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For Immediate Release

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## Notice Concerning Series of Initiatives with NTT Urban Development

Premier Investment Corporation (“PIC”) announces that Premier REIT Advisors Co., Ltd. (“PRA”), the asset management company for PIC, decided and agreed on April 26, 2010, following an agreement on NTT Urban Development Corporation (“NTT Urban Development”) acquiring PRA stocks from existing stockholders of PRA (“Acquisition of Stocks”), to engage in a series of initiatives as follows with new sponsor NTT Urban Development (collectively, the “Initiatives”).

### 1. Overview of the Initiatives

The content of the Initiatives is primarily as follows. For the background and significance of the Initiatives, please refer to “2. Background of the Initiatives” and “3. Significance of the Initiatives” below.

(1) NTT Urban Development’s acquisition of majority stake in PRA

NTT Urban Development and stockholders of PRA to engage in transfers of PRA stocks agreed on April 26, 2010 on NTT Urban Development acquiring PRA stocks held by the concerned stockholders of PRA. For details on such, please refer to the “Notice Concerning Change of Stockholders of the Asset Management Company” dated April 26, 2010 and “4. Change of Stockholders of PRA” below.

(2) NTT Urban Development’s continuous dispatch of officers and employees to PRA

Stockholders of PRA after implementation of the Acquisition of Stocks (including Stockholders of PRA not engaging in the transfer of PRA stocks mentioned in (1) above) and NTT Urban Development concluded a stockholders memorandum on April 26, 2010 on NTT Urban Development, as a stockholder of PRA, appointing a certain percentage of PRA directors and on other running of PRA. Based on such agreement, PRA believes that such will facilitate continuous dispatch of officers and employees from NTT Urban Development to PRA. For details on such, please refer to “5. Future Management Structure and Continuous Dispatch of Officers and Employees from New Sponsor to PRA.”

(3) NTT Urban Development’s pipeline support for future property acquisitions

PIC, PRA and NTT Urban Development concluded an “Agreement on Information Provision” (the “Pipeline Agreement”) on April 26, 2010. Based on the Pipeline Agreement, PIC and PRA expect to be provided with certain information on real estate, etc. from NTT Urban Development. For details on the Pipeline Agreement, please refer to “6. Overview of Pipeline Support from New Sponsor” below.

(4) PIC’s issuance of new investment units through third-party allotment to NTT Urban Development

PIC adopted a resolution at a meeting of its board of directors held on April 26, 2010 to issue new investment units with NTT Urban Development as the allottee. For details on such, please refer to the “Notice Concerning Issuance of New Investment Units through Third-Party Allotment” dated April 26, 2010 and “7. Issuance of New Investment Units through Third-Party Allotment” below.

### 2. Background of the Initiatives

PIC listed on Tokyo Stock Exchange’s Real Estate Investment Trust Section (J-REIT market) in September 2002 as a “REIT that manages a portfolio comprised of office buildings and residential properties in the Tokyo Economic Bloc” and commenced management with the acquisition of 11 properties immediately after listing. PIC has been striving to expand its asset size since then, growing its portfolio to comprise of 45 properties in the total number of properties acquired and amounting to approximately 140.0 billion yen in acquisition price as of April 26, 2010. However, global financial turmoil and sharp credit crunch stemming from the subprime mortgage crisis have forced the J-REIT market to shrink in size and, with also the real estate trading market on the whole, too, being thrown deeper into confusion and other factors, its rate of external growth has drastically declined. Moreover, financial turmoil has spread to the real economy as well, which has caused increases in vacancy rates, deterioration of leasing conditions and other major blows on also the real estate leasing market on the whole, and the environment continues to be one in which stable internal growth is unfeasible.

Nevertheless, there is restructuring of the industry, as evident by the mergers of investment corporations, sponsor replacement and determination of new sponsors of asset management companies, etc., and the Japanese economy is also starting to show signs of the economic depression bottoming out in certain aspects. These factors have sparked a growing sense of expectation that the J-REIT market will revive.

Under such circumstances, PIC, PRA and stockholders of PRA share the recognition that obtaining a new sponsor boasting high credit capability would be indispensable to redeveloping a medium- to long-term financial strategy and sustainable growth strategy in preparation for future full-fledged improvement of the J-REIT market, and have been advancing a series of considerations towards the realization of such.

Such considerations have concluded that NTT Urban Development, one of Japan's leading real estate companies in terms of both credit capability and business track record, meets these conditions, and through talks with NTT Urban Development have reached the recent decision to have NTT Urban Development come on board as a new sponsor that will hold a majority stake in PRA. This appointment of a new sponsor is believed to lead to strengthening of PRA's structure and serve to constantly improve PIC's unitholder value.

### **3. Significance of the Initiatives**

Since its establishment in 1986, NTT Urban Development has engaged in numerous development projects through which it has built a track record in the ability to develop office buildings with high added-value and has accumulated outstanding ability to operate in the real estate leasing business. Equipped with these abilities, NTT Urban Development has become one of Japan's leading real estate companies. Through future transactions with NTT Urban Development based on having NTT Urban Development come on board as a new sponsor, PIC will draw on NTT Urban Development's development ability as well as real estate leasing business and other operational know-how in PIC's new property acquisitions as well as operation and management. In this manner, PIC will strive for continuous enhancement of its unitholder value by pursuing its further external growth and internal growth.

NTT Urban Development is executing the NTT Urban Development Group Medium-Term Management Plan 2010, which seeks further development and growth of the core businesses, which are the real estate leasing business and selling business, based on the foundations for growth established to date, and increasingly greater corporate value by tapping new growth areas. NTT Urban Development is expanding the development size through diversification of development approaches and development content in pursuit of sustainable growth of the core businesses, and has projects that are scheduled to start hereafter and development pipelines in major cities across Japan centering on the Tokyo metropolitan area. PIC has been striving to expand its asset size by setting the medium- to long-term target ratio of investment amount for its portfolio at roughly 60% office buildings and 40% residential properties. NTT Urban Development becoming the new sponsor will enable PIC to seize opportunities to acquire blue-chip office buildings more than ever before in seek of realizing the target asset class ratio at an early stage and increasingly expanding the asset size.

Furthermore, NTT Urban Development boasts strengths in that it, as the sole general real estate company of the NTT Group, has a lead over other companies with respect to participation in development and other business opportunities involving real estate owned by the NTT Group, and at the same time, as a member of the NTT Group, has a stable financial standing and high creditworthiness. PIC is convinced that having the described NTT Urban Development come on board as the new sponsor will enable it to not only promote its growth strategy in the asset management aspect, but also secure greater stability in the financial aspect.

Through the Initiatives, PIC will seek to earn the trust of a wider range of investors and maximize unitholder value. PIC will step up its efforts more than ever before to thorough inform of information on PIC and promote proactive IR activities targeting a broad group of Japanese and overseas investors without placing weight on a specific investor base. Proactive IR activities will serve to raise wide recognition of the participation of NTT Group's sole general real estate company NTT Urban Development in PIC as its sponsor and stimulate demand for PIC investment units from all kinds of investors.

### **4. Change of Stockholders of PRA**

The Initiatives will involve NTT Urban Development acquiring a majority stake in PRA. For details, please refer to the "Notice Concerning Change of Stockholders of the Asset Management Company" dated April 26, 2010.

### **5. Future Management Structure and Continuous Dispatch of Officers and Employees from New Sponsor to PRA**

PRA plans to accept the dispatch of officers and employees from NTT Urban Development in order to increasingly strengthen PRA's management structure, decision-making structure and internal control system, subject to the condition that the continuous employment of PRA's employees are maintained. Details on management structure, decision-making structure and internal control system changes in correlation with the change of stockholders of PRA will be announced at a later date once ascertained.

## 6. Overview of Pipeline Support from New Sponsor

PIC, PRA and NTT Urban Development concluded the Pipeline Agreement on April 26, 2010 as part of the Initiatives.

The Pipeline Agreement is an agreement mainly agreeing to, in the event that real estate, etc. currently held or will be held by NTT Urban Development is to be disposed of to third parties and when NTT Urban Development deems at its discretion that the concerned real estate, etc. constitutes real estate, etc. that is generally in line with Article 2 of the Articles of Incorporation and the “Property Management Targets and Policies” attachment to the Articles of Incorporation of PIC as well as the Asset Management Guidelines of PRA and other investment criteria (“qualified real estate, etc.”), that NTT Urban Development shall promptly notify PIC and PRA of information on the disposition of the concerned real estate, etc. prior to third parties. The Pipeline Agreement also states that, in the event that NTT Urban Development obtains information on the disposition of real estate, etc. from third parties or is entrusted with the agency or brokerage of such disposition and when NTT Urban Development deems at its discretion that the concerned real estate, etc. constitutes qualified real estate, etc., NTT Urban Development shall strive to promptly notify PIC and PRA of information on the disposition of the concerned qualified real estate, etc. when the seller consents to such.

Based on the Pipeline Agreement, information on opportunities to invest in blue-chip office buildings, etc. developed/held by NTT Urban Development will become available to PIC on a preferential basis.

## 7. Issuance of New Investment Units by Way of Third-Party Allotment

PIC has decided to allot new investment units to NTT Urban Development as follows. For details, please refer to the “Notice Concerning Issuance of New Investment Units by Way of Third-Party Allotment” dated April 26, 2010.

Number of new investment units to be issued	8,700 units
Amount to be paid in (issue price)	346,275 yen per unit
Total issue price	3,012,592,500 yen
Subscription period (subscription date)	May 10, 2010
Payment date	May 14, 2010
Lock-up	A lock-up period of 6 months is scheduled for the abovementioned new investment units to be acquired by NTT Urban Development

Moreover, PIC and PRA will use the funds paid in from the issuance of new investment units through third-party allotment to fund the acquisition of a specified asset (the meaning in Article 2-1 of the Law Concerning Investment Trusts and Investment Corporations). For details, please refer to the “Notice Concerning Property Acquisition (Iwamotocho Building)” dated April 26, 2010.

The necessary filing and other procedures will be performed for this matter pursuant to the Financial Instruments and Exchange Law, Building Lots and Buildings Transaction Law and other applicable laws, ordinances and regulations.

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

\*PIC’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.