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For Immediate Release

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Notice Concerning Property Acquisition
<YS Kaigan Building>

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	YS Kaigan Building (hereinafter, the “Property”)
(2) Type of Acquisition	Beneficiary interests in a trust (real estate)
(3) Acquisition Price	5,100 million yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)
Payment Method	<Payment Schedule> Pay 100 million yen (down payment) upon execution of the real estate trust beneficiary interests transfer agreement. Pay 5,000 million yen (remaining amount) upon transfer.
(4) Date of Acquisition	May 18, 2007 Execution of the real estate trust beneficiary interests transfer agreement. June 29, 2007 (scheduled) Execution of transfer in accordance with the above-mentioned real estate trust beneficiary interests transfer agreement.
(5) Seller	O-REIT 2 Y.K. (refer to “4. Seller Profile” below)
(6) Financing	Cash on hand and debt financing

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 office buildings in the 5 Central Wards of Tokyo ^(Note) .
(2) Property Characteristics	(i) Location and Convenience The Property is situated in close proximity to Tokyo Waterfront New Transit Yurikamome’s Hinode Station, being only about a 2-minute walk away. Hamamatsucho Station, which is about a 9-minute walk away, is serviced by each of the JR Yamanote, JR Keihin-Tohoku and Tokyo Monorail Lines, making access to the downtown, Haneda Airport and various other directions favorable (takes about 8 minutes to Tokyo Station by JR Lines and about 20 minutes to Haneda Airport by the Tokyo Monorail). (ii) Features and the Neighborhood The Property is an office building with a parallel residential establishment on the upper three floors (10-12F). The office portion of the Property has a

	private-use area of about 550m ² on a standard floor (2-9F), well-lit with natural sunlight on two sides and rectangle-shaped for easy use. The area along the city road Kaigan Dori facing the Property to the east is an area with a commercial-industrial mix lined with medium- and high-rise retail and office buildings, etc. To the northeast across a canal stand large office buildings.
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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	YS Kaigan Building
Name of Trustee	The Chuo Mitsui Trust and Banking Co., Ltd.
Agreement Term	From December 24, 2004 to the end of June 2017 (however, if such date is not a business day, the immediately preceding business day) (scheduled)
Acquisition Price	5,100 million yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)
Date of Acquisition	May 18, 2007 Execution of the real estate trust beneficiary interests transfer agreement. June 29, 2007 (scheduled) Execution of transfer in accordance with the above-mentioned real estate trust beneficiary interests transfer agreement.

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

Property Name	YS Kaigan Building	
Location ^(Note 1)	Land	2-8-1, 2-8-7 and 2-8-3 Kaigan, Minato Ward, Tokyo
	Building	2-8-1, 2-8-7 and 2-8-3 Kaigan, Minato Ward, Tokyo <Residential Indication> 2-2-6 Kaigan, Minato Ward, Tokyo
Access	About a 2-minute walk from Hinode Station on the Tokyo Waterfront New Transit Yurikamome About a 9-minute walk from Hamamatsucho Station on the JR Keihin-Tohoku Line and Yamanote Line and the Tokyo Monorail	
Use of Building ^(Note 1)	Office, Apartment, Garage	
Area ^(Note 1)	Land	1,670.99 m ²
	Building (Total Floor Space)	8,476.92 m ²
Structure of Building ^(Note 1)	Steel-framed, reinforced concrete structure with a flat-topped roof; 12 stories	
Type of Ownership	Fee simple ownership for both land and building	
Former Owner	O-REIT 2 Y.K.	
Construction Completion ^(Note 1)	May 1993	
Matters Concerning Design, etc.	Developer	Yamada Soko K.K.
	Building Contractor	Shimizu Corporation
	Architectural Design Company	Shimizu Corporation
	Structural Design Company	Shimizu Corporation
	Building Inspection Agency	Tokyo Metropolitan Government
Acquisition Price	5,100 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.
	Appraised Value	5,130 million yen
	Overall Cap Rate Based on Direct Capitalization Method	4.4%
	Survey Date	April 1, 2007

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	Office: 5; Residential: 10 (This is the total number of end tenants (sublessees) who have executed a sublease agreement with the master lessee, who has entered into a master lease agreement with the trustee.)	
	Monthly Rent (including common expenses)	26 million yen	
	Deposits/Guarantees	167 million yen	
	Total Leasable Space	6,383.57 m ²	
	Total Leased Space	6,183.10 m ²	
	Occupancy Rate	96.9 % (as of May 18, 2007)	
Building Condition Evaluation Report	Investigator	Takenaka Corporation	
	Earthquake PML	10.6 %	
		The PML, or probable maximum loss, refers to the probability of the maximum loss expected to result from an earthquake. Although there is no single precise definition of PML, PML herein is based on the event of the maximum earthquake that can be expected to occur in the region where the subject building is located (probable maximum earthquake = PME: an earthquake of a size that has 10% or greater probability of occurring within 50 years = occurs once every 475 years) occurring and is represented by expressing the construction costs required to restore the post-PME building to its pre-PME state as a percentage of the total construction costs required to reconstruct the building (= replacement cost). The concerned measurement does not take into account the impact of the collapse of neighboring buildings or fire, water and other damages.	
		Priority Repairs	–
		Near-Future Repairs	750 thousand yen
Far-Future Repairs	38,914 thousand yen (average annual cost of repairs over the next 12 years)		

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

(Note 2) "Tenant Details" indicate the figures as of May 18, 2007. The yen amounts are rounded down to the nearest million yen and percentage rounded to the nearest one decimal place.

4. Seller Profile

Company Name	O-REIT 2 Y.K.
Head Office Address	1-6-1 Kaigan, Minato Ward, Tokyo
Representative	Tetsuya Yamashita, Director

Paid-in Capital	3 million yen (as of May 10, 2007)
Major Shareholders	ORIX Corporation
Principal Business	1. Leasing, selling, buying and managing real estate and forming housing lots 2. Holding, operating, managing, selling and buying securities 3. Holding, selling and buying beneficiary interests in trust, ...etc.
Relationship with Premier or Investment Trust Management Company	None

5. Overview of Intermediary

Company Name	The Chuo Mitsui Trust and Banking Co., Ltd.
Head Office Address	3-33-1 Shiba, Minato Ward, Tokyo
Representative	Kazuo Tanabe, President and Director
Amount of Reward	90 million yen (excluding consumption tax and local consumption tax)
Relationship with Premier or Investment Trust Management Company	The Chuo Mitsui Trust and Banking Co., Ltd. is a shareholder of Premier's asset manager, Premier REIT Advisors Co., Ltd.

6. Settlement Method

Refer to "1. Overview of Acquisition (3)" above.

7. Acquisition Schedule

Refer to "1. Overview of Acquisition (4)" above.

8. Outlook

Please refer to "Notice Concerning Revision to Dividend Forecast for Fiscal Period Ending in October 2007 (10th Fiscal Period)" dated May 18, 2007 for details on operating conditions for the fiscal period ending in October 2007 (May 1, 2007 – October 31, 2007).

[Attachments]

- Reference 1 Overview of Appraisal Report
- 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] Overview of Appraisal Report

(Unit: yen)

Overview of Appraisal Report			
Real-estate appraiser		Tokyo Tatemono Co., Ltd.	
Survey date		April 1, 2007	
The value estimated by income approach		5,130,000,000	
The value estimated by direct capitalization method (11)÷(12)		5,270,000,000	
Gross income	Fixed income	Rental income	268,082,000
		Common expenses	58,307,000
		Parking lot	35,544,000
		Storehouse	2,830,000
		Potential gross income (1)	364,763,000
		Rental income	(8,764,000)
		Common expenses	(1,830,000)
		Parking lot	(14,218,000)
		Storehouse	(85,000)
		Estimated loss due to vacancy (Note 1) (2)	(24,897,000)
		Rental income	259,318,000
		Common expenses	56,477,000
		Parking lot	21,326,000
		Storehouse	2,745,000
		Gross income from effective lease (1)–(2) (3)	339,866,000
Amortization of deposits and renewal fees	662,000		
Variable income (4)	662,000		
Gross income (3)+(4) (5)	340,528,000		
Total expenses on rental operation	Building maintenance costs	27,239,000	
	Utilities	5,505,000	
	Taxes and other public charges (Note 2)	28,676,000	
	Liability insurance premium	1,687,000	
	Repair costs	9,960,000	
	Lease management costs	6,797,000	
	Leasing fees	1,509,000	
	Allowance for doubtful accounts	0	
Total expenses on rental operation (6)	81,373,000		
NOI (5)–(6) (7)	259,155,000		
Renovation costs (8)	28,920,000		
NCF (7)–(8) (9)	230,235,000		
Profit from managing deposits (10)	1,833,000		
First year standard net income (9)+(10) (11)	232,068,000		
Capitalization rate (12)	4.40%		
The value estimated by discounted cash flow (DCF) method		5,130,000,000	
	Discount rate	4.30%	
	Terminal capitalization rate	4.50%	
The value estimated by cost approach		4,670,000,000	
	Land ratio	68.09%	
	Building ratio	31.91%	

(Note 1) The vacancy rate is assumed to be 3.0% for the office portion, 5.0% for the apartment portion, 40.0% for the parking lot and 3.0% for the storehouse.

(Note 2) Taxes and other public charges are recorded by rounding down the actual fiscal 2006 amount for both the land and building.

[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	Sep 11, 2002	6,341,000,000	5.8%	
		A-2	Landic Shimbashi 2 Building	Sep 11, 2002	7,045,000,000	6.5%	
		A-3	Fuji Building No.37	Sep 10, 2002	1,727,000,000	1.6%	
		A-4	KN Shibuya No.3	Sep 11, 2002	5,348,000,000	4.9%	
		A-5	Takadanobaba Center Building	Sep 11, 2002	5,118,000,000	4.7%	
		A-6	Rokubancho Building	Mar 26, 2004	7,860,000,000	7.2%	
		A-7	Ougaku Building	Jun 1, 2005	1,796,000,000	1.6%	
		A-8	YS Kaigan Building	Jun 29, 2007 (scheduled)	5,100,000,000	4.7%	
	23 Wards of Tokyo	B-1	IPB Ochanomizu Building	Sep 11, 2002	1,456,000,000	1.3%	
		B-2	Premier Toyochō Building	May 18, 2007	4,310,000,000	4.0%	
	Surrounding Regions	C-1	Nisso No.3 Building	Sep 11, 2002	3,558,000,000	3.3%	
		C-2	The Kanagawa Science Park R&D Building	Sep 11, 2002	6,556,000,000	6.0%	
		C-3	NARA BUILDING 2	Feb 26, 2003	1,580,000,000	1.4%	
	Office Sub-Total					57,795,000,000	53.0%
	Residential	5 Central Wards of Tokyo	D-1	Park Axis Yotsuya Stage	Sep 11, 2002	5,208,000,000	4.8%
			D-2	Park Axis Meiji-Jingumae	Sep 11, 2002	2,604,000,000	2.4%
			D-3	Sun Palace Minami-Azabu	Sep 10, 2002	1,150,000,000	1.1%
			D-4	Cabin Arena Akasaka	Apr 4, 2003	1,330,000,000	1.2%
			D-5	Cabin Arena Minami-Aoyama	Sep 1, 2003	1,070,000,000	1.0%
D-6			Bureau Kioicho	Jul 1, 2003	1,840,000,000	1.7%	
D-7			Homat Woodville	Nov 18, 2003	5,090,000,000	4.7%	
D-8			Roppongi Green Terrace	Nov 18, 2003	4,678,000,000	4.3%	
D-9			B-Site Shibakoen	Nov 18, 2003	2,181,000,000	2.0%	
D-10			Premier Stage Nihonbashi Kayabacho	Mar 26, 2004	2,430,000,000	2.2%	
D-11			Langue Tower Kyobashi	Dec 22, 2003	927,606,900	0.9%	
D-12			Premier Stage MitaKeidaimae	Nov 30, 2004	1,580,000,000	1.4%	
D-13			Premier Rosso	Jan 14, 2005	1,662,469,729	1.5%	
D-14			Premier Blanc Yoyogikouen	Jul 15, 2005	2,330,000,000	2.1%	
D-15			Premier Stage Uchikanda	Sep 20, 2005	1,723,750,000	1.6%	
D-16			Premier Stage Ichigayakawadacho	Jul 21, 2005	1,460,000,000	1.3%	
D-17			Walk Akasaka	Jun 1, 2005	2,043,000,000	1.9%	
D-18			Premier Stage Shibakoen	Oct 13, 2006	1,585,000,000	1.5%	
D-19			MEW	Jul 31, 2006	1,556,000,000	1.4%	
23 Wards of Tokyo		E-1	B-Site Osaki	Nov 18, 2003	1,072,000,000	1.0%	
		E-2	Premier Garden Hongo	Apr 1, 2004	975,000,000	0.9%	
		E-3	Premier Grande Magome	Jun 1, 2005	1,560,000,000	1.4%	
		E-4	Premier Nozze Yutenji	Mar 28, 2006	1,525,000,000	1.4%	
		E-5	Across Yushima	Sep 1, 2006	1,803,000,000	1.7%	
		E-6	Premier Stage Komagome	Feb 9, 2007	1,830,000,000	1.7%	
Residence Sub-Total					51,213,826,629	47.0%	
Total					109,008,826,629	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 sale and purchase price provided in the Sale and Purchase Agreement, etc.).

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

[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/2007-0518-01.pdf>