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For Immediate Release

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Notice Concerning Share Exchange and Change in Major Shareholders of the Asset Management Company

Premier Investment Corporation (“PIC”) hereby announces that Premier REIT Advisors Co., Ltd. (“PRA”), the asset management company of PIC, resolved at its board of directors’ meeting held today to conduct a share exchange (the “Share Exchange”), making NTT Urban Development Corporation (“NTT Urban Development”) a wholly-owning parent company resulting from the share exchange and PRA a wholly-owned subsidiary company resulting from the share exchange, and that a share exchange agreement (the “Share Exchange Agreement”) was executed between NTT Urban Development and PRA as of today. PRA is scheduled to conduct the Share Exchange effective as of October 30, 2020 after obtaining approval at its extraordinary general meeting of shareholders (the “Shareholders’ Meeting”) to be held on October 7, 2020. PIC also hereby announces that, as a result of the Share Exchange, a change in major shareholders of PRA (the “Change in Shareholders”) is expected.

I. Details of the Share Exchange

1. Purpose of the Share Exchange

NTT Urban Development proposed the Share Exchange to PRA aiming to reinforce NTT Group’s sponsor support to PIC through making PRA a wholly-owned subsidiary of NTT Urban Development through the Share Exchange. PRA has decided to enter into the Share Exchange Agreement with the belief that the Share Exchange will contribute to the enhancement of unitholder value of PIC through expansion of opportunities to acquire properties from NTT Group, etc.

2. Consideration on Conflicts of Interest

NTT Urban Development is a shareholder of PRA which is currently owning 70% of the outstanding shares of PRA, and certain strict review mechanisms are already in place with regard to any conflict of interest between PIC and NTT Urban Development such as requiring consideration by and approval from the Compliance Committee for purchase/sale of properties, entrustment of property management and other transactions between PIC and NTT Urban Development. We believe that such review mechanisms will continue to ensure PRA to be able to properly handle conflicts of interest between NTT Urban Development and PIC even after the Share Exchange.

3. Overview of the Share Exchange

(1) Schedule of the Share Exchange

Date of resolution for approval of the Share Exchange Agreement at Board of Directors (PRA)	September 15, 2020
Date of resolution for approval of the Share Exchange Agreement at Board of Directors (NTT Urban Development)	September 15, 2020
Date of execution of the Share Exchange Agreement	September 15, 2020
Date of extraordinary general meeting of shareholders (PRA)	October 7, 2020 (planned)
Effective date of the Share Exchange	October 30, 2020 (planned)
Date of payment of cash consideration pertaining to the Share Exchange	October 30, 2020 (planned)

(Note 1) Above dates are subject to change by the agreement of the two companies due to procedural requirements in relation to the Share Exchange or other reasons.

(Note 2) NTT Urban Development plans to conduct the Share Exchange without the approval at its shareholders’ meeting by taking the procedure of simplified share exchange pursuant to Article 796, Paragraph 2 of the Companies Act.

(2) Details of the allocation pertaining to the Share Exchange

NTT Urban Development plans to pay cash consideration in accordance with the Share Exchange Agreement for the common stock of PRA held by Kenedix, Inc. (“Kenedix”), the only shareholder of PRA other than NTT Urban Development, pursuant to Article 768, Paragraph 1, Item 2 of the Companies Act. (Share exchange with cash consideration.)

The amount of cash consideration to be paid to the shareholder of PRA is determined through negotiation with NTT Urban Development, taking into consideration the result of the value analysis by DCF method of the common stock of PRA conducted by a third-party appraiser.

The Board of Directors of PRA had careful deliberations and discussions with regard to the terms and conditions of the Share Exchange giving highest consideration to the contents of the report on the Share Exchange (including the report on the adequacy of the cash consideration to be paid to the shareholder of PRA as consideration for the Share Exchange and other terms of the Share Exchange) submitted by the Special Committee (Note) established by PRA, and resolved to proceed with the Share Exchange.

(Note) The “Guidelines for Fair M&A” (June 28, 2019) issued by the Ministry of Economy, Trade and Industry also recommend establishing a special committee for reviewing the terms and conditions, etc. of the transaction in order to conduct a fair M&A transaction.

4. Overview of the Concerned Companies

	Wholly-owning parent company resulting from the share exchange	Wholly-owned subsidiary company resulting from the share exchange
Name	NTT Urban Development Corporation	Premier REIT Advisors Co., Ltd.
Location	4-14-1 Sotokanda, Chiyoda ward, Tokyo	1-5-1 Otemachi, Chiyoda ward, Tokyo
Representatives' positions and names	Hiroshi Tsujigami, President & Chief Executive Officer	Tomoyoshi Kosugi, President & Chief Executive Officer
Paid-in capital	48,760 million yen (As of March 31, 2020)	300 million yen (As of March 31, 2020)
Principal businesses	<ul style="list-style-type: none"> (1) Acquisition, development, sales and management of real estate (2) Real estate leasing, brokerage and appraisal (3) Building design, construction, construction supervision and their commissioning (4) Sale and lease of office work equipment, communications equipment and other fixtures and fittings, and interior furnishings for office buildings and residences (5) Construction and sales of residences (6) Information gathering and management, research and consulting related to civil engineering, construction and real estate (7) Business on fee-based homes for the elderly, and business on the home care service and on the service on prevention of the need of long term care, pursuant to the Long-Term Care Insurance Act 	<ul style="list-style-type: none"> (1) Investment management business (2) Real estate brokerage business (including the business of discretionary entrustment of transactions defined in Article 50-2, Paragraph 1, Item 1 of the Real Estate Brokerage Act, etc.) (3) General administrative services based on the Act on Investment Trusts and Investment Corporations (the “Investment Trusts Act”)
Establishment date	January 21, 1986	July 17, 2001
Net assets	197,628 million yen (As of March 31, 2020)	1,496 million yen (As of March 31, 2020)
Total assets	932,262 million yen (As of March 31, 2020)	1,625 million yen (As of March 31, 2020)
Major shareholders and shareholding ratios	NTT Urban Solutions, Inc. (Shareholding ratio: 100%)	NTT Urban Development Corporation (Shareholding ratio: 70.0%) Kenedix, Inc. (Shareholding ratio: 30.0%)

Relationship between PIC/PRA and NTT Urban Development	
Capital relationship	NTT Urban Development owns 3.3% (43,500 units) of PIC's total investment units outstanding. NTT Urban Development is also the parent company of PRA, holding 70.0% (4,200 shares) of PRA's total shares outstanding, and falls under the category of the interested party, etc. of PRA as stipulated in the Investment Trusts Act.
Personnel relationship	NTT Urban Development is one of the companies from which officers and employees of PRA have been dispatched.
Business Relationship	NTT Urban Development is one of the tenants of the properties owned by PIC. In addition, PRA has executed an Agreement on Information Provision with NTT Urban Development.
Related Parties	NTT Urban Development does not fall under the category of related parties of PIC. As stated above, NTT Urban Development is the parent company of PRA and falls under the category of related parties of PRA.

5. Status after the Share Exchange

Wholly-owning parent company resulting from the share exchange	
Name	NTT Urban Development Corporation
Location	4-14-1 Sotokanda, Chiyoda ward, Tokyo
Position and Name of Representative	Hiroshi Tsujigami, President & Chief Executive Officer
Paid-in capital	48,760 million yen
Principal businesses	(1) Acquisition, development, sales and management of real estate (2) Real estate leasing, brokerage and appraisal (3) Building design, construction, construction supervision and their commissioning (4) Sale and lease of office work equipment, communications equipment and other fixtures and fittings, and interior furnishings for office buildings and residences (5) Construction and sales of residences (6) Information gathering and management, research and consulting related to civil engineering, construction and real estate (7) Business on fee-based homes for the elderlies, and business on the home care service and on the service on prevention of the need of long term care, pursuant to the Long-Term Care Insurance Act
Fiscal year-end	March 31
Net assets	197,628 million yen
Total assets	932,262 million yen

6. Future Outlook

- (1) Change in asset management agreement of PIC
There is no change as of September 15, 2020.
- (2) Change in corporate structure of PRA
There is no change as of September 15, 2020.
- (3) Change in decision-making structure for investment management
There is no change as of September 15, 2020.
- (4) Change in rules on compliance and interested parties, etc.
There is no change as of September 15, 2020.
- (5) Change in investment policies
There is no change as of September 15, 2020.
- (6) Change in agreements with sponsors, etc.
There is no change as of September 15, 2020.
- (7) Expectations of continuance of listing of PIC
Listing will be continued.
- (8) Future policies, etc.
There is no change to present policies.
- (9) Impact on business performance
The Share Exchange will have no impact on the business performance of PIC.

II. Change in Major Shareholders

1. Background of the Change in Shareholders

- (1) As a result of the Share Exchange, NTT Urban Development will acquire all shares in PRA held by Kenedix (1,800 shares [30.0% of the total shares outstanding] that were acquired by Kenedix in October 2014).
- (2) This will increase the number of PRA shares held by NTT Urban Development to 6,000 shares (100% of shares outstanding).
- (3) NTT Urban Development will become the sole sponsor of PRA due to the Change in Shareholders, and PIC believes that the continuous improvement of the unitholder value of PIC by further reinforced collaboration with NTT Urban Development can be expected.

2. Overview of Shareholders with the Change

- (1) Overview of the shareholder which will no longer be a major shareholder of PRA after the Share Exchange

Name	Kenedix, Inc.
Location	2-1-6 Uchisaiwaicho, Chiyoda ward, Tokyo
Position and Name of Representative	Taisuke Miyajima, President & Chief Executive Officer
Paid-in capital	40,320 million yen (As of December 31, 2019)

Principal businesses	(1) Consulting business related to real estate transactions and usage as well as asset management (2) Real estate purchase/sale, leasing, brokerage and appraisal (3) Management of real estate (4) Purchase/sale, holding, management and investment of securities (5) Securities investment advisory business
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- (2) Overview of the major shareholder of PRA after the Share Exchange
Please refer to the overview of the wholly-owning parent company resulting from the share exchange in “I. Details of the Share Exchange, 4. Overview of the Concerned Companies” above.

3. Number of Shares (Number of Voting Rights) and Percentage within Total Number of Voting Rights of All Shareholders, Before and After the Change in Major Shareholders

Name		Kenedix, Inc.	NTT Urban Development Corporation
Before the Change	Number of voting rights (Number of shares held)	1,800 (1,800)	4,200 (4,200)
	Percentage within total number of voting rights of all shareholders (Note)	30.0%	70.0%
	Ranking	Second largest	Largest
After the Change	Number of voting rights (Number of shares held)	- (-)	6,000 (6,000)
	Percentage within total number of voting rights of all shareholders (Note)	-%	100.0%
	Ranking	-	Largest

(Note) Number of shares deducted from the shares outstanding as having no voting rights: -
Number of shares outstanding as of September 15, 2020: 6,000

4. Schedule of the Change in Shareholders

September 15, 2020	Execution of the Share Exchange Agreement after resolution for the approval of the said agreement at board of directors' meeting of PRA
October 7, 2020	Approval of the Share Exchange at the Shareholders' Meeting (planned)
October 30, 2020	Effective Date of the Share Exchange (planned)

5. Future Outlook

Please refer to “I. Details of the Share Exchange, 6. Future Outlook” above.

Furthermore, necessary filing and other arrangements will be made regarding the above matters pursuant to the provisions of the Financial Instruments and Exchange Act, the Building Lots and Buildings Transaction Business Act and other relevant laws and regulations.

* PIC's website is <https://www.pic-reit.co.jp/en/>

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