

Premier Investment Corporation

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For Immediate Release

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**Notification of Revision to Management Projections for Fiscal Term Ending in October 2005 (6<sup>th</sup> Fiscal Term) and Fiscal Term Ending in April 2006 (7<sup>th</sup> Fiscal Term)**

Premier Investment Corporation (Premier) has made the following revisions to the management projections for the fiscal term ending in October 2005 (May 1, 2005 – October 31, 2005) and the fiscal term ending in April 2006 (November 1, 2005 – April 30, 2006) that were announced on June 21, 2005.

1. Reasons for Revising Management Projections

Since announcement of the initial management projection, Premier has issued investment corporation bonds and made other changes to the procurement method, interest and such related to interest-bearing liabilities. As a result, the Board of Directors' Meeting held today reviewed the rental business profits and losses, sales expenses, non-sales expenses and other premises of the management projection, leading to the following upward revisions to our management projection.

2. Description of Revisions

A. Revisions to Management Projections for Fiscal Term Ending in October 2005 (May 1, 2005 – October 31, 2005)

|                          | Operating Revenue<br>(million yen) | Net Income<br>(million yen) | Dividend per Investment Unit<br>(dividend in excess of income is not included)<br>(yen) | Dividend in Excess of Earnings per Unit (yen) |
|--------------------------|------------------------------------|-----------------------------|---|---|
| Previous projections (A) | 3,682                              | 1,379                       | 13,600  | -   |
| Revised projections (B)  | 3,686                              | 1,440                       | 14,200  | -   |
| Variation (C=B-A)        | 4                                  | 61                          | 600   | -   |
| Variation rate (C/Ax100) | 0.1%                               | 4.4%                        | 4.4%  | -   |

(Note 1) The projected number of outstanding investment units as of the end of the fiscal term is calculated at the bottom of the premises on the attachment.

(Note 2) Figures in yen have been rounded down to the nearest whole unit.

B. Revisions to Management Projections for Fiscal Term Ending in April 2006 (November 1, 2005 – April 30, 2006)

|                          | Operating Revenue<br>(million yen) | Net Income<br>(million yen) | Dividend per Investment Unit<br>(dividend in excess of income is not included)<br>(yen) | Dividend in Excess of Earnings per Unit (yen) |
|--------------------------|------------------------------------|-----------------------------|---|---|
| Previous projections (A) | 3,641                              | 1,298                       | 12,800  | -   |
| Revised projections (B)  | 3,652                              | 1,338                       | 13,200  | -   |
| Variation (C=B-A)        | 11                                 | 40                          | 400   | -   |
| Variation rate (C/Ax100) | 0.3%                               | 3.0%                        | 3.1%  | -   |

(Note 1) The projected number of outstanding investment units as of the end of the fiscal term is calculated at the bottom of the premises on the attachment.

(Note 2) Figures in yen have been rounded down to the nearest whole unit.

[Annotation]

These revised projection values were calculated based on the premises of the attachment and the actual operating revenue, net income and dividend per investment unit may vary depending on additional acquisitions and sales of real estate, etc. hereafter, changes in the management environment of the real estate market and other conditions. Furthermore, these projections are not guarantees of the dividend amounts.

\*This document was distributed to the press clubs within the Tokyo Stock Exchange, Ministry of Land, Infrastructure and Transport and the construction trade newspaper of the Ministry of Land, Infrastructure and Transport.

**Premises for the Revisions to the Management Projections for the 6<sup>th</sup> Fiscal Term (May 1, 2005 ~ October 31, 2005) and 7<sup>th</sup> Fiscal Term (November 1, 2005 – April 30, 2006)**

| Item                                    | Premise  |
|---|--|
| Managed assets                          | The premise is 31 properties comprised of the 30 properties owned as of today and the Premier Stage Uchikanda property scheduled for acquisition on September 20, 2005. It is our premise that there is no change in this total of 31 properties through the end of the 7 <sup>th</sup> fiscal term (April 30, 2006).<br>Furthermore, there is a possibility that there will be a variation brought on by the acquisition of a new property, the sale of an existing property, etc.  |
| Outstanding investment units            | The premise is the 101,400 units outstanding as of today. The premise is that no additional new investment units are issued through the end of the 7 <sup>th</sup> fiscal term.  |
| Interest-bearing liabilities            | The premise for the interest bearing liabilities is the 9.4 billion yen in long-term borrowings, which consist of 39.2 billion yen in interest-bearing liabilities in existence today minus the 29.8 billion yen in loans maturing on September 9, 2005; the 25 billion yen in investment corporation bonds listed in the Notification on the Issuance of Investment Corporation Bonds announced on August 11, 2005 and the 6 billion yen in long-term borrowings entered in the Notification on Basic Loan Agreement and Fund Borrowing announced on September 7, 2005 for a total of 40.4 billion yen. The plan is for the interest-bearing liabilities ratio to be about 44.0%. The premise is that no new borrowings, etc. are conducted through the end of the 7 <sup>th</sup> fiscal term (April 30, 2006) and that there are no changes in the balance of interest-bearing liabilities.<br>Furthermore, the following formula was used to calculate the interest-bearing liabilities ratio with the result rounded to one decimal place.<br>Interest-bearing liabilities ratio = Interest-bearing liabilities/(interest-bearing liabilities + unitholders' capital) x 100 |
| Operating expense                       | As for the five properties acquired in the fiscal period ending in October 2005 (Ougaku Building, Walk Akasaka, Premier Grande Magome, Premier Blanc Yoyogikoen and Premier Stage Ichigayakawadacho) and Premier Stage Uchikanda to be acquired on September 20, 2005, the real property tax, city planning tax and such are included in the acquisition price and are not recorded in the operating expenses for the 6 <sup>th</sup> and 7 <sup>th</sup> fiscal terms.  |
| Non-operating expense                   | Premier has assumed that 50 million yen in 6 <sup>th</sup> fiscal term and 24 million yen in the 7 <sup>th</sup> fiscal term will be recorded for the expenses for additional issuance of new investment units executed in 6 <sup>th</sup> fiscal term and the issuance of investment corporation bonds for which payment is planned on September 8, 2005.   |
| Dividend per unit                       | The premise for the dividend per investment unit is that the entire unappropriated profit for this period excluding figures below one yen will be distributed.<br>The dividend per unit may change as a result of various factors including changes in managed assets, changes in tenants and such changing the rental income; or the occurrence of unforeseen repairs.  |
| Dividend in excess of earnings per unit | As for the distribution of an amount in excess of earnings, Premier is not planning to make such a distribution to investors as of this point. This is because of the tax treatment that it is necessary for the investor receiving the distribution to calculate the capital loss or profit of said distribution each time.<br>Therefore, the premise is that there will be no dividend in excess of earnings per unit during the 6 <sup>th</sup> and 7 <sup>th</sup> fiscal terms.   |
| Other                                   | The premise is that there will be no revisions to laws, ordinances, tax systems, accounting standards, listing rules, The Investment Trusts Association, Japan rules and such that would impact the projected values. In addition, the premise is also that there will be no unforeseen material changes to general economic trends, the real estate market, etc.  |