7,200	+ 120	3.9%	- 0.1%	5,757	1,442
		Storia Akasaka	3,150	3,330	+ 180	3.9%	- 0.2%	3,762	- 432
		Renai Shinjuku-Gyoen Tower	5,300	5,320	+ 20	4.2%	-%	6,132	- 812
		Shibaura Island Bloom Tower	6,530	6,690	+ 160	4.0%	- 0.1%	4,618	2,071
		Questcourt Harajuku	5,070	5,170	+ 100	4.1%	-%	4,246	923
		Urbancourt Ichigaya	1,840	1,900	+ 60	4.4%	- 0.1%	1,384	515
		Premier Stage Azabu-Juban	1,480	1,500	+ 20	3.9%	- 0.1%	1,447	52
		Premier Stage Sasazuka	1,120	1,140	+ 20	4.1%	- 0.1%	1,093	46



## Period-end Appraisal Values (3)

Area	Property name	Period-end appraisal value			Cap rate *2		Book value [3] (million yen)	Unrealized gain or loss [2]-[3] (million yen)
		FP 31 (2018/4) [1] (million yen)	FP 32 (2018/10) [2] (million yen)	Change *1 [2]-[1] (million yen)	FP 32 (2018/10)	Change		
Residential	B-Site Osaki	963	982	+ 19	4.1%	- 0.1%	838	143
	Premier Garden Hongo	979	1,030	+ 51	3.9%	- 0.1%	950	79
	Premier Grande Magome	1,210	1,230	+ 20	4.4%	- 0.1%	1,289	- 59
	Premier Nozze Yutenji	1,400	1,430	+ 30	4.3%	- 0.1%	1,369	60
	Premier Stage Yushima	1,730	1,770	+ 40	4.2%	- 0.1%	1,490	279
	Premier Stage Komagome	1,870	1,920	+ 50	4.2%	- 0.1%	1,506	413
	Premier Stage Otsuka	1,360	1,390	+ 30	4.5%	- 0.1%	1,140	249
	Premier Stage Honjo-Azumabashi	2,750	2,810	+ 60	4.2%	- 0.1%	2,314	495
	Premier Stage Ryogoku	1,550	1,580	+ 30	4.3%	- 0.1%	1,248	331
	Subtotal	76,732	78,202	+ 1,470			69,458	8,743
Total		234,876	240,012	+ 5,136			210,594	29,417

\*1 This table addresses those properties owned as of the end of the period (excluding Akihabara UDX). Previous-period comparisons of “period-end appraisal value” excludes increases for newly acquired properties.

\*2 Capitalization yield arrived at through the direct capitalization method is used for cap rates. However, a discount rate is provided in place of a cap rate for 4 residential properties (Bureau Kioicho, B-site Osaki, Shibaura Island Air Tower and Shibaura Island Bloom Tower) for which valuation has been performed using a DCF method.



# Monthly Occupancy Rates (1)



(%)

Area	Property name	FP 31 (2018/4)							FP 32 (2018/10)						
		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
	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
	Premier Dogenzaka 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
	KN Shibuya No.3	77.8	77.8	77.8	69.4	69.4	69.4	73.6	77.8	100.0	100.0	100.0	100.0	100.0	96.3
	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
	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
	Ougaku Bldg. *1	100.0	100.0	100.0	-	-	-	-	-	-	-	-	-	-	-
	Premier Kaigan Bldg.	98.1	100.0	100.0	100.0	100.0	95.5	98.9	100.0	100.0	100.0	98.3	98.3	98.3	99.2
	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
	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
	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
	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
	Granpark	98.9	99.2	99.4	98.2	98.5	99.7	99.0	99.7	99.6	99.7	99.6	97.5	97.4	98.9
	Urbannet Kojimachi Bldg.	96.9	96.9	96.9	96.9	96.9	100.0	97.4	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Premier Toyocho 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
	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
	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
	Ueno Tosei 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
	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
	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
	Sphere Tower Tennozu	93.0	93.0	93.0	94.8	94.8	94.8	93.9	94.8	94.8	94.9	94.9	94.9	94.9	94.9
	Premier Yokohama Nishiguchi 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
	The Kanagawa Science Park R&D Bldg.	84.7	84.7	86.8	86.8	90.0	89.6	87.1	89.6	89.6	90.7	89.8	90.7	90.7	90.2
	NTT CRED Okayama Bldg.	86.9	85.4	85.4	85.4	88.1	83.8	85.8	83.8	83.8	82.8	90.1	90.1	88.6	86.5
	Urbannet Shizuoka Ote-machi Bldg.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	97.5	97.5	97.5	97.5	98.3
	Urbannet Shizuoka Bldg.	97.5	91.4	91.4	91.4	91.4	91.4	92.4	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Urban Ace Higobashi 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
Subtotal		96.4	96.3	96.5	96.3	96.7	96.4	96.4	97.0	97.7	97.7	97.9	97.9	97.8	97.7

\*1 Ougaku Bldg. was sold on February 28, 2018.



## Monthly Occupancy Rates (2)



(%)

Area		Property name	FP 31 (2018/4)							FP 32 (2018/10)						
			Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	Ave.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Ave.
Residential	5 central wards of Tokyo	Park Axis Yotsuya Stage	96.8	95.3	98.1	97.4	95.9	95.0	96.4	95.0	94.3	93.6	92.7	92.7	98.7	94.5
		Park Axis Meiji-Jingumae	95.4	96.2	100.0	96.2	100.0	100.0	98.0	97.3	100.0	100.0	93.4	95.9	93.4	96.7
		Cabin Arena Akasaka	100.0	94.3	94.3	96.9	100.0	100.0	97.6	100.0	91.7	94.8	86.3	90.1	94.7	92.9
		Cabin Arena Minami-Aoyama	92.2	97.9	94.8	97.9	100.0	100.0	97.1	100.0	100.0	95.7	93.1	100.0	100.0	98.1
		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	100.0	100.0	100.0	100.0	100.0	100.0	100.0	97.6	97.6	100.0	100.0	100.0	97.9	98.8
		Premier Stage Shibakoen II	97.6	98.8	99.0	98.0	100.0	98.8	98.7	100.0	100.0	98.8	97.8	100.0	100.0	99.4
		Langue Tower Kyobashi	96.6	98.3	96.6	100.0	100.0	98.5	98.3	96.7	100.0	100.0	98.3	96.5	95.1	97.8
		Premier Stage MitaKeidaimae	96.6	96.3	94.7	98.1	98.4	98.4	97.1	100.0	100.0	100.0	98.4	98.4	98.4	99.2
		Premier Rosso	100.0	97.0	94.0	97.0	95.2	97.6	96.8	97.6	96.3	96.3	97.3	98.7	98.7	97.5
		Premier Blanc Yoyogikouen	100.0	98.7	98.3	98.3	98.3	94.9	98.1	94.8	96.8	93.2	94.8	95.5	97.1	95.4
		Premier Stage Uchikanda	98.5	98.5	98.5	98.5	100.0	100.0	99.0	98.7	98.7	98.2	95.7	97.4	97.4	97.7
		Premier Stage Ichigayakawadacho	91.7	94.7	100.0	100.0	96.7	98.4	96.9	100.0	93.6	96.7	96.9	96.9	96.9	96.8
		Walk Akasaka	90.6	90.6	80.0	71.3	91.2	100.0	87.3	100.0	100.0	100.0	100.0	100.0	95.4	99.2
		Premier Stage Shibakoen	100.0	95.6	97.9	95.3	95.3	97.7	97.0	100.0	100.0	93.2	88.7	97.9	97.7	96.2
		MEW	91.4	96.3	96.3	96.3	100.0	100.0	96.7	100.0	100.0	100.0	100.0	100.0	100.0	100.0
		Shibaura Island Air Tower	97.3	97.4	98.1	98.0	98.3	98.0	97.9	97.9	98.0	97.2	97.8	98.1	98.2	97.9
		Storia Akasaka	100.0	98.1	98.1	96.3	98.1	100.0	98.4	94.4	94.4	92.0	88.9	85.2	92.8	91.3
		Renai Shinjuku-Gyoen Tower	91.6	90.5	93.2	94.0	94.4	95.6	93.2	93.7	93.3	92.9	94.5	93.0	93.7	93.5
		Shibaura Island Bloom Tower	98.3	98.3	98.5	98.3	98.2	97.9	98.3	97.9	98.1	98.3	98.2	98.2	98.5	98.2
		Questcourt Harajuku	100.0	98.2	100.0	97.2	97.2	100.0	98.8	100.0	97.2	97.2	100.0	100.0	100.0	99.1
		Urbancourt Ichigaya	97.4	92.3	94.8	94.8	94.8	94.8	94.8	97.4	100.0	100.0	100.0	100.0	97.3	99.1
		Premier Stage Azabu-Juban *1	-	-	-	-	100.0	97.2	98.6	94.4	100.0	94.4	94.4	88.9	86.1	87.5
		Premier Stage Sasazuka *1	-	-	-	-	98.2	98.2	98.2	98.2	100.0	98.3	98.3	100.0	98.1	99.0

\*1 Premier Stage Azabu-Juban and Premier Stage Sasazuka were acquired on March 1, 2018.



# Monthly Occupancy Rates (3)



(%)

Area	Property name	FP 31 (2018/4)							FP 32 (2018/10)						
		Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	Ave.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Ave.
Residential	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	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	93.1	84.9	91.8	100.0	95.0
	Premier Grande Magome	100.0	96.8	96.8	96.8	100.0	94.5	97.5	94.3	94.5	97.4	91.3	91.3	97.4	94.4
	Premier Nozze Yutenji	96.6	93.9	96.6	91.0	100.0	96.7	95.8	94.6	97.8	100.0	100.0	97.0	100.0	98.2
	Premier Stage Yushima	100.0	98.2	100.0	98.9	100.0	94.4	98.6	97.1	95.5	97.1	96.4	96.4	94.6	96.2
	Premier Stage Komagome	98.6	100.0	100.0	100.0	95.2	97.4	98.5	97.4	100.0	98.4	95.2	97.1	94.7	97.1
	Premier Stage Otsuka	94.0	90.8	95.3	95.3	100.0	100.0	95.9	97.1	100.0	98.6	98.6	98.3	98.3	98.5
	Premier Stage Honjo-Azumabashi	95.7	96.9	99.4	99.4	98.8	97.5	97.9	99.4	98.2	97.6	98.8	99.4	98.2	98.6
	Premier Stage Ryogoku	96.7	96.6	96.6	96.6	96.6	98.8	97.0	98.9	100.0	98.9	100.0	99.0	99.0	99.3
	Subtotal	97.4	96.7	97.5	97.1	97.9	97.9	97.4	97.5	97.5	97.1	96.5	96.8	97.4	97.1
Total		96.7	96.4	96.8	96.6	97.1	96.9	96.8	97.2	97.6	97.4	97.4	97.5	97.7	97.5



# Fiscal Period 32 List of Interest-bearing Liabilities



Lender *1	Balance (million yen)	Interest rate *1 *2	Maturity (year)	Maturity date	
<b>Short-term loans</b>	<b>3,055</b>				
Sumitomo Mitsui Trust Bank, etc.	1,595	0.25%	1.0	Jul. 2019	FP 34
Sumitomo Mitsui Banking Corp., etc.	1,460	0.25%	1.0	Jul. 2019	
<b>Long-term loans</b>	<b>98,600</b>				
Resona Bank, etc.	2,850	1.03%	6.0	Feb. 2019	FP 33
Development Bank of Japan	2,400	0.72%	5.0	Sep. 2019	FP 34
Sumitomo Mitsui Banking Corp.	2,400	0.72%	5.0	Sep. 2019	
MUFG Bank	2,400	0.72%	5.0	Sep. 2019	
Aozora Bank	650	0.69%	5.0	Mar. 2020	FP 35
NTT Finance Corp.	2,000	0.41%	5.0	Jan. 2021	FP 37
Sumitomo Mitsui Banking Corp., etc.	5,000	0.24%	4.0	May 2021	FP 38
Mizuho Bank	2,400	0.91%	7.0	Sep. 2021	
Sumitomo Mitsui Trust Bank	1,050	0.87%	7.0	Mar. 2022	FP 39
Sumitomo Mitsui Trust Bank, etc.	3,900	0.91%	7.0	Apr. 2022	
Sumitomo Mitsui Trust Bank, etc.	6,500	0.87%	7.0	Jul. 2022	FP 40
MUFG Bank, etc.	8,000	0.80%	7.0	Aug. 2022	
Aozora Bank	3,000	0.74%	7.0	Nov. 2022	FP 41
NTT Finance Corp., etc.	8,000	0.73%	7.0	Nov. 2022	
Aozora Bank	1,100	0.40%	5.0	Mar. 2023	
Mizuho Bank	2,700	0.43%	6.0	May 2023	FP 42
The Bank of Fukuoka, etc. (Syndicated loan)	5,000	0.29%	6.0	Aug. 2023	
Aozora Bank	7,000	0.50%	5.5	Feb. 2024	FP 43
NTT Finance Corp.	4,000	0.53%	7.0	May 2024	FP 44
Sumitomo Mitsui Banking Corp., etc.	1,550	0.52%	8.0	Aug. 2024	
Aozora Bank	700	0.52%	8.0	Aug. 2024	
Sumitomo Mitsui Banking Corp.	1,500	0.55%	7.0	Mar. 2025	FP 45
Sumitomo Mitsui Trust Bank	3,300	0.60%	8.0	May 2025	FP 46
Sumitomo Mitsui Trust Bank, etc.	3,800	0.61%	8.0	Mar. 2026	FP 47
MUFG Bank	1,500	0.61%	8.0	Mar. 2026	
Development Bank of Japan	3,000	0.67%	8.0	April. 2026	
Mizuho Bank, etc.	3,180	0.62%	10.0	Oct. 2026	FP 48
MUFG Bank	1,220	0.62%	10.0	Oct. 2026	
Sumitomo Mitsui Trust Bank, etc.	9,000	0.74%	10.0	Nov. 2026	FP 49
MUFG Bank	1,250	0.77%	9.0	Aug. 2027	FP 50
Mizuho Bank, etc.	3,000	0.77%	9.0	Aug. 2027	
Mizuho Bank, etc.	1,500	0.77%	10.0	Jul. 2028	FP 52
<b>Total loans</b>	<b>101,655</b>				

## List of Corporate Bonds

Name	Issue amount (million yen)	Interest rate	Maturity (year)	Redemption date	
Unsecured Bond No. 5	2,500	0.45%	5.0	Mar. 2019	FP 33
Unsecured Bond No. 6	2,500	0.72%	7.0	Mar. 2021	FP 37
Unsecured Bond No. 7	2,000	0.25%	5.0	Jul. 2023	FP 42
Unsecured Bond No. 8	4,000	0.58%	10.0	Jul. 2028	FP 52
<b>Corporate bond total</b>	<b>11,000</b>				

## Breakdown by Lender

	Lender	Balance (million yen)			Share
		Long-term	Short-term	Total	
1	Sumitomo Mitsui Trust Bank, Limited	20,090	970	21,060	20.7%
2	Mizuho Bank, Ltd.	15,940	660	16,600	16.3%
3	Sumitomo Mitsui Banking Corporation	14,250	1,065	15,315	15.1%
4	MUFG Bank Ltd.	11,170	-	11,170	11.0%
5	NTT Finance Corporation	9,000	-	9,000	8.9%
6	Resona Bank, Ltd.	7,550	360	7,910	7.8%
7	Aozora Bank, Ltd.	6,200	-	6,200	6.1%
8	Development Bank of Japan	5,400	-	5,400	5.3%
9	The Norinchukin Bank	2,500	-	2,500	2.5%
10	Mitsui Sumitomo Insurance Co., Ltd.	2,000	-	2,000	2.0%
11	The Bank of Fukuoka, Ltd.	2,000	-	2,000	2.0%
12	The Nomura Trust and Banking Co., Ltd.	1,000	-	1,000	1.0%
13	The 77 Bank, Ltd.	1,000	-	1,000	1.0%
14	HIGASHI-NIPPON Bank, Ltd.	500	-	500	0.5%
<b>Total</b>		<b>98,600</b>	<b>3,055</b>	<b>101,655</b>	<b>100.0%</b>

\*1 Figures for floating rates on these loans represent the rates applicable as of the end of FP 32 (October 31, 2018).

\*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 28 (2016/10)	FP 29 (2017/4)	FP 30 (2017/10)	FP 31 (2018/4)	FP 32 (2018/10)
Return on assets (annualized)		2.8%	2.8%	2.7%	3.0%	2.8%
Return on equity (annualized)		5.3%	5.4%	5.3%	6.0%	5.7%
Unitholders' equity ratio		51.8%	52.5%	49.2%	50.1%	50.2%
LTV (unitholders' capital basis)	*1	46.7%	46.1%	49.5%	48.4%	48.3%
LTV (market value basis)	*2	42.8%	41.4%	44.6%	42.8%	41.6%
DSCR (multiple)	*3	10.5	11.1	11.0	11.8	12.5
NOI (million yen)	*4	5,723	5,599	5,785	5,855	5,969
FFO (million yen)	*5	4,656	4,534	4,739	4,809	4,944
NOI yield	*6	5.1%	5.1%	4.9%	5.1%	5.2%
Yield after depreciation	*7	4.0%	3.9%	3.7%	3.9%	4.0%
Implied cap rate	*8	4.2%	4.4%	4.8%	4.8%	4.6%
NAV per unit (yen)	*9	112,304	116,189	117,155	119,347	124,830
Unitholders' equity per unit [BPS] (yen)		94,113	94,100	94,117	94,373	94,382
FFO per unit (yen)	*10	3,536	3,443	3,599	3,652	3,755
Market capitalization at period-end (million yen)		177,926	157,907	132,094	141,050	153,693

\*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

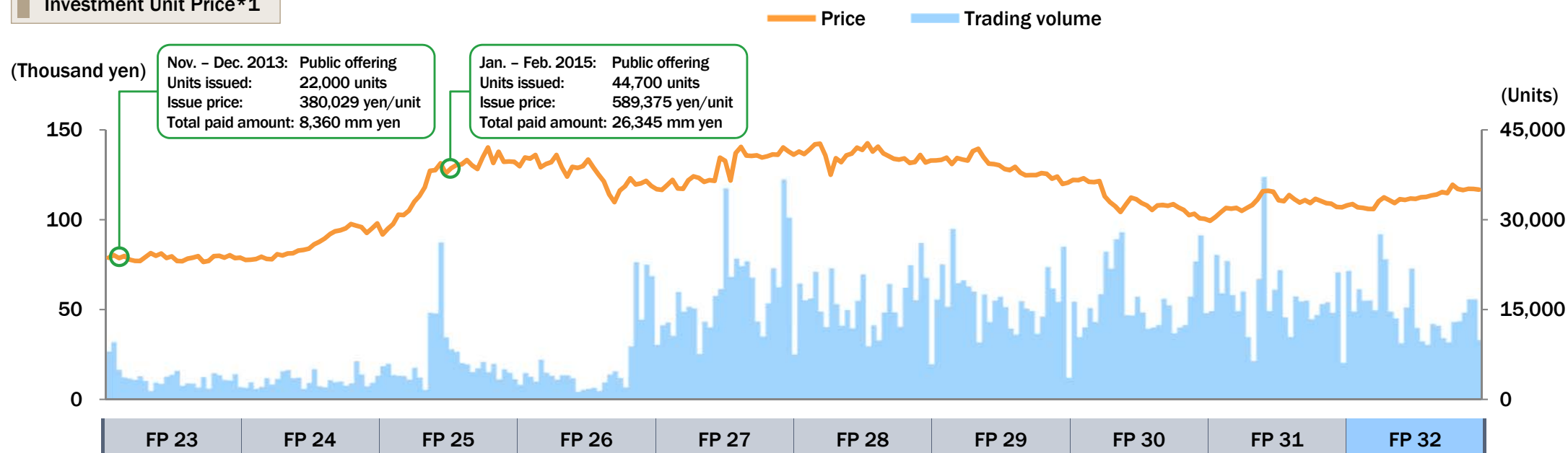
\*9 NAV per unit = (Unitholders' equity + unrealized P/L of assets held) ÷ number of investment units outstanding, for the period-end

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

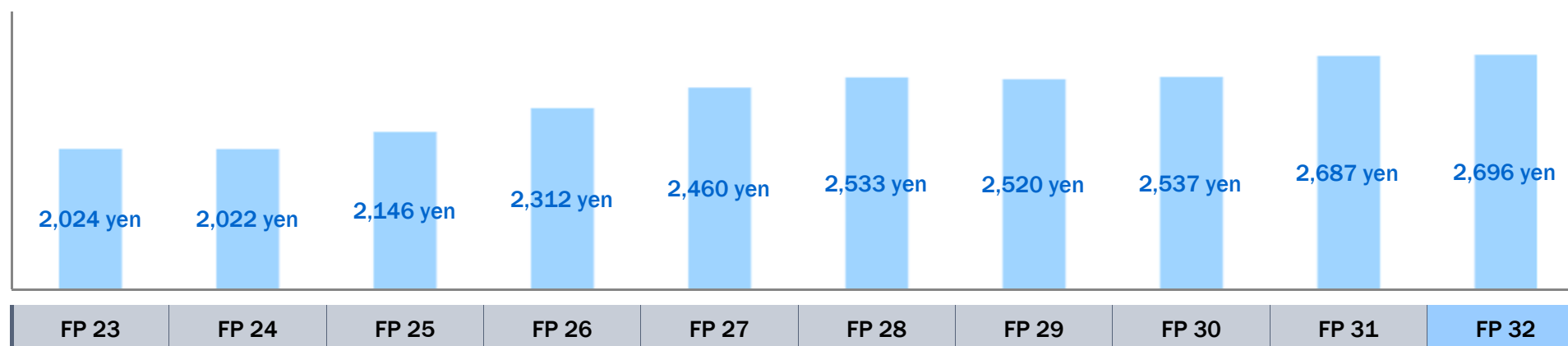


## Investment Unit Price and Distribution per Unit

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.

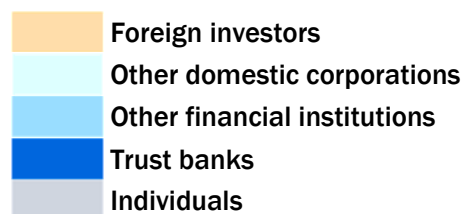
\*2 DPU figures from FP 26 and before have been adjusted for the unit split.





# Status of Unitholders

## Breakdown of Unitholders \*1



Total no. of investment units	1,316,995	1,316,995	1,316,995	1,316,995	1,316,995
	FP 28	FP 29	FP 30	FP 31	FP 32

## Major Unitholders

(as of October 31, 2018)

Rank	Unitholder	Units held (units)	Share *1	Change (units)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	301,750	22.9%	- 40,023
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	218,711	16.6%	+ 38,313
3	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	58,074	4.4%	+ 147
4	NTT Urban Development Corporation	43,500	3.3%	-
5	Trust & Custody Service Bank, Ltd. (Money Trust Tax Account)	40,948	3.1%	- 5,093
6	STATE STREET BANK WEST CLIENT - TREATY 505234	20,969	1.5%	+ 2,980
7	JP MORGAN CHASE BANK 385771	15,588	1.1%	+ 15,588
8	Mitsubishi UFJ Trust and Banking Corporation	14,045	1.0%	-
9	Mizuho Securities Co., Ltd.	12,542	0.9%	+ 1,554
10	STATE STREET BANK AND TRUST COMPANY 505223	12,109	0.9%	+ 8,448
Total		738,236	56.0%	

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



## Features of PIC (1)

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



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

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

### 2. Portfolio Comprising Both Office and Residential Assets

#### Office: Profitability

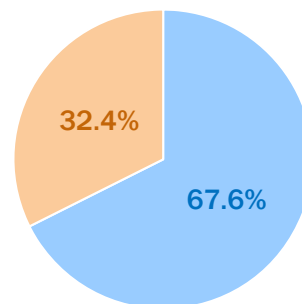
Exerts strengths when the economy is recovering

#### Residential: Stability

Stable demand even in the receding economy

- 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.

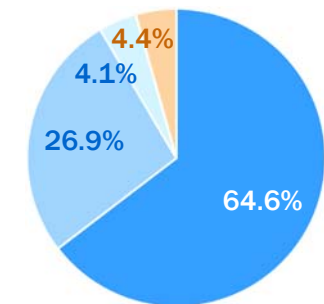
(As of October 31, 2018)



### 3. Focused Investments in Greater Tokyo

- 5 central wards of Tokyo
- Other 18 wards of Tokyo
- Urban areas surrounding Tokyo
- Major regional cities

(As of October 31, 2018)




- 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 32)

Assets under management	60		
Asset size	246.4 billion yen		
Average building age	22.7 years		
NOI yield	5.2%		
Yield after depreciation	4.0%		
Occupancy rate at period-end	97.7%		
Major properties	 <b>AkihabaraUDX</b> (Chiyoda Ward, Tokyo)	 <b>Sphere Tower Tennozu</b> (Shinagawa Ward, Tokyo)	 <b>Urbannet Ikebukuro Bldg.</b> (Toshima Ward, Tokyo)

### Financial Standing (at period-end FP 32)

Issuer ratings	JCR (Japan Credit Rating Agency)	AA- (stable)
	R&I (Rating and Investment Information)	A+ (stable)
LTV (Unitholders' capital basis)	48.3%	
LTV (Market value basis)	41.6%	
Amount of interest-bearing liabilities	112.6 billion yen	

### Overview of the Asset Management Company (as of October 31, 2018)

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	55.1%
	Kenedix, Inc.	30.0%
	SOHGOH REAL ESTATE CO., LTD.	10.0%
	Sumitomo Mitsui Trust Bank, Limited	4.9%



# Terminology Used in this Presentation

Term	Definition
■ Investment areas	<p>5 central wards of Tokyo: Chiyoda, Chuo, Minato, Shinjuku and Shibuya Wards</p> <p>Other 18 wards of Tokyo: The remaining 18 of 23 wards of Tokyo, after excluding the 5 Central Wards of Tokyo</p> <p>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)</p> <p>Major regional cities: Major cities such as Sapporo, Sendai, Shizuoka, Nagoya, Osaka, Kyoto, Kobe, Hiroshima, Okayama and Fukuoka</p>
■ Akihabara UDX	<p>An office building located in Tokyo's Chiyoda Ward that is the underlying asset to UDX SPC Preferred Securities</p> <p>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>
■ Acquisition price ■ Transfer price	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.
■ Occupancy rate	Total area under lease ÷ Gross leasable area
■ Occupancy rate by cash flows	<p>For any given month, the area actually generating cash flow * ÷ Gross leasable area</p> <p>* 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>
■ NOI	<p>Real estate rental income* + Depreciation (as rental business expenses)</p> <p>* NOI of the portfolio includes dividends received on preferred securities as office operating revenues.</p>
■ FFO	Net income + Depreciation (as rental business expenses) - capital gains on real estate sales
■ NOI yield (for individual properties)	<p>Annualized NOI* ÷ Amount invested ** (for each property in the portfolio during the fiscal period in question)</p> <p>* 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)</p> <p>** 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>
■ NOI yield (of portfolio)	<p>Annualized rental NOI* ÷ Amount invested ** for assets (including preferred securities) held during the period in question</p> <p>* Annualized rental NOI = NOI X 2, for the fiscal period in question</p> <p>** Amount invested = Total book value for assets held at the end of the period during the period in question</p>
■ Yield after depreciation (of portfolio)	<p>Annualized real estate rental income* ÷ Amount invested** for assets (including preferred securities) held during the period in question</p> <p>* 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</p> <p>** Amount invested = Total book value for assets held at the end of the period during the period in question</p>
■ Appraisal NOI yield (each property)	<p>Appraisal NOI* ÷ Acquisition price or transfer price</p> <p>* Appraisal NOI = Net operating income arrived at using the direct capitalization method described in the real estate appraisal document issued in the acquisition or transfer of the property in question</p>
■ LTV (Unitholders' capital basis)	Interest-bearing liabilities ÷ (interest-bearing liabilities + unitholders' capital) for each period-end
■ LTV (Market value basis)	Interest-bearing liabilities ÷ (period-end appraisal values of asset holdings) for each period-end



# 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.
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- 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

