



NEWS RELEASE

Aug 11, 2010

R&I Assigns A+: Premier Investment Corp. Shelf Reg. SB No.3

Rating and Investment Information, Inc. (R&I) has announced the following.

ISSUER: Premier Investment Corp. (Sec. Code: 8956)
Preliminary Rating for the Shelf Registration (Bonds)

Unsec. Str. Bonds No.3
New Issue

R&I RATING: A+ (Assigned)

RATIONALE:

Premier Investment Corp. (PIC) is a real estate investment trust (J-REIT) which became a listed company in September 2002. PIC invests in two different types of properties: office buildings and residential apartments in the Tokyo Metropolitan area. In May 2010, NTT Urban Development Corp. (Sec. Code: 8933, Issuer Rating: AA-) became a new main sponsor of the REIT, following its acquisition of a 53.1% stake in Premier REIT Advisors Co., Ltd., the asset management company of PIC.

Apartment buildings account for 51% of the entire portfolio, while the remaining 49% is comprised of office buildings. Due to the harsh rental market, rents as well as occupancy rates are falling, mainly of office buildings. As a result, cash flow from the rent business is weak. The location of properties in PIC's portfolio concentrates in Tokyo's six main wards, an area where rent demand is relatively strong. R&I thus sees little possibility that occupancy rates will continue to fall for a long time. Nevertheless, R&I will pay attention to how PIC will reduce vacant rooms and achieve an earnings recovery in the future. The debt ratio is basically controlled within the range stipulated in the management policy. The REIT continues to obtain stable long-term borrowings mainly from domestic major banks.

The primary rating methodologies applied to this rating are provided at "R&I J-REIT Rating Methodology" and "Basic Methodologies for R&I's Credit Rating". The methodology is available at the web site listed below, together with other rating methodologies that are taken into consideration when assigning the rating.

<http://www.r-i.co.jp/eng/sf/about/methodology/index.html>

<http://www.r-i.co.jp/eng/cfp/about/methodology/index.html>

R&I RATINGS:

ISSUER: Premier Investment Corp. (Sec. Code: 8956)
ISSUE: Preliminary Rating for the Shelf Registration (Bonds)
Issue Amount: Yen 70,000 million (Shelf Amount)
Issue Period: Two years from Sep 07, 2009

R&I RATING: A+ (Assigned)

LONG-TERM ISSUE RATING:	Issue Date	Redemption	Issue Amount (mn)
Unsec. Str. Bonds No.3	Aug 18, 2010	Aug 16, 2013	Yen 7,000
R&I RATING:	A+ (Assigned)		

ISSUER RATING: A+
RATING OUTLOOK: Stable

Rating and Investment Information, Inc. Nihonbashi 1-chome Bldg., 1-4-1, Nihonbashi, Chuo-ku, Tokyo 103-0027, Japan
Investors Service Division TEL.03-3276-3511 FAX.03-3276-3413 <http://www.r-i.co.jp>

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