



July 27, 2006

For Immediate Release

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### Notice Concerning Property Acquisition

<MEW>

Premier Investment Corporation (“Premier”) announces its decision today to acquire the property outlined below and that a real estate trust beneficiary interests transfer agreement was executed.

#### 1. Overview of Acquisition

(1) Property Name	MEW (hereinafter, the “Property”)
(2) Type of Acquisition	Beneficiary interests in a trust (real estate)
(3) Acquisition Price	1,556 million yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)
(4) Scheduled Date of Acquisition	July 27, 2006 Execution of real estate trust beneficiary interests transfer agreement. July 31, 2006 (scheduled) Execution of transfer in accordance with the abovementioned real estate trust beneficiary interests transfer agreement
(5) Seller	Alderaan Investment Y.K. (refer to “4. Seller Profile” below)
(6) Financing	Cash on hand and debt financing <sup>(Note)</sup>

(Note) Please refer to the “Notice Concerning Debt Finance” dated July 27, 2006.

#### 2. Reason for Acquisition

The Property will be acquired for the following reason in accordance with the “Property Management Targets and Policies” stipulated in the Articles of Incorporation of Premier.

(1) Reason	To enhance the management balance of the overall portfolio by increasing the portfolio’s share of residences in the 5 Central Wards of Tokyo <sup>(Note)</sup> .
(2) Property Characteristics	(i) Location and Convenience  The Property is situated in an area accessible via two stations – JR Yamanote Line’s Tamachi Station, which is about a 16-minute walk, and New Transit Yurikamome’s Shibaura-futo Station, which is about an 11-minute walk from the Property. Access to the downtown is also favorable, with JR Yamanote Line’s Tamachi Station being approximately 8 minutes to Tokyo Station. The area in which the Property used to be largely occupied by port facilities, but has recently seen a number of rental condominium developments and is becoming an area that has a mix of apartments, stores, etc. In

	<p>addition, the area commands an outstanding view, including a prospect of the Rainbow Bridge and Odaiba.</p> <p>(ii) Demand and Supply Trends, etc.</p> <p>As the Property is near the downtown area, in close proximity to the Tokyo waterfront sub-center, and boasts an excellent view, demand can be anticipated from primarily singles and DINKs who prefer to have their home and work in close range to each other.</p>
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(Note) The 5 Central Wards of Tokyo means the Chiyoda, Chuo, Minato, Shinjuku and Shibuya Wards.

### 3. Details of the Acquired Property

#### (1) Details of beneficiary interests in a real estate trust

Property Name	MEW
Name of Trustee	The Chuo Mitsui Trust and Banking Co., Ltd.
Agreement Term	From September 15, 2005 to July 31, 2016 (however, if such date is not a business day, the immediately preceding business day)
Acquisition Price	1,556 million yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)
Scheduled Date of Acquisition	<p>July 27, 2006 Execution of real estate trust beneficiary interests transfer agreement</p> <p>July 31, 2006 (scheduled) Execution of transfer in accordance with the abovementioned real estate trust beneficiary interests transfer agreement</p>

#### (2) Details of the real estate comprising the trust property

Property Name	MEW	
Location <sup>(Note 1)</sup>	Land	3-109-3 Kaigan, Minato Ward, Tokyo
	Building	3-109-3 Kaigan, Minato Ward, Tokyo <Residential Indication> 3-7-8 Kaigan, Minato Ward, Tokyo
Access	<p>16-minute walk from Tamachi Station on the JR Line</p> <p>11-minute walk from Shibaura-futo Station on the New Transit Yurikamome</p>	
Use of Building <sup>(Note 1)</sup>	Apartment and parking area	
Floor Area <sup>(Note 1)</sup>	Land	388.42m <sup>2</sup>
	Building (Total Floor Space) <sup>(Note 1)</sup>	1,826.50m <sup>2</sup>
Structure of Building <sup>(Note 1)</sup>	Reinforced concrete structure with a flat-topped roof; 12 stories	
Type of Ownership	Fee simple ownership for both land and building	
Total No. of Units	Residential: 21 units (1R: 2 units; 1LDK: 6 units; and 2LDK and 2LDK+S: 13 units)	
Construction Completion <sup>(Note 1)</sup>	August 2005	
Matters Concerning Design, etc.	Architect	ASCOT Inc.
	Building Contractor	P.S. Mitsubishi Construction Co., Ltd.
	Architectural Design Company	Urban Design System Co., Ltd.
	Structural Design Company	Urban Design System Co., Ltd.
	Building Inspection Agency	Bureau Veritas Japan Co., Ltd.

Acquisition Price		1,556 million yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)
Appraisal Method	Method	Appraisal by Tokyo Tatemono Co., Ltd.
	Estimated Value	1,520 million yen
	Overall Cap Rate Based on Direct Capitalization Method	4.5%
	Survey Date	July 1, 2006
Other Special Notes		Concurrently with the acquisition of the Property, a master lease agreement will be executed with the trustee as the lessor and R.A. Asset Management Inc. as the lessee. In addition, Premier, the trustee, Premier REIT Advisors Co., Ltd. and R.A. Asset Management Inc. will execute a property management consignment agreement that will make R.A. Asset Management Inc. the property manager of the Property. R.A. Asset Management Inc. is a subsidiary of Ken Corporation Ltd., which is a shareholder of Premier's asset manager Premier REIT Advisors Co., Ltd., and is classified as an Interested Party, Etc. of Premier REIT Advisors Co., Ltd. as defined in the Law Concerning Investment Trusts and Investment Corporations.
Tenant Details (Note 2)	Total Number of Tenants	21 (This is the total number of end tenants (lessee) who have executed a sublease agreement with the master lessee, who has entered into a master lease agreement with the trustee, as of the date of this document.)
	Total Leasable Space	1,551.65m <sup>2</sup>
	Total Leased Space	1,551.65m <sup>2</sup>
	Occupancy Rate	100%
Building Condition Evaluation Report	Investigator	Takenaka Corporation
	Earthquake PML	13.9% The PML value is based on a building condition evaluation report by Takenaka Corporation. The PML, or probable maximum loss, refers to the probability of maximum loss from an earthquake. There is a separate PML value for the respective buildings and one for the entire portfolio. Although there is no single precise definition of PML, PML herein refers to the level of damage that may result from the maximum earthquake size (a large earthquake that occurs once every 475 years = a large earthquake with 10% or greater probability of occurring within 50 years) assumed for the assumed scheduled use period (50 years = useful life of general building) expressed as a percentage (%) of the expenses expected to be required to repair the damage against the replacement cost.
		Emergency Repairs

	Near-Future Repairs	–
	Far-Future Repairs	2.453 million yen (average annual cost of repairs over next 12 years)

(Note 1) Information that appears on the registry was used for the “Location (excluding residential indication),” “Use of Building,” “Floor Area,” “Structure of Building” and “Construction Completion” items.

(Note 2) The “Total Number of Tenants,” “Total Leasable Space,” “Total Leased Space” and “Occupancy Rate” indicate figures as of the acquisition date (the date the real estate trust beneficiary interests transfer agreement was executed).

#### 4. Seller Profile

Company Name	Alderaan Investment Y.K.
Head Office Address	3-2-5 Kasumigaseki, Chiyoda Ward, Tokyo
Representative	Yoshiaki Nishimura
Paid-in Capital	3 million yen <sup>(Note)</sup>
Principal Business	Selling, purchasing, exchanging, owning, leasing, managing and using real estate; acquiring, owning and disposing real estate trust beneficiary interests; etc.
Relationship with Premier	None

(Note) As of July 11, 2006

#### 5. Overview of Intermediary

The intermediary is not indicated because the consent of the intermediary has not been obtained regarding this disclosure. The intermediary is a third-party and has no relationship with Premier or the investment trust management provider.

#### 6. Settlement Method

Premier is scheduled to pay the seller the acquisition price, etc. on July 31, 2006.

#### 7. Acquisition Schedule

July 27, 2006	Execution of real estate trust beneficiary interests transfer agreement
July 31, 2006 (scheduled)	Execution of transfer in accordance with the abovementioned real estate trust beneficiary interests transfer agreement

#### 8. Outlook

The impact of acquisition of the Property on Premier’s operating conditions is negligible and thus there are no changes to the outlook on operating conditions for the fiscal term ending in October 2006 (May 1, 2006 ~ October 31, 2006).

#### [Attachments]

- Reference 1 Projected Income and Expenses
- Reference 2 Table of Real Estate Portfolio Following Acquisition of the Property
- Reference 3 Outside View of the Property
- Reference 4 Map

\*The Japanese original document was distributed to 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.

\*Premier Investment Corporation’s website is <http://www.pic-reit.co.jp>



\*\*Please note that this English translation of the Japanese original document is provided solely for information purposes. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

[Reference 1] Projected Income and Expenses

(Unit: million yen)

Projected Income and Expenses for the Acquired Property		
1	Total rental income	86
	Rent income	81
	Other	5
2	Total rental expenses (excluding depreciation)	14
	A. Repair and maintenance costs	10
	a. Building maintenance costs	4
	b. Property management fees	4
	c. Utilities	1
	d. Other	1
	B. Taxes and other public charges	5
	C. Liability insurance premium	0
	D. Other	1
3	Far-future repair reserve	2
	NOI (net revenue) ( 1 - 2 - 3 )	70

(Assumptions used in the Projected Income and Expenses above)

The above figures are assumed annual income and expenses based on the income approach (direct capitalization method) in the appraisal by Tokyo Tatemono Co., Ltd. and are not the forecast figures for the year. Further, these were prepared based on the following assumptions.

- (1) For income, the occupancy rate for the residential units will be 96.7%.
- (2) Taxes and other public charges for both the land and building are recorded by standardizing figures that are based on the fiscal 2006 registers of land and house tax register book classified by owner. Further, the values are recorded on the assumption that the land is not qualified for city planning tax reductions and, because the reduction applicable to the building based on the tax reduction or exemption on newly-built residential properties is not permanent, the values are not recorded under this method.

[Reference 2] Table of Real Estate Portfolio Following Acquisition of the Property

Use	Area	Property No.	Property Name	Acquisition Date	Acquisition Price (yen) (Note 1)	Portfolio Share (%) (Note 2)	
Office	5 central Wards of Tokyo	A-1	Landic Shimbashi Building 1	Sept. 11, 2002	6,341,000,000	6.6	
		A-2	Landic Shimbashi 2 Building	Sept. 11, 2002	7,045,000,000	7.3	
		A-3	Fuji Building No. 37	Sept. 10, 2002	1,727,000,000	1.8	
		A-4	KN Shibuya No. 3	Sept. 11, 2002	5,348,000,000	5.6	
		A-5	Takadanobaba Center Building	Sept. 11, 2002	5,118,000,000	5.3	
		A-6	Rokubancho Building	Mar. 26, 2004	7,860,000,000	8.2	
		A-7	Ougaku Building	June 1, 2005	1,796,000,000	1.9	
	23 wards of Tokyo	B-1	IPB Ochanomizu Building	Sept. 11, 2002	1,456,000,000	1.5	
	Surrounding Regions	C-1	Nisso No. 3 Building	Sept. 11, 2002	3,558,000,000	3.7	
		C-2	The Kanagawa Science Park R&D Building	Sept. 11, 2002	6,556,000,000	6.8	
		C-3	NARA BUILDING II	Feb. 26, 2003	1,580,000,000	1.6	
	Office Sub-Total					48,385,000,000	50.4
	Residential	5 central Wards of Tokyo	D-1	Park Axis Yotsuya Stage	Sept. 11, 2002	5,208,000,000	5.4
D-2			Park Axis Meiji-Jingumae	Sept. 11, 2002	2,604,000,000	2.7	
D-3			Sun Palace Minami-Azabu	Sept. 10, 2002	1,150,000,000	1.2	
D-4			Cabin Arena Akasaka	Apr. 4, 2003	1,330,000,000	1.4	
D-5			Cabin Arena Minami-Aoyama	Sept. 1, 2003	1,070,000,000	1.1	
D-6			Bureau Kioicho	July 1, 2003	1,840,000,000	1.9	
D-7			Homat Woodville	Nov. 18, 2003	5,090,000,000	5.3	
D-8			Roppongi Green Terrace	Nov. 18, 2003	4,678,000,000	4.9	
D-9			B-Site Shibakoen	Nov. 18, 2003	2,181,000,000	2.3	
D-10			Premier Stage Nihonbashi Kayabacho	Mar. 26, 2004	2,430,000,000	2.5	
D-11			Langue Tower Kyobashi	Dec. 22, 2003	927,606,900	1.0	
D-12			Premier Stage MitaKeidaimae	Nov. 30, 2004	1,580,000,000	1.6	
D-13			Premier Rosso	Jan. 14, 2005	1,662,469,729	1.7	
D-14			Premier Blanc Yoyogikouen	July 15, 2005	2,330,000,000	2.4	
D-15			Premier Stage Uchikanda	Sept. 20, 2005	1,723,750,000	1.8	
D-16			Premier Stage Ichigayakawadacho	July 21, 2005	1,460,000,000	1.5	
D-17			Walk Akasaka	June 1, 2005	2,043,000,000	2.1	
D-18			Premier Stage Shibakouen (Note 3)	Oct. 31, 2006 (scheduled)	1,585,000,000	1.7	
D-19			MEW	July 31, 2006 (scheduled)	1,556,000,000	1.6	
23 wards of Tokyo		E-1	B-Site Osaki	Nov. 18, 2003	1,072,000,000	1.1	
		E-2	Premier Garden Hongo	Apr. 1, 2004	975,000,000	1.0	
		E-3	Premier Grande Magome	June 1, 2005	1,560,000,000	1.6	
	E-4	Premier Nozze Yutenji	Mar. 28, 2006	1,525,000,000	1.6		
Residence Sub-Total					47,580,826,629	49.6	
Total					95,965,826,629	100.0	

(Note 1) Under “Acquisition Price,” an amount excluding various costs required for the acquisition of the relevant real estate (real estate sale intermediary fees, etc.) and taxes and other public charges has been given (based on the sales and purchase price provided in Sales and Purchase Agreement, etc.).

(Note 2) “Portfolio Share” has been rounded to the nearest one decimal place.

(Note 3) Concerning Premier Stage Shibakouen, a real estate trust beneficiary interests transfer agreement subject to condition precedents was executed on February 22, 2006 and the execution of the transfer is scheduled to occur on October 31, 2006, assuming that the condition precedents are fulfilled.

[Reference 3] Outside View of the Property





[Reference 4] Map

For a map of the area surrounding the acquired property, please refer to:

<http://www.pic-reit.co.jp/cms/kaiji/2006-0726-01.pdf>