

Nippon Commercial Investment Corporation

NIPPON COMMERCIAL INVESTMENT CORPORATION
(Listed on the Tokyo Stock Exchange under securities code 3229)
Explanatory Material on Accounts for fiscal period ended in February 2010
(8th fiscal period)



**NIPPON
COMMERCIAL
INVESTMENT
CORPORATION**



**PACIFIC
COMMERCIAL**

April 15, 2010

Pacific Commercial Corporation

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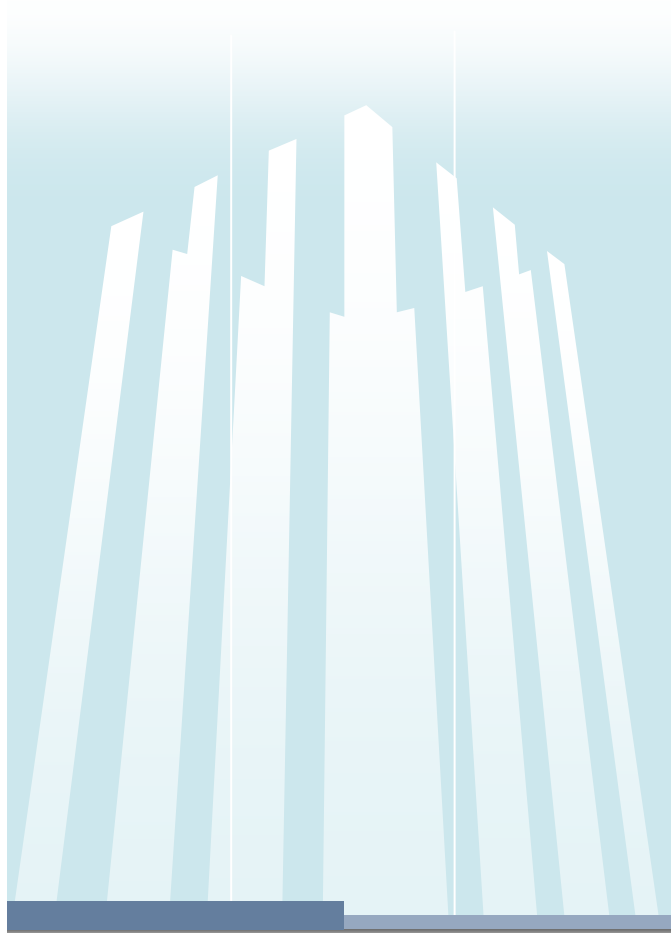


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Section 1

Highlight of 8th Fiscal Period Results

Highlight of 8th Fiscal Period Results (September 1, 2009- February 28, 2010)

	7th Fiscal Period	8th Fiscal Period	difference	9th Fiscal Period Forecast	Notice regarding 10 th fiscal Period Forecast
Operating days	184days	181days	-3days	184days	<p>The timing of completion of the processes of the selection of a new sponsor, decision on the specific structure and other factors are expected to largely impact the underlying assumptions. Consequently, disclosure of the current prospects as of the date of this document is omitted. Prompt and appropriate disclosure will be made on a separate occasion in light of the future status of progress of the processes of the selection of a new sponsor.</p>
Operating Revenue	JPY8,453MM	JPY7,816MM	-JPY637MM	JPY7,354MM	
Operating Income	JPY4,599MM	JPY2,694MM	-JPY1,905MM	JPY3,503MM	
Ordinary Income	JPY2,278MM	JPY484MM	-JPY1,794MM	JPY1,073MM	
Net Income	JPY2,272MM	JPY482MM	-JPY1,790MM	JPY1,073MM	
Dividend per Unit	JPY8,830	JPY1,876	-JPY6,954	JPY4,170	
Number of Investment Unit	257,400	257,400	-	257,400	

(note1) The timing of completion of the processes of the selection of a new sponsor, decision on the specific structure and other factors could cause additional expenses to arise.

Please see P.21 for the assumptions of the 9th fiscal period forecast.

(note 2) Numbers have been rounded down to their nearest respective unit.



Overview of 8th Fiscal Period Results (1)

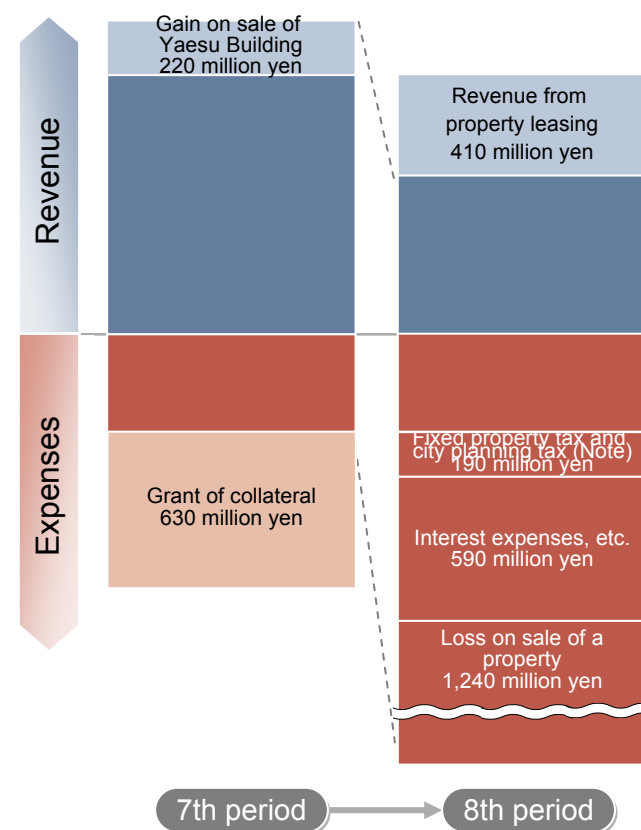
(Comparison with 7th Fiscal Period)

	7th Fiscal Period	8th Fiscal Period	difference
Operating days	184days	181days	-3days
Operating Revenue	JPY8,453MM	JPY7,816MM	-JPY637MM
Operating Income	JPY4,599MM	JPY2,694MM	-JPY1,905MM
Ordinary Income	JPY2,278MM	JPY484MM	-JPY1,794MM
Net Income	JPY2,272MM	JPY482MM	-JPY1,790MM
Dividend per Unit	JPY8,830	JPY1,876	-JPY6,954

(note) Numbers have been rounded down to their nearest respective unit.

Key factors of fluctuation

Of the differences between the 7th and 8th fiscal periods, the following figure presents only the key factors of fluctuation. This is by no means an exhaustive list of the items in which fluctuations were found.



(Note) The fluctuation in fixed property tax and city planning tax arise because the frequency of payments of fixed property tax and city planning tax in odd-number periods differ to that in even-number periods.



Overview of 8th Fiscal Period Results (2)

(Comparison with Forecasts)

	8th Fiscal Period Forecast (09/10/15)	8th Fiscal Period	difference
Operating days	181days	181days	-
Operating Revenue	JPY8,011MM	JPY7,816MM	-JPY195MM
Operating Income	JPY3,780MM	JPY2,694MM	-JPY1,086MM
Ordinary Income	JPY1,693MM	JPY484MM	-JPY1,209MM
Net Income	JPY1,693MM	JPY482MM	-JPY1,211MM
Dividend per Unit	JPY6,580	JPY1,876	-JPY4,704

(note) Numbers have been rounded down to their nearest respective unit.

Key factors of fluctuation

■ Factors of fluctuation in operating income (−1.08 billion yen)

- Incurrence of loss on sale of Pacific Marks Nishi-Shinjuku (about −1.24 billion yen)
- Containment, etc. of expenses related to rent business (about −0.21 billion yen)
 - Containment of expenditures of repair expenses, and utilities expenses and other sundry expenses
- Containment, etc. of expenses other than expenses related to rent business (about −0.10 billion yen)
 - Review of when part of expenses for selection of new sponsor will be incurred
 - Lowering of rate applicable for asset management fee payable to Asset Manager^(*)

(*) Management Fee 1; NCI and the Asset Manager have reached an agreement to keep the fee rate for the first half of the 9th fiscal period (from March to May 2010) also at the rate that has been applicable from December 2009 to February 2010.

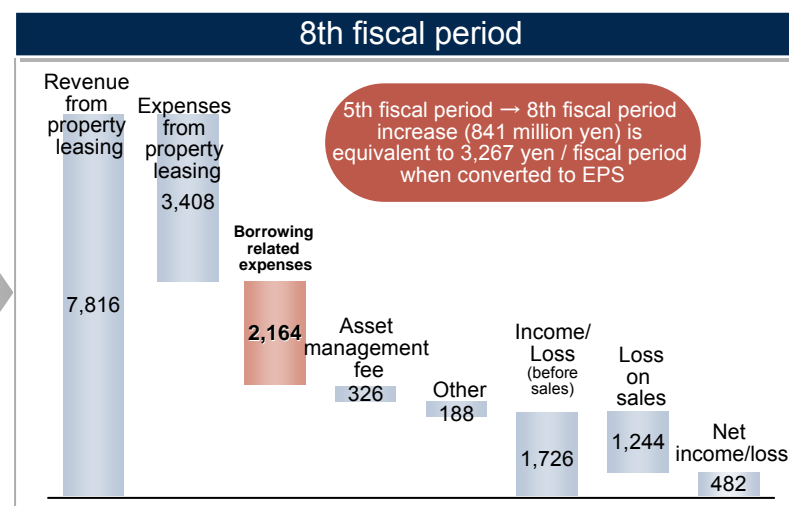
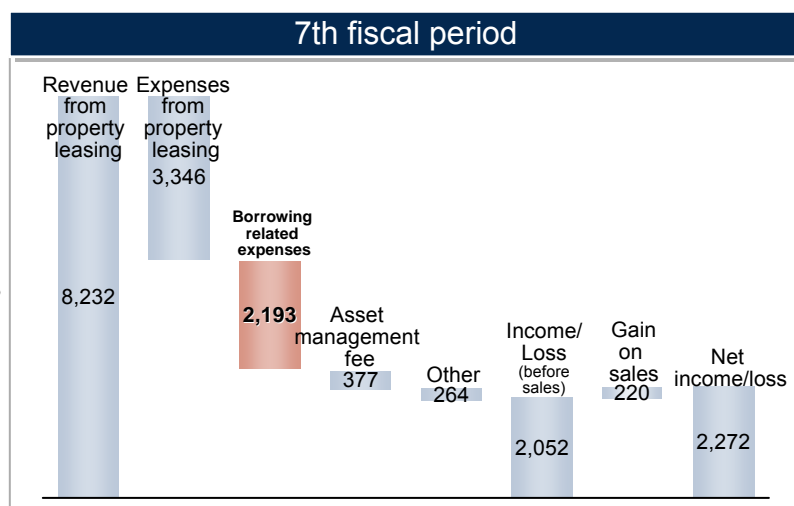
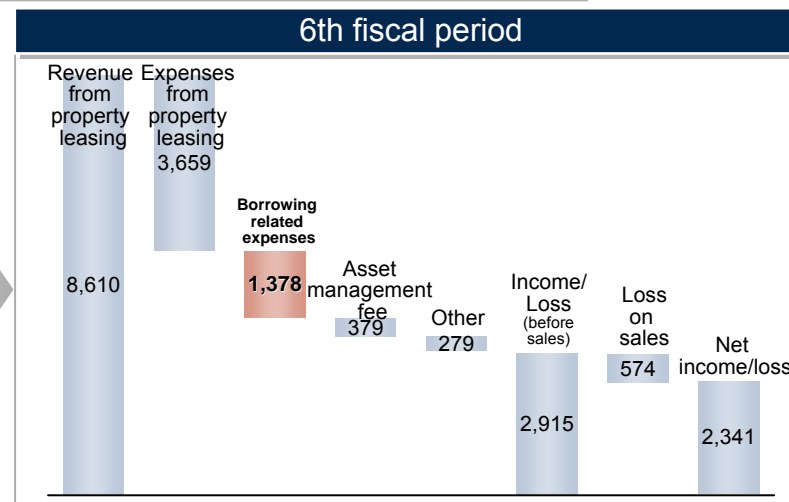
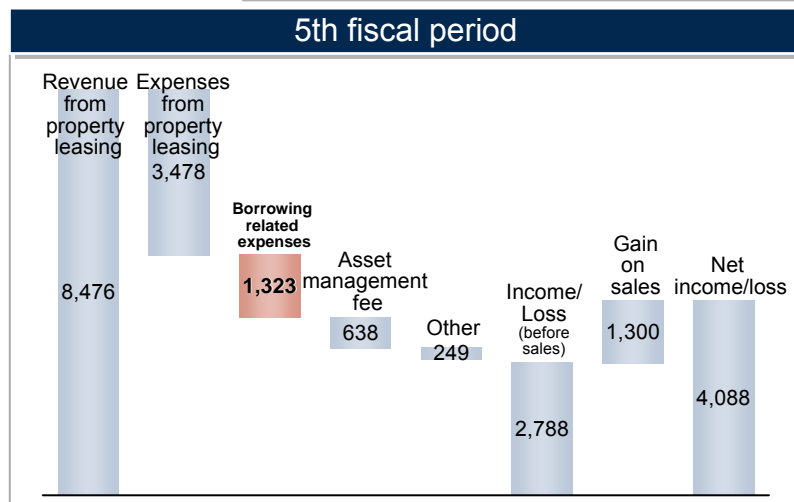
■ Factors of fluctuation in ordinary income (−1.20 billion yen)

- Abovementioned decrease in operating income (−1.08 billion yen)
- Increase in non-operating expenses (primarily financial expenses) (−0.12 billion yen)



Change of profit structure (5th fiscal period through 8th fiscal period)

- Weakening of sponsor operations caused considerable increases in interest expenses, borrowing related expenses, collateral related expenses and other financial related expenses and placed pressure on net income/loss



(Note 1) These charts present a reconfiguration of the statements of income for the fiscal periods from the 5th fiscal period to the 8th fiscal period.

(Note 2) The amount of non-operating income is minimal and is thus offset against expenses under the "Other" item.

(Note 3) "Loss on sales" for the 6th fiscal period is the amount offset against gain on sales.



A decorative frame consisting of two vertical bars on the left and right sides, and a horizontal bar at the bottom. The vertical bars have a light blue gradient, and the horizontal bar is a solid dark blue.

Section 2

Status of Business

Overview of Property Sale

Overview of Property Sale



	Pacific Marks Nishi-Shinjuku
Acquisition price	JPY 7,680mm
Sale Price	JPY 6,800mm
Loss on Sale	JPY 1,244mm
CAP Rate(note)	5.4%
Location	Shinjuku-ku, Tokyo
Completion	May 1993
Purchaser	Kenedix Realty Investment Corporation

(Note) Cap rate is the figure arrived at when the sum total of the NOI results for the 6th and 7th fiscal periods are divided by the sale price.

Reason for selling the Property

- Sale price
While transaction cases are found to be at cap rates of around 7%, a price of relatively favorable terms was offered from among the several candidates
- Settlement risks
Expects buyer to be highly likely to be able to procure funds and thus highly certain that transfer will be completed by end of February
- Debt reduction
6.8 billion yen in sale proceeds will reduce total amount of interest-bearing debt and also lower LTV by around 1%

NCI's past property sales

	4th fiscal period			5th fiscal period		6th fiscal period			7th fiscal period
	Pearl Iidabashi Building	Iwamotocho 163 Building	TS Hodogaya Building	Pacific City Hamamatsu- cho	Gotanda Metallion Building	Pacific Marks Uchikanda	Maruishi Shimbashi Building	Tenjin Yoshida Building	Urban Square Yaesu Building
Acquisition price	JPY1,600mm	JPY1,130mm	JPY1,100mm	JPY1,730mm	JPY1,300mm	JPY2,060mm	JPY1,120mm	JPY1,120mm	JPY2,200mm
Sale Price	JPY2,560mm	JPY1,404mm	JPY786mm	JPY2,538mm	JPY2,012mm	JPY2,250mm	JPY1,010mm	JPY690mm	JPY2,550mm
Sale Profit (Loss)	JPY863mm	JPY206mm	JPY▲381mm	JPY657mm	JPY643mm	JPY106mm	JPY▲155mm	JPY▲525mm	JPY220mm
Purchaser	Japanese Fund Company			Business Corporation			Individual	Business Corporation	

Replacement of portfolio

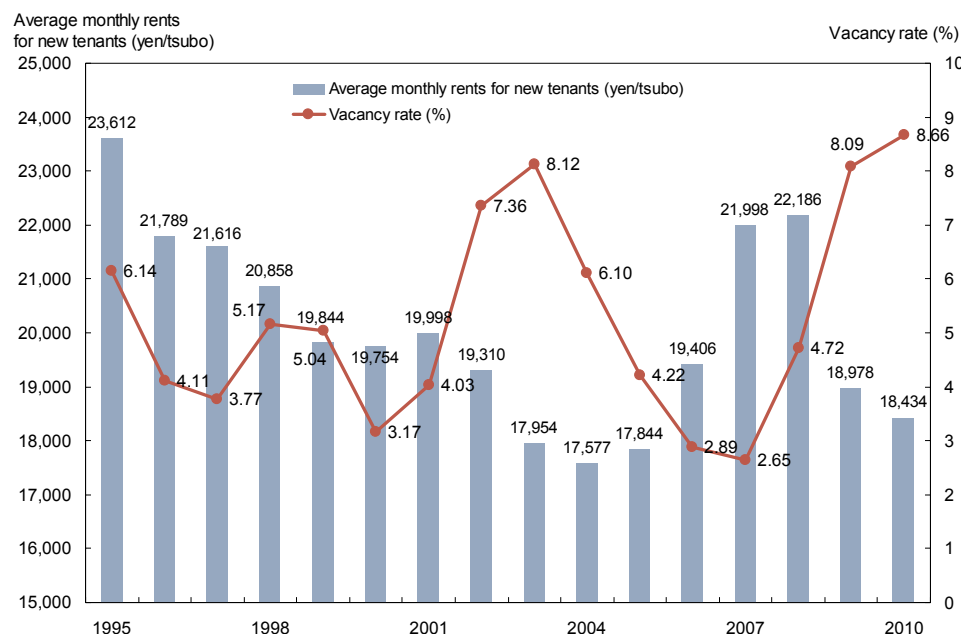
Reduction of interest-bearing debt



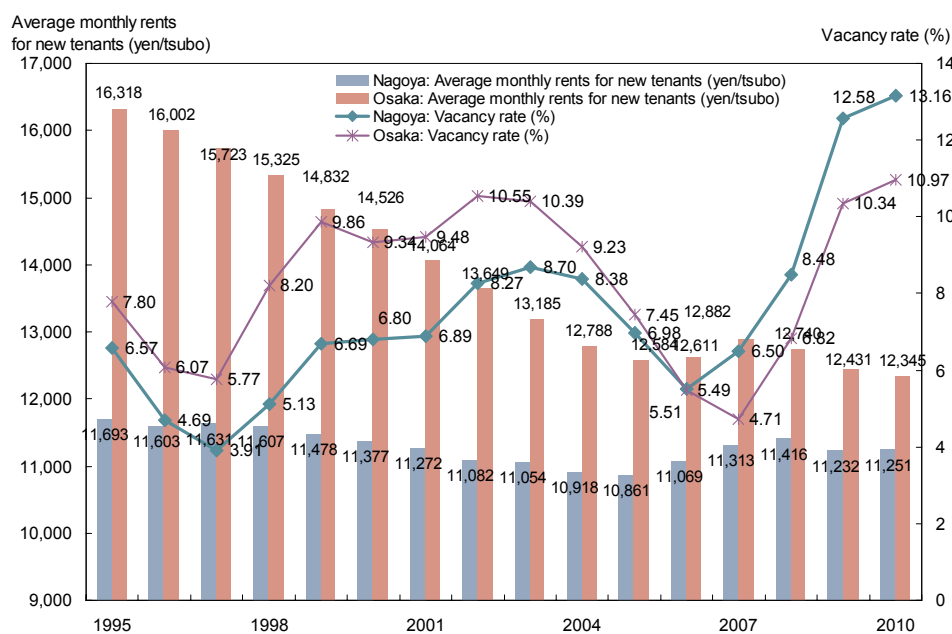
Current Office Rental Market Conditions <Major Metropolitan Areas>

- **Tokyo metropolitan area:** Trend of falling occupancy rates continue due to ongoing moves to reduce or exit office floor space. (vacancy rate: 8.66%) Tenant moves to relocate also continue, with positive moves to relocate for purpose of integration seen here and there in certain regions.
- **Osaka metropolitan area:** Ongoing new supply led to continued increase in vacancy rates and rental rates also hovering at low levels. (vacancy rate: 10.97%) Ongoing need to closely watch trends as large new supply is anticipated to continue.
- **Nagoya metropolitan area:** Trend of falling occupancy rates continue due to imbalance in supply-demand due to large supply. (vacancy rate: 13.16%) New supply anticipated to be limited hereafter, leading to weaker rise in vacancy rates.

Tokyo Business District
Vacancy Rates and Average Monthly Rental Rates for New Tenants



Osaka and Nagoya Business District
Vacancy Rates and Average Monthly Rental Rates for New Tenants



(Source) Based on information included in the "Office Building Market Research Report (March 2010)" of Miki Shoji.

(Note 1) Tokyo business district: Chiyoda ward, Chuo ward, Minato ward, Shinjuku ward, and Shibuya ward

(Note 2) Osaka business district: Umeda, Minami Morimachi, Yodoyabashi/Honmachi, Senba, Shinsaibashi/Namba, and Shin-Osaka areas

(Note 3) Nagoya business district: the Nagoya Station and the Fushimi, Sakae and Marunouchi areas

(Note 4) Numerical data provided through 2009 are based on information as of December 31 and for year 2010 data is based on information as of February 28.

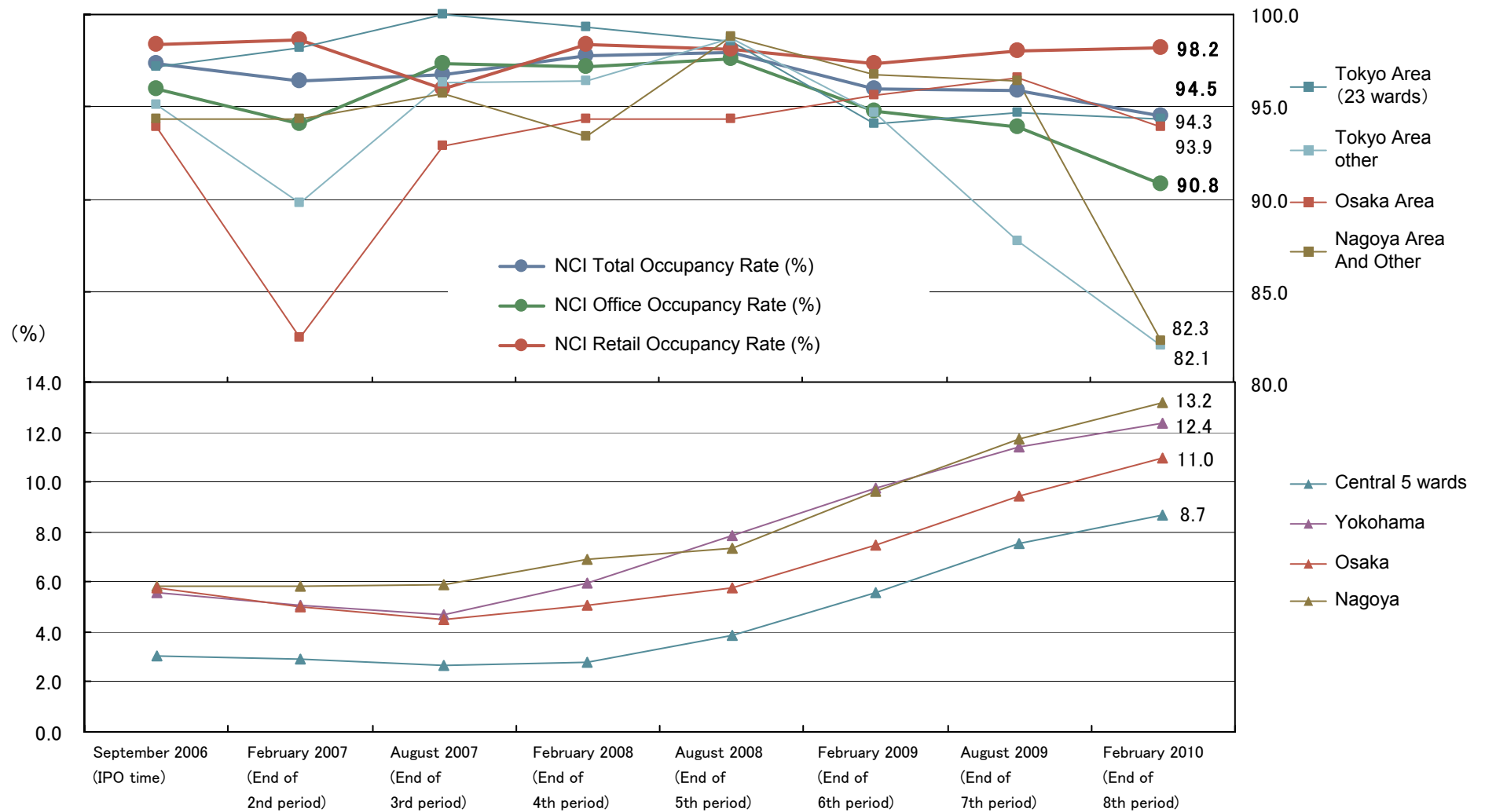
(Note 5) One tsubo, a measurement unit used in Japan, equals approximately 3.3 square meters.



Trend of Occupancy Rates

Trend of NCI Occupancy Rate and Vacancy Rate of Local Market

(%)



(Prepared by NCI based on Miki Shoji Co., Ltd.'s Office Building Market Report for Each Region)



Nippon Commercial Investment Corporation



Pacific Commercial Corporation

(This is a free translation edition. The original edition is written in Japanese.)

Portfolio - As of March 31, 2010 -

Area	Asset Type	Geographic Diversification	Property No.	Property Name	Location	Acquisition Price (JPY m)	Investment Ratio	Book Value as of Feb 28, 2010 (JPY m)	Occupancy Rate as of end of month (%)							
									Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10		
Central Area (33 Properties) JPY209,038m	Office (27 Properties) JPY162,973m	Tokyo Metropolitan Area (21 Properties) JPY125,295m	OfficeA-1	Hitachi High-Tech Building	Minato ward, Tokyo	18,100	7.49%	19,041	98.9%	98.9%	98.9%	98.9%	99.5%	100.0%		
			OfficeA-2	Pacific Marks Shinjuku ParkSide	Shinjuku ward, Tokyo	15,100	6.25%	15,555	95.6%	93.4%	95.6%	95.5%	95.5%	97.6%		
			OfficeA-3	Pacific Marks Tsukiji	Chuo ward, Tokyo	11,100	4.59%	11,419	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
			OfficeA-4	Pacific Marks Tsukishima	Chuo ward, Tokyo	8,080	3.34%	8,171	67.1%	71.9%	71.9%	71.9%	95.2%	95.2%		
			OfficeA-6	Pacific Marks Yokohama East	Yokohama city, Kanagawa	7,110	2.94%	7,026	79.7%	77.6%	77.6%	77.6%	78.1%	78.1%		
			OfficeA-7	Pacific Marks Shin-Urayasu	Urayasu city, Chiba	4,700	1.94%	4,663	100.0%	100.0%	70.3%	70.3%	70.3%	75.4%		
			OfficeA-8	Oomori City Building	Ota ward, Tokyo	3,920	1.62%	3,897	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
			OfficeA-9	Akasaka Hikawa Building	Minato ward, Tokyo	3,385	1.40%	3,655	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
			OfficeA-10	Pacific Marks Shibuya-Koendoori	Shibuya ward, Tokyo	3,050	1.26%	3,144	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
			OfficeA-11	Pacific Marks Nihonbashi-Tomizawacho	Chuo ward, Tokyo	2,550	1.05%	2,628	100.0%	100.0%	100.0%	84.7%	84.7%	84.7%		
			OfficeA-12	Pacific Marks Akasaka-mitsuke	Minato ward, Tokyo	2,450	1.01%	2,460	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
			OfficeA-15	Yokohama Aioicho Building	Yokohama city, Kanagawa	1,710	0.71%	1,706	69.1%	57.4%	64.6%	70.1%	70.1%	79.3%		
			OfficeA-16	Pacific Marks Shin-Yokohama	Yokohama city, Kanagawa	1,700	0.70%	1,621	83.9%	83.9%	83.9%	83.9%	83.9%	83.9%		
			OfficeA-22	Pacific Marks Shinkawa	Chuo ward, Tokyo	3,540	1.46%	3,516	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
			OfficeA-24	Pacific Marks Mejiro	Toshima ward, Tokyo	2,008	0.83%	2,085	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
			OfficeA-25	Pacific Marks Kawasaki	Kawasaki city, Kanagawa	15,100	6.25%	15,653	89.5%	96.0%	96.0%	96.0%	95.0%	96.0%		
			OfficeA-26	Towa Hamamatsucho Building	Minato ward, Tokyo	7,242	3.00%	7,466	88.5%	88.5%	88.5%	78.8%	78.8%	78.8%		
			OfficeA-27	Lila Hijirizaka	Minato ward, Tokyo	4,300	1.78%	4,447	98.6%	97.3%	98.6%	98.6%	98.6%	58.4%		
			OfficeA-28	Pacific Marks Aobadai	Meguro ward, Tokyo	3,050	1.26%	3,165	88.7%	88.7%	88.7%	88.7%	88.7%	88.7%		
			OfficeA-29	Otsuka HT Building	Toshima ward, Tokyo	2,000	0.83%	2,070	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
			OfficeA-30	Pacific Marks Shinjuku south-gate	Shinjuku ward, Tokyo	5,100	2.11%	5,333	100.0%	88.6%	88.6%	88.6%	88.6%	88.6%		
			Osaka and Nagoya Metropolitan Areas (4 Properties) JPY34,203m	OfficeB-1	Pacific Marks Nishi-Umeda	Osaka city, Osaka	8,950	3.70%	8,737	95.5%	83.8%	83.8%	85.7%	85.7%	86.4%	
				OfficeB-2	Pacific Marks Higobashi	Osaka city, Osaka	5,573	2.30%	5,798	92.1%	92.1%	92.1%	88.9%	88.9%	92.0%	
				OfficeB-3	Nagoya-Nishiki City Building	Nagoya city, Aichi	5,180	2.14%	5,288	95.1%	95.1%	95.1%	95.1%	95.1%	85.6%	
				OfficeB-4	Pacific Marks Esaka	Suita city, Osaka	14,500	6.00%	15,207	98.1%	95.3%	95.3%	95.3%	94.4%	98.7%	
			Other Metropolitan Areas (2 Properties) JPY3,475m	OfficeC-1	Pacific Marks Sapporo Kita-ichijo	Sapporo city, Hokkaido	2,250	0.93%	2,225	97.8%	97.8%	76.1%	76.1%	76.1%	76.1%	
				OfficeC-2	Shin-Sapporo Center Building	Sapporo city, Hokkaido	1,225	0.51%	1,232	96.6%	96.6%	86.4%	86.4%	86.4%	86.4%	
			Retail (10 Properties) JPY78,820m	Retail Properties located in Central Area (6 Properties) JPY46,065m	RetailA-1	Shinsaibashi OPA Honkan	Osaka city, Osaka	31,800	13.15%	32,660	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
					RetailA-2	Shinsaibashi OPA Kireikan	Osaka city, Osaka	3,500	1.45%	3,576	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
					RetailA-3	PACIFIQUE Tenjin	Fukuoka city, Fukuoka	3,700	1.53%	3,673	65.5%	65.5%	65.5%	65.5%	65.5%	65.5%
	RetailA-4	Albore Tenjin			Fukuoka city, Fukuoka	1,440	0.60%	1,447	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
	RetailA-6	Albore Jingumae			Shibuya ward, Tokyo	2,525	1.04%	2,621	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
	RetailA-7	Albore Sendai			Sendai city, Miyagi	3,100	1.28%	3,166	100.0%	100.0%	86.9%	86.9%	86.9%	100.0%		
RetailB-1	Mallage Kashiwa	Kashiwa city, Chiba			17,310	7.16%	17,506	95.8%	96.0%	95.6%	97.3%	95.9%	96.4%			
RetailB-2	Bellfa Uji	Uji city, Kyoto			3,200	1.32%	3,123	96.9%	96.9%	93.1%	96.9%	96.9%	97.1%			
RetailC-1	Ito-Yokado Owariasahi	Owari Asashi city, Aichi			7,850	3.25%	7,989	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			
RetailC-2	Nitori Yokohama Kariba I.C.	Yokohama city, Kanagawa			4,395	1.82%	4,507	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			
Suburban Area (4 Properties) JPY32,755m	Suburban Multi-Tenant Retail Properties (2 Properties) JPY20,510m		Suburban Single-Tenant Retail Properties (2 Properties) JPY12,245m													
Total				37 Properties	-	241,793	100%	247,495	95.7%	95.1%	93.7%	93.8%	94.3%	94.5%		



Status of Undertakings for Leasing-Focused Properties



Pacific Marks Yokohama East	
Acquisition Price	7,110 million yen
Location	Yokohama-shi, Kanagawa
Completion	October 1992
Occupancy Rate	78.1%

Current situation

Communications related firm terminated contract for over 600 tsubos to relocate for purpose of consolidation. With there being also other contract terminations, occupancy rate fell.

Future undertakings

New contract for 74 tsubos in mid June and contract to expand floor space within the facility for 70 tsubos in early August. Occupancy rate is expected to recover to 80% as a result. Coordination with property manager and broker will be reinforced to attract large tenants by drawing on the strength in that several spaces of the parking lot can be secured.



Pacific Marks Shin Urayasu	
Acquisition Price	4,700 million yen
Location	Urayasu-shi, Chiba
Completion	May 1993
Occupancy Rate	75.4%

Current situation

Termination of large contract due to tenant relocation for purpose of consolidation caused occupancy rate to fall. Period-end occupancy rate recovered to 75% level as a result of 2 contracts (130 tsubos) during 8th fiscal period.

Future undertakings

Aim to recover occupancy rate to 90% at end of 9th fiscal period through continued holding of campaigns, etc. together with property manager by drawing on the advantage in that compartments ranging from those as small as 60 tsubos to those as big as 1 floor of 400 tsubos can be provided.



Yokohama Aioicho Building	
Acquisition Price	1,710 million yen
Location	Yokohama-shi, Kanagawa
Completion	August 1993
Occupancy Rate	79.3%

Current situation

Termination of 6 contracts (346 tsubos) over 7th to 8th fiscal periods caused occupancy rate to fall to 50% level at one point. Period-end occupancy rate recovered to 79% level, however, as a result of 4 contracts (156 tsubos) during 8th fiscal period. Another 1 contract in April raised occupancy rate to 82%.

Future undertakings

Aim to capture small-sized customers by drawing on the advantage in that it can be divided into parts as small as 20 tsubos. Concerning basement floor compartments, currently advertising directed at various target customers, including use other than as offices. Aim is 90% occupancy rate at end of 9th fiscal period.

82.0%
(as of 4/15)



Lila Hijirizaka	
Acquisition Price	4,300 million yen
Location	Minato-ku, Tokyo
Completion	November 1991
Occupancy Rate	58.4%

Current situation

Termination of contract for about 520 tsubos due to tenant relocation for purpose of consolidation caused occupancy rate to fall to 58.4%. Another tenant has also decided to relocate to a property it owns and so occupancy rate is expected to fall further.

Future undertakings

Marketing to broker together with property manager by highlighting the point that use is available for consecutive floors of up to about 860 tsubos. With also implementation of renovation of common-use areas, will aim to recover occupancy rate to 90% at end of 9th fiscal period. Currently in talks on concrete terms with several candidates.



Pacifique Tenjin	
Acquisition Price	3,700 million yen
Location	Fukuoka-shi, Fukuoka
Completion	April 1987
Occupancy Rate	65.5%

Current situation

146 tsubos on 5F contracted in March 2010, raising occupancy rate to 81.6%. Also received application to set up store for 89 tsubos on 1F and 2F for which talks on concrete terms are currently underway.

Future undertakings

Aim to recover occupancy rate to 92% during May by promptly agreeing to terms with abovementioned leading potential tenant.

81.6%
(as of 4/15)



Pacific Marks Tsukiji	
Acquisition Price	11,100 million yen
Location	Chuo-ku, Tokyo
Completion	November 1999
Occupancy Rate	100.0%

Current situation

Tenant leasing building in its entirety has decided to terminate contract as of end of December 2010 due to Group consolidation.

Future undertakings

Being a rare property in the downtown in that the 1,800-tsubo building can be leased in its entirety, marketing has been entrusted with broker and real estate firm of a major corporate group by working together with property manager. Marketing in both aspects of uncovering needs for leasing of the building in its entirety or basing it on a multi-tenant structure are pursued at the same time in order to contract at an early stage.



Office Building Rental Rate Trends

- Trend of dropping rental rates for new tenants continues. Efforts made to prevent existing tenants from moving out by reducing rental rate amount.
- Number of contract termination notices received from tenants on downward trend

Changes in lease contracts during 8th fiscal period

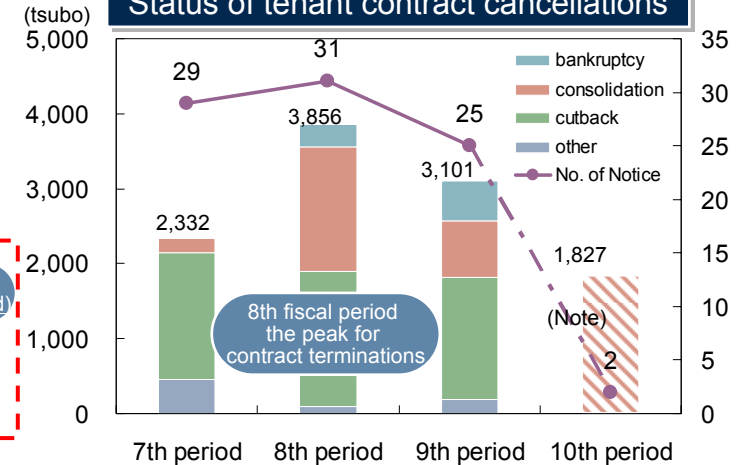
Terminated contracts 3,856 tsubos	New contracts 2,308 tsubos	Renewed contracts (including those revised during fiscal period) 13,498 tsubos
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Contract Changes		No. of Office Units	Floor Space (tsubos)	Previous Monthly Rental Rates(yen)	Difference (yen)	Rate of Change
New Contracts	Amount Increased	1	16.0	207,350	2,650	1.3%
	Amount Decreased	32	2,292.5	41,147,571	-10,833,974	-26.3%
Renewed Contracts	Amount Decreased	42	6,860.2	105,985,303	-5,790,629	-5.5%
	No Change	67	6,076.9	124,325,511	0	0.0%
	Amount Increased	4	561.8	7,546,260	680,850	9.0%
Grand Total		146	15,807.3	279,211,995	-15,941,103	-5.7%

Total leasable area
(as of start of 8th period)

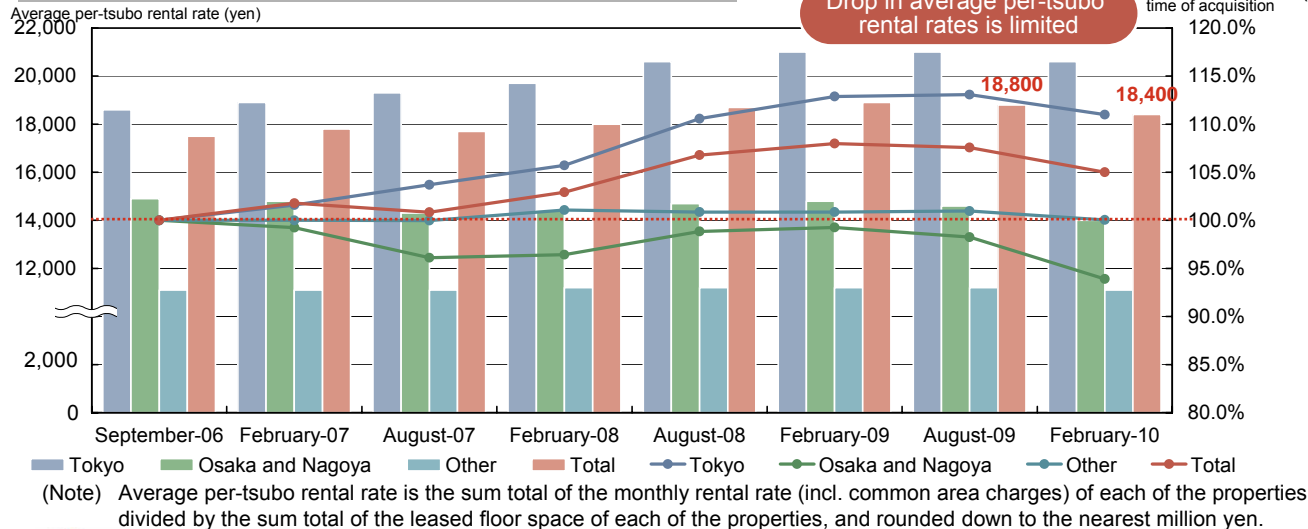
50,854 tsubos
(Office portfolio)

Status of tenant contract cancellations



(Note) Provisional figures based on contract termination notices received by end of March 2010 are shown for the 10th fiscal period.

Past average per-tsubo rental rates for portfolio



Views of the Asset Manager

Recognition of current situation

- Rise in vacancy rates and drop in rental rate levels continues
- Positive moves to relocate for purpose of consolidation, etc. to property in favorable location also seen here and there as such is regarded to be undervalued

Outlook

- Occupancy rates in Tokyo metropolitan area will bottom out in or after summer 2010
- Drop in rental rates will stop in or after beginning of next year
- Ongoing need to closely watch trends for recovery in regional cities

(This is a free translation edition. The original edition is written in Japanese.)



Nippon Commercial Investment Corporation



Pacific Commercial Corporation

Undertakings Aimed at Internal Growth

Tenant replacement

Mallage Kashiwa

Promotion of tenant mix that is in line with consumers' consciousness to save. 7 stores opened during 8th fiscal period, and 4 stores to also open during 9th fiscal period (as of April 15).

March 26: Opening of 3 stores

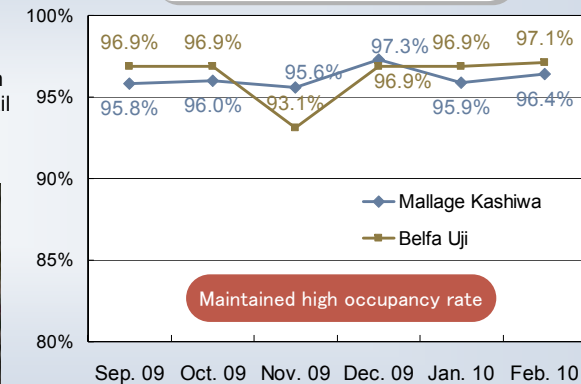


Bellfa Uji

With young families set as main target, promotion of introduction of new tenants in phases in an aim to be a retail property supported by the community.



Trend of Occupancy rate



Renovation work

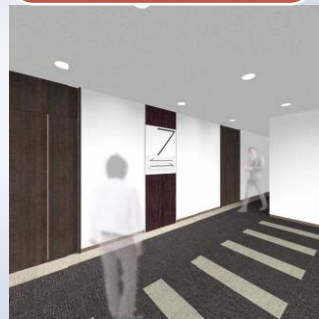
Lila Hijirizaka

Implementation of renovation work on elevator hall. Striving to enhance tenant satisfaction and maintain/raise occupancy rates by upgrading interior.

Before implementation



After implementation (image)



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Green initiatives

Pacific Marks Shinjuku ParkSide

Introduction of highly energy-saving LED lighting for basement parking lot. Promotion of ecological and economical initiatives.



Impact of introduction of LED lighting

Low power consumption reduces CO₂ emissions

Longer life compared to fluorescent lights minimizes replacement and other work

Initial investment anticipated to be recouped in 1.5~3.5 years

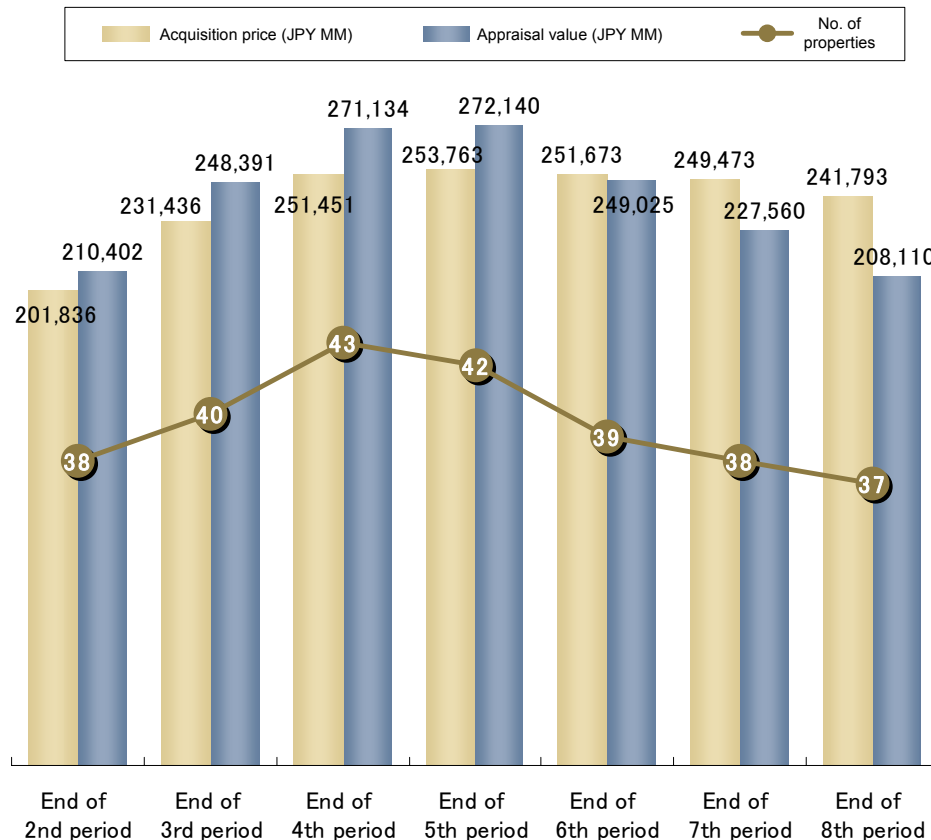
(Introduced at also properties Pacific Marks Tsukiji and Pacific Marks Shin-Urayasu)



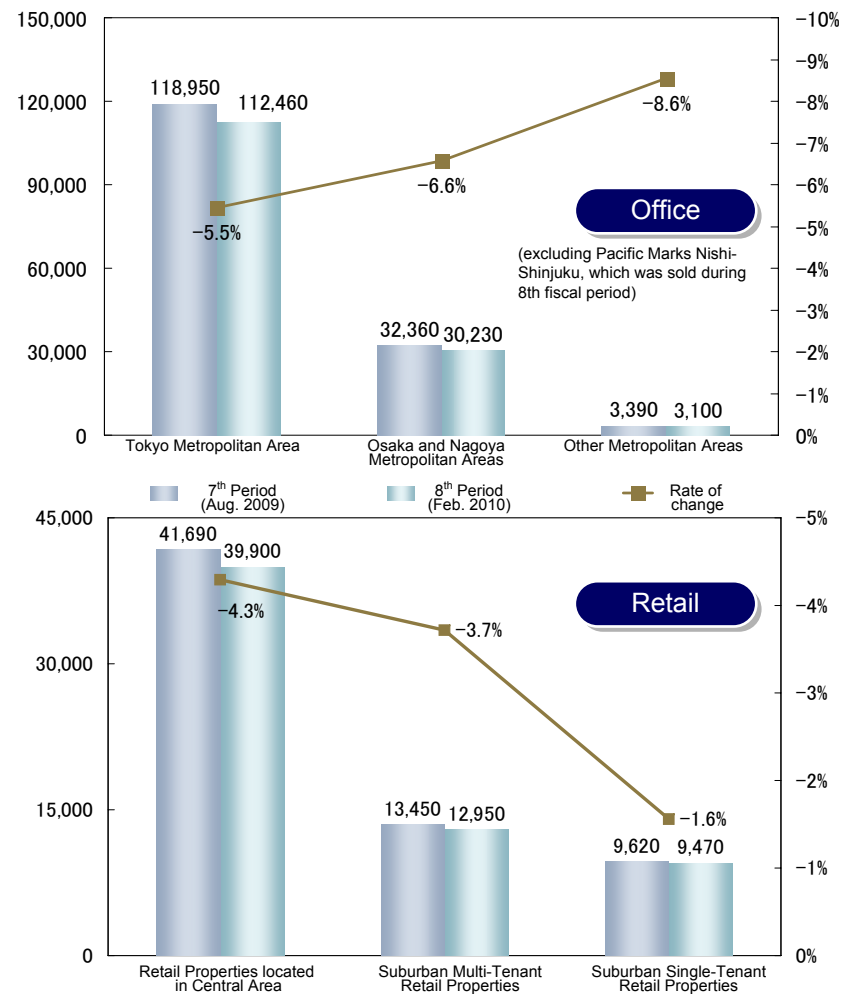
Status of Appraisal Value (1)

- Signs of drop in appraisal values weakening
- Cause of drop changes from cap rate adjustments to adjustments owing to declining expected NOI

Past appraisal values and acquisition prices



Changes in appraisal values (7th period → 8th period)



Status of Appraisal Value (2)

Property Number	Property Name	Acquisition Price (JPY MM)	Appraisal Value(JPY MM)			Difference Analysis								
			7th fiscal period	8th fiscal period	Rate of Change	Difference (JPY MM)	Effect of NOI	Effect of CAP	7th fiscal period	8th fiscal period	Change	7th fiscal period	8th fiscal period	Change
OfficeA-1	Hitachi High-Tech Building	18,100	17,010	16,580	-2.5%	-430	-65	-365	776	773	-3	4.5%	4.6%	0.1%
OfficeA-2	Pacific Marks Shinjuku ParkSide	15,100	15,560	14,800	-4.9%	-760	-427	-333	768	748	-20	4.8%	4.9%	0.1%
OfficeA-3	Pacific Marks Tsukiji	11,100	10,400	8,660	-16.7%	-1,740	-1,740	0	503	422	-81	4.8%	4.8%	0.0%
OfficeA-4	Pacific Marks Tsukishima	8,080	8,050	7,710	-4.2%	-340	-340	0	434	416	-18	5.2%	5.2%	0.0%
OfficeA-6	Pacific Marks Yokohama East	7,110	8,220	7,380	-10.2%	-840	-840	0	465	422	-43	5.5%	5.5%	0.0%
OfficeA-7	Pacific Marks Shin-Urayasu	4,700	5,210	4,400	-15.5%	-810	-810	0	314	273	-41	5.6%	5.6%	0.0%
OfficeA-8	Oomori City Building	3,920	4,320	4,220	-2.3%	-100	-100	0	259	253	-6	5.8%	5.8%	0.0%
OfficeA-9	Akasaka Hikawa Building	3,385	3,250	3,490	7.4%	240	240	0	185	189	4	5.2%	5.2%	0.0%
OfficeA-10	Pacific Marks Shibuya-Koendoori	3,050	2,840	2,790	-1.8%	-50	0	-50	153	153	0	5.2%	5.3%	0.1%
OfficeA-11	Pacific Marks Nihonbashi-Tomizawacho	2,550	2,470	2,390	-3.2%	-80	-80	0	131	127	-4	5.1%	5.1%	0.0%
OfficeA-12	Pacific Marks Akasaka-mitsuke	2,450	2,560	2,570	0.4%	10	10	0	127	128	1	4.5%	4.5%	0.0%
OfficeA-15	Yokohama Aioicho Building	1,710	1,300	1,140	-12.3%	-160	-138	-22	79	71	-8	5.6%	5.7%	0.1%
OfficeA-16	Pacific Marks Shin-Yokohama	1,700	1,830	1,850	1.1%	20	20	0	109	111	2	5.7%	5.7%	0.0%
OfficeA-22	Pacific Marks Shinkawa	3,540	3,710	3,710	0.0%	0	0	0	206	206	0	5.2%	5.2%	0.0%
OfficeA-24	Pacific Marks Mejiro	2,008	2,030	1,990	-2.0%	-40	-40	0	115	112	-3	5.6%	5.6%	0.0%
OfficeA-25	Pacific Marks Kawasaki	15,100	12,000	11,420	-4.8%	-580	-332	-248	590	574	-16	4.8%	4.9%	0.1%
OfficeA-26	Towa Hamamatsucho Building	7,242	6,650	6,590	-0.9%	-60	-60	0	334	333	-1	5.0%	5.0%	0.0%
OfficeA-27	Lila Hijirizaka	4,300	3,830	3,590	-6.3%	-240	-240	0	207	197	-10	5.2%	5.2%	0.0%
OfficeA-28	Pacific Marks Aobadai	3,050	2,130	1,900	-10.8%	-230	-198	-32	129	117	-12	5.9%	6.0%	0.1%
OfficeA-29	Otsuka HT Building	2,000	1,680	1,640	-2.4%	-40	0	-40	88	88	0	5.0%	5.1%	0.1%
OfficeA-30	Pacific Marks Shinjuku south-gate	5,100	3,900	3,640	-6.7%	-260	-182	-78	184	175	-9	4.5%	4.6%	0.1%
OfficeB-1	Pacific Marks Nishi-Umeda	8,950	9,950	8,990	-9.6%	-960	-960	0	557	512	-45	5.4%	5.4%	0.0%
OfficeB-2	Pacific Marks Higobashi	5,573	5,400	5,150	-4.6%	-250	-149	-101	297	289	-8	5.3%	5.4%	0.1%
OfficeB-3	Nagoya-Nishiki City Building	5,180	4,010	3,790	-5.5%	-220	-71	-149	223	219	-4	5.2%	5.4%	0.2%
OfficeB-4	Pacific Marks Esaka	14,500	13,000	12,300	-5.4%	-700	-700	0	770	731	-39	5.6%	5.6%	0.0%
OfficeC-1	Pacific Marks Sapporo Kita-ichijo	2,250	2,230	2,010	-9.9%	-220	-220	0	153	140	-13	6.4%	6.4%	0.0%
OfficeC-2	Shin-Sapporo Center Building	1,225	1,160	1,090	-6.0%	-70	-50	-20	79	76	-3	6.3%	6.4%	0.1%
RetailA-1	Shinsaibashi OPA Honkan	31,800	29,200	28,000	-4.1%	-1,200	0	-1,200	1,245	1,245	0	4.0%	4.2%	0.2%
RetailA-2	Shinsaibashi OPA Kireikan	3,500	3,080	2,970	-3.6%	-110	0	-110	156	156	0	4.7%	4.9%	0.2%
RetailA-3	PACIFIQUE Tenjin	3,700	3,070	2,960	-3.6%	-110	-110	0	174	169	-5	5.6%	5.6%	0.0%
RetailA-4	Albore Tenjin	1,440	1,210	1,080	-10.7%	-130	-130	0	63	55	-8	5.1%	5.1%	0.0%
RetailA-6	Albore Jingumae	2,525	2,200	2,120	-3.6%	-80	-24	-56	98	97	-1	4.1%	4.2%	0.1%
RetailA-7	Albore Sendai	3,100	2,930	2,770	-5.5%	-160	-108	-52	173	167	-6	5.8%	5.9%	0.1%
RetailB-1	Mallage Kashiwa	17,310	11,100	10,900	-1.8%	-200	-200	0	663	628	-35	6.0%	6.0%	0.0%
RetailB-2	Bellfa Uji	3,200	2,350	2,050	-12.8%	-300	-300	0	161	147	-14	6.7%	6.7%	0.0%
RetailC-1	Ito-Yokado Owariasahi	7,850	6,380	6,280	-1.6%	-100	0	-100	394	394	0	5.9%	6.0%	0.1%
RetailC-2	Nitori Yokohama Kariba I.C.	4,395	3,240	3,190	-1.5%	-50	0	-50	175	175	0	5.2%	5.3%	0.1%
Total		241,793	219,460	208,110	-5.17%	-11,350	-8,343	-3,007	11,537	11,088	-449	5.30%	5.35%	0.05%

*1 NOI and cap rates show the figures calculated using the direct capitalization method.

*2 The total for cap rates show the average rate.

*3 The final appraisal value is the capitalized value calculated using the direct capitalization method and DCF method with final adjustments made by the appraisal office. Thus, it does not directly reflect changes in the NOI or changes in cap rates. The effect of NOI and effect of cap rates above are the difference in appraisal values allocated to the two items by the Asset Manager based on certain premises in view of differentiating between the effect of NOI and effect of cap rates.

*4 The effect of NOI and effect of cap rates are found by respectively calculating the change in appraisal values due to changes in the other item in the case that there is assumed to be no changes in one of the items (cap rate or NOI) from the previous fiscal period, and the overlapping (excess) portions allocated proportionately to the two items.



Status of Interest-Bearing Debt (1): Recent Refinancing

- Refinancing of loans completed with the support of NCI's main financial institutions
- Investment corporation bonds (First Series Bonds) redeemed through partial retirement by purchase and funds borrowed from the Real Estate Market Stabilization Fund

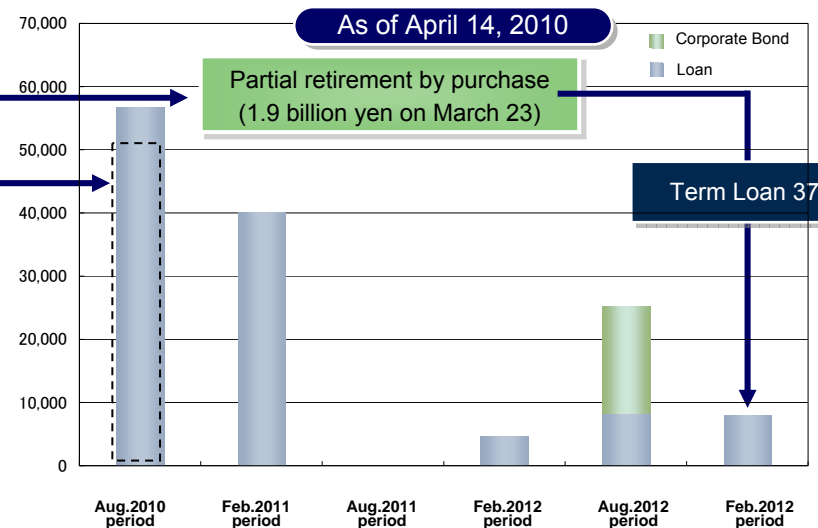
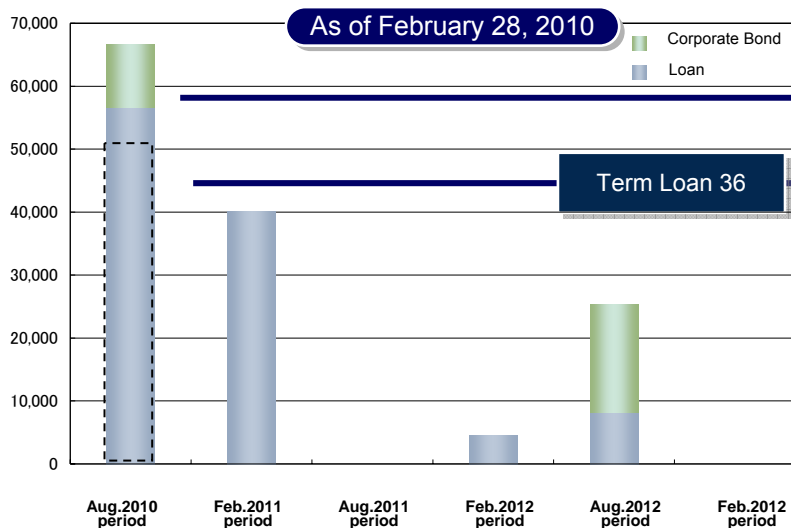
Overview of Term Loan 36

- Lenders: Sumitomo Mitsui Banking Corporation, The Norinchukin Bank, Shinsei Bank, Limited, The Chuo Mitsui Trust and Banking Company, Limited, Mizuho Corporate Bank, Ltd., Aozora Bank, Ltd., The Sumitomo Trust and Banking Co., Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, and Resona Bank, Ltd.
- Loan amount: 50,300,001,000 yen
- Interest rate: JBA 1-month TIBOR+1.80%
- Drawdown date: March 29, 2010
- Principal repayment date: June 29, 2010 (term: 3 months)
- Remarks: Secured and non-guaranteed

Overview of Term Loan 37

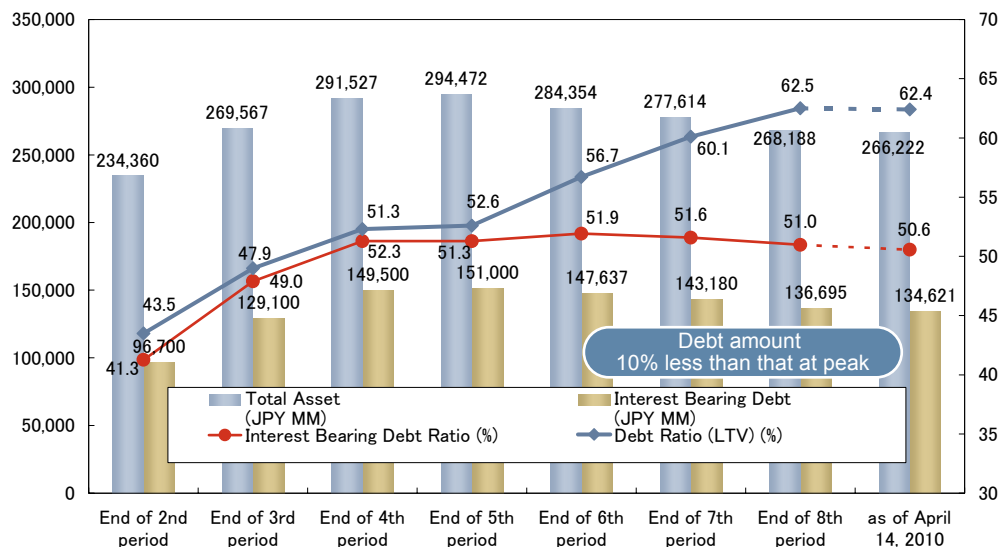
- Lender: [Trustee] The Sumitomo Trust and Banking Co., Ltd (Real Estate Market Stabilization Fund Account)
- Loan amount: 8,000,000,000 yen
- Interest rate: JBA 3-month TIBOR+3.96984% (Note 1)
- Drawdown date: April 8, 2010
- Principal repayment date: September 18, 2012 (term: 2 years and 5 months) (Note 2)
- Remarks: Secured and non-guaranteed
(Note 1) Spread for interest payments due in and after April 2011 is set for periods of 3 months at 5bp over the immediately preceding spread.
(Note 2) NCI aims for repayment in March 2011.

Dispersion of Repayment Dues (unit: million yen)



Status of Interest-Bearing Debt (2)

Interest-Bearing Debt Ratio

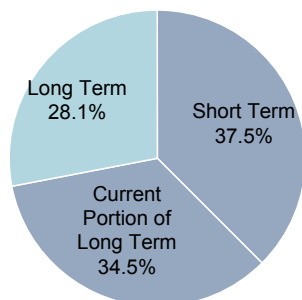


*LTV = (Total liabilities – Deposits, guarantees, etc. held in reserve) ÷ (Total assets ± Difference between appraised value and acquisition price – Deposits, guarantees, etc. held in reserve) × 100 (figures are as of August 31, 2009)

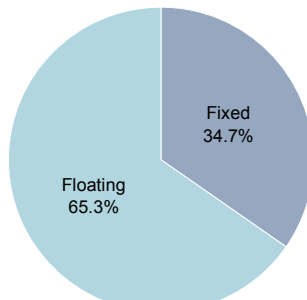
* The figures for total assets, interest-bearing debt ratio and debt ratio (LTV) as of April 14, 2010 are estimates based on the end of the 8th fiscal period.

Other Ratios (as of April 14, 2010)

Long- and Short-term Debt



Fixed- and Floating Interest



*Loans for which interest rate cap purchases or interest rate swap transactions were made to hedge the risk of fluctuation are included in the fixed liability.

Balance by each financial institution (unit: million yen)

Sumitomo Mitsui Banking Corporation	31,938
Aozora Bank, Ltd.	13,421
The Norinchukin Bank	9,059
The Sumitomo Trust & Banking Co., Ltd.	8,217
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7,430
Shinsei Bank, Ltd.	7,191
The Chuo Mitsui Trust and Banking Co., Ltd.	7,001
Mitsubishi UFJ Trust and Banking Corporation	6,970
Mizuho Corporate Bank, Ltd.	5,107
Daido Life Insurance Company	3,675
Development Bank of Japan Inc	2,756
Resona Bank, Ltd.	2,717
Sompo Japan Insurance Inc.	918
Mie Bank	918
National Mutual Insurance Federation of Agricultural Cooperatives	918
Aioi Insurance Co., Ltd.	918
Hiroshima Bank	459
Real Estate Market Stabilization Fund	8,000
2nd Investment corporation bond	17,000

Aim is to repay at an early stage

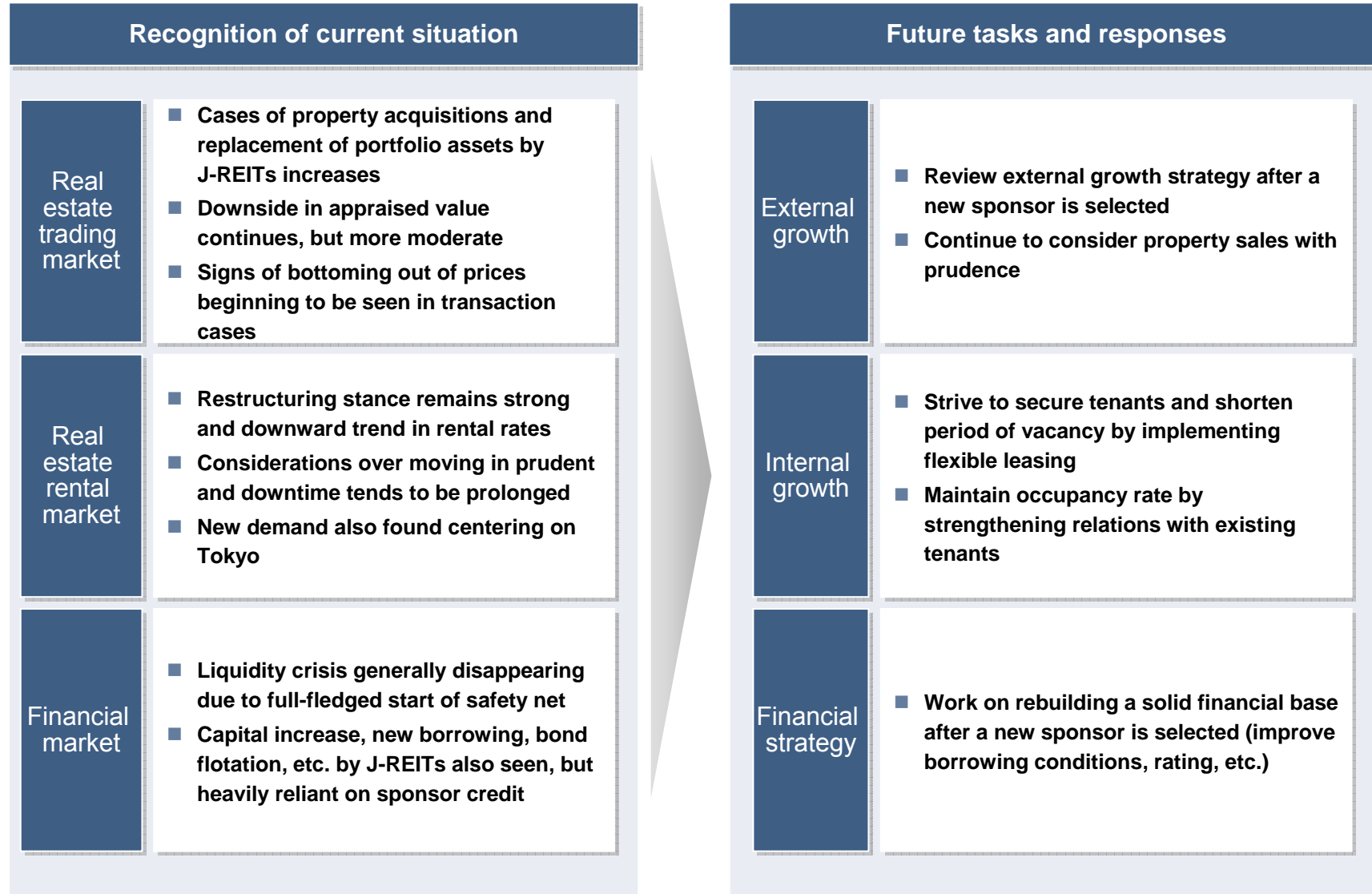




Section 3

Future Outlook

Outlook



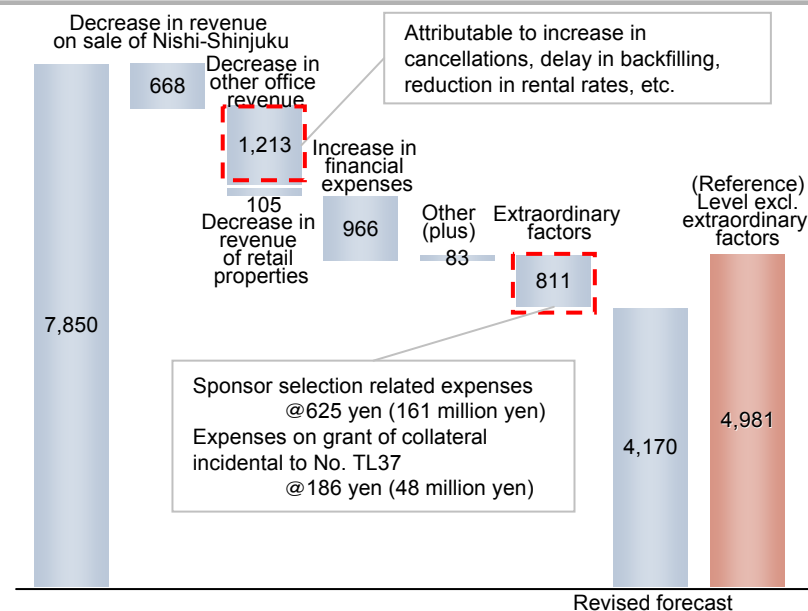
9th Fiscal Period Forecasts

	9th Fiscal Period Forecast		difference
	(announce on October 15, 2009)	(announce on April 14, 2010)	
Operating days	184days	184days	-
Operating Revenue	JPY8,005MM	JPY7,354MM	-JPY651MM
Operating Income	JPY4,202MM	JPY3,503MM	-JPY699MM
Ordinary Income	JPY2,020MM	JPY1,073MM	-JPY947MM
Net Income	JPY2,020MM	JPY1,073MM	-JPY947MM
Dividend per Unit	JPY7,850	JPY4,170	-JPY3,680
Number of Investment Unit	257,400	257,400	-

Assumptions

9th fiscal period forecast	
Portfolio assets	Portfolio assets that are assets held as at end of 8th fiscal period (37 properties)
Number of investment units issued and outstanding	Number of investment units issued and outstanding as at end of 8th fiscal period (257,400 units)
Taxes and dues	Approx. 535 million yen
Repair expenses	Approx. 152 million yen
Depreciation and amortization	Approx. 984 million yen
Interest expenses, etc.	Approx. 2,355 million yen (including interest expenses on investment corporation bonds and borrowing related expenses)
Interest-bearing debt	6,339 million yen for which principal repayment is due in April 2010 and 50,300 million yen for which principal repayment is due in June 2010 to be refinanced as loans payable in same amount
Other	Timing of completion of processes of selection of new sponsor, decision on specific structure and other factors could cause additional expenses to arise.

Key factors of revision of distribution forecast (unit: yen)



Notice regarding 10th fiscal Period Forecast

The timing of completion of the processes of the selection of a new sponsor, decision on the specific structure and other factors are expected to largely impact the underlying assumptions. Consequently, disclosure of the current prospects as of the date of this document is omitted. Prompt and appropriate disclosure will be made on a separate occasion in light of the future status of progress of the processes of the selection of a new sponsor.



The image shows a title card for an 'Appendix'. It features a central brown rounded rectangle with the word 'Appendix' in white. This is framed by a light blue border at the top and a dark blue border at the bottom. On the left and right sides, there are vertical decorative elements consisting of a light blue bar and a dark blue bar.

Appendix

Earnings of Each Property(1)

(in thousand yen)

Property name	Office A-1 Hitachi High-Tech Building	Office A-2 Pacific Marks Shinjuku ParkSide	Office A-3 Pacific Marks Tsukiji	Office A-4 Pacific Marks Tsukishima	Office A-5 Pacific Marks Nishi-Shinjuku	Office A-6 Pacific Marks Yokohama East	Office A-7 Pacific Marks Shin-Urayasu	Office A-8 Oomori City Building	Office A-9 Akasaka Hikaw a Building	Office A-10 Pacific Marks Shibuya- Koendoori
Operating period (Operating Days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.17 (170days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)
Revenue	473,987	473,704	300,935	218,763	264,059	268,656	190,826	176,456	123,767	86,722
Rent	473,987	469,771	300,935	206,070	262,028	267,307	190,690	176,209	123,767	86,722
Other	—	3,932	—	12,693	2,030	1,348	136	246	—	—
Expenses	127,422	176,587	69,199	122,166	138,804	118,949	118,685	99,324	60,581	13,678
Taxes	58,357	60,761	19,449	19,187	53,414	21,977	19,783	16,789	14,130	4,983
Management	24,158	31,144	11,455	23,609	15,898	23,844	30,353	9,960	7,932	2,334
Repairs	2,087	4,150	3,191	12,667	9,658	3,305	2,782	4,902	13,605	375
Utilities	14,437	32,255	11,144	15,521	22,586	24,272	20,862	10,149	5,277	—
Insurance	453	714	266	574	985	671	532	247	177	57
Depreciation	25,867	43,143	22,640	39,288	33,959	42,324	40,631	29,635	10,390	4,667
Other	2,061	4,416	1,051	11,318	2,301	2,553	3,739	27,638	9,067	1,260
NOI	346,565	297,117	231,735	96,596	125,254	149,706	72,141	77,132	63,186	73,043

Property name	Office A-11 Pacific Marks Nihonbashi- Tomizaw a cho	Office A-12 Pacific Marks Akasaka-mitsuke	Office A-15 Yokohama Aioicho Building	Office A-16 Pacific Marks Shin-Yokohama	Office A-22 Pacific Marks Shinkaw a	Office A-24 Pacific Marks Mejiro	Office A-25 Pacific Marks Kaw asaki	Office A-26 Tow a Hamamatsucho Building	Office A-27 Lila Hijirizaka	Office A-28 Pacific Marks Aobadai
Operating period (Operating Days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)
Revenue	86,871	80,807	50,986	72,623	148,528	73,374	337,745	199,342	141,985	75,492
Rent	80,593	80,807	43,738	72,518	148,347	73,374	336,427	194,942	141,567	75,403
Other	6,277	—	7,248	104	181	—	1,317	4,400	417	89
Expenses	37,391	21,624	34,423	47,326	75,243	16,149	99,779	68,219	56,608	31,564
Taxes	11,042	6,382	5,478	5,855	20,222	3,837	18,501	16,810	12,534	8,526
Management	5,164	3,986	8,574	6,462	9,812	3,653	18,976	15,594	16,668	5,673
Repairs	4,858	855	2,974	3,711	1,095	382	693	3,417	709	2,702
Utilities	4,243	3,529	3,862	5,282	11,426	3,190	27,079	12,106	6,686	5,378
Insurance	144	84	155	184	257	53	439	199	190	127
Depreciation	10,860	6,750	11,185	24,822	31,507	3,782	31,495	19,129	18,945	7,893
Other	1,076	35	2,193	1,008	920	1,249	2,593	961	873	1,262
NOI	49,480	59,183	16,562	25,297	73,285	57,224	237,966	131,123	85,376	43,928



Earnings of Each Property(2)

(in thousand yen)

Property name	Office A-29 Otsuka HT Building	Office A-30 Pacific Marks Shinjuku south- gate	Office B-1 Pacific Marks Nishi-Umeda	Office B-2 Pacific Marks Higobashi	Office B-3 Nagoya-Nishiki City Building	Office B-4 Pacific Marks Esaka	Office C-1 Pacific Marks Sapporo Kita- ichijou	Office C-2 Shin-Sapporo Center Building	Retail A-1 Shinsaibashi OPA Honkan
Operating period (Operating Days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)
Revenue	63,527	91,446	384,840	206,623	154,527	542,265	93,141	62,772	709,382
Rent	63,454	87,958	340,417	206,455	154,167	539,787	92,848	62,381	709,382
Other	72	3,488	44,422	168	360	2,478	292	390	—
Expenses	24,317	27,019	168,675	63,382	69,148	238,249	49,711	31,488	184,290
Taxes	2,323	5,384	27,462	16,511	12,774	38,284	9,197	5,420	78,784
Management	5,448	2,997	29,573	11,738	14,559	68,228	10,243	7,608	2,321
Repairs	465	5,087	5,225	1,515	5,529	4,196	1,600	981	3,557
Utilities	5,651	4,489	37,108	16,587	13,171	54,955	9,530	7,221	—
Insurance	93	73	762	376	338	1,182	210	137	1,235
Depreciation	6,225	8,023	63,309	14,270	21,785	69,319	17,377	9,170	90,606
Other	4,110	963	5,233	2,380	989	2,082	1,551	948	7,785
NOI	39,209	64,427	216,165	143,241	85,378	304,015	43,430	31,283	525,092

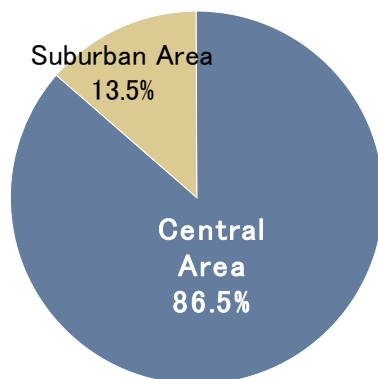
Property name	Retail A-2 Shinsaibashi OPA Kireikan	Retail A-3 PACIFIQUE Tenjin	Retail A-4 Albore Tenjin	Retail A-6 Albore Jingumae	Retail A-7 Albore Sendai	Retail B-1 Mallage Kashiwa	Retail B-2 Bellfa Uji	Retail C-1 Ito-Yokado Owariasahi	Retail C-2 Nitori Yokohama Kariba I.C.
Operating period (Operating Days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)	2009.9.1 - 2010.2.28 (181days)
Revenue	87,768	76,634	40,599	65,043	109,537	728,978	209,460	242,768	102,000
Rent	87,768	75,565	40,599	55,366	109,208	670,147	200,248	241,747	102,000
Other	—	1,068	—	9,676	328	58,830	9,211	1,021	—
Expenses	26,095	49,482	11,086	12,984	45,082	565,639	184,446	93,105	30,989
Taxes	9,421	8,248	2,746	3,463	7,461	57,691	28,120	28,190	10,524
Management	307	12,283	2,352	2,191	7,631	141,496	57,405	1,800	3,888
Repairs	—	115	—	302	494	5,288	2,098	450	30
Utilities	—	10,384	3,369	1,698	10,042	114,373	38,433	—	—
Insurance	218	225	36	24	145	1,264	658	771	188
Depreciation	15,140	15,416	2,564	2,012	16,812	100,745	36,611	49,330	14,444
Other	1,007	2,808	18	3,290	2,492	144,779	21,117	12,562	1,914
NOI	61,672	27,151	29,513	52,059	64,454	163,338	25,014	149,663	71,010



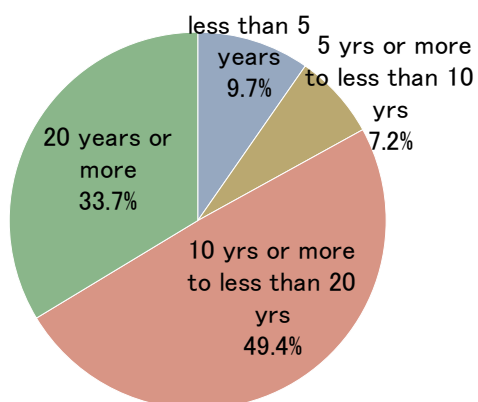
Diversified Portfolio <Area and Type Distribution> (as of March 31, 2010)

- Further investments in office properties and retail properties located in urban areas (retail-A type)
- More focus on office properties in Tokyo Metropolitan area

Area Distribution



Building Age Distribution



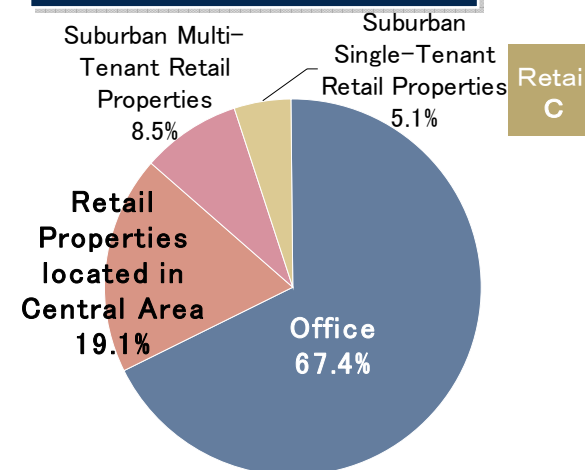
Weighted Average Building Age

16.9Yrs

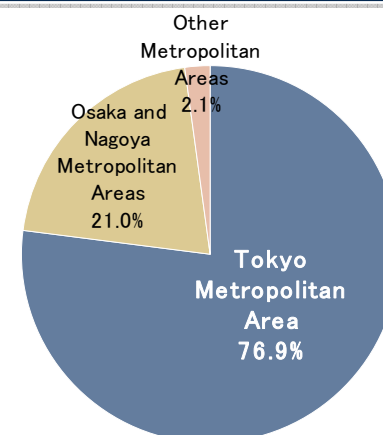
PML (Probable Maximum Loss)

3.93%

Type Distribution



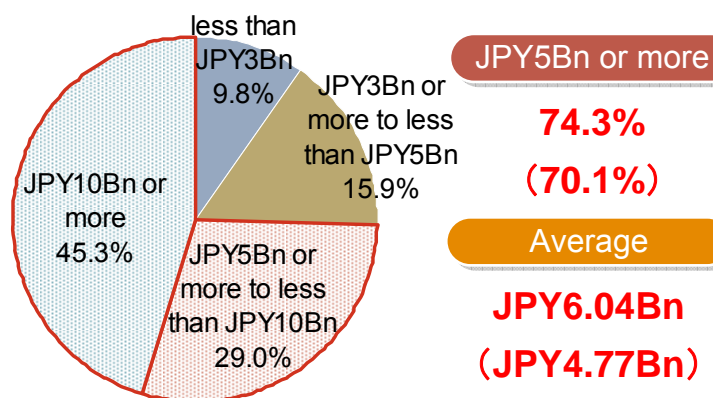
Geographical Distribution (Office)



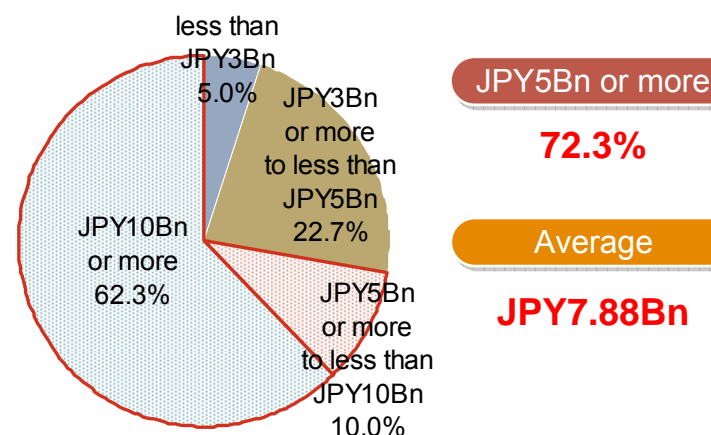
Diversified Portfolio <Size Distribution> (as of March 31, 2010)

- Most of the office and retail assets are over JPY5Bn
- Competitive office/retail assets: Most of the office assets are over 3,000sqm while most of the retail assets are over 10,000sqm

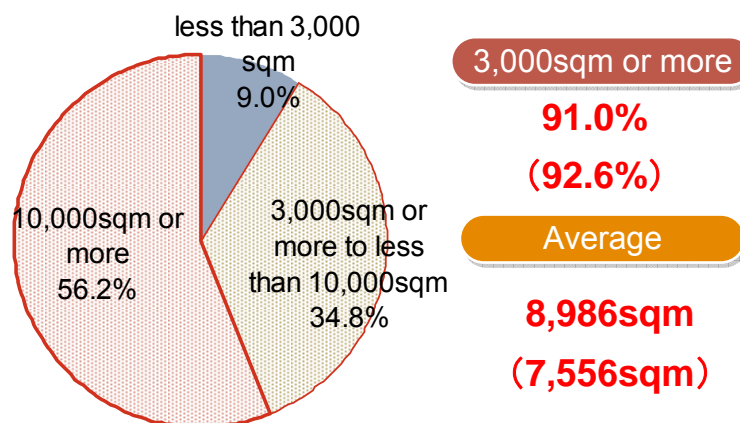
Size Distribution (Office)



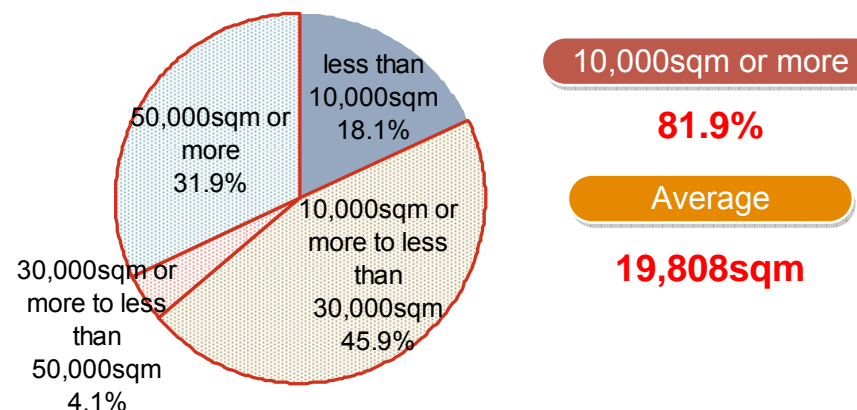
Size Distribution (Retail)



Size Distribution (Office) <based on floor area>



Size Distribution (Retail) <based on floor area>



*(as of IPO tense)



Loans Outstanding (as of April 14, 2010)

Loan	Lender	Outstanding Loan (JPYMM)		Interest	Maturity Date					
					Spread	Applied Interest	Risk Hedge	(MM/YY)	Duration	Time to payment due date
Term Loan 31	Aozora Bank, Ltd.	1,252	(0.9%)	floating	3M Tibor + 150bp	1.9455%	-	11/10	short term	0.63years
Term Loan F-a	Sumitomo Mitsui Banking Corporation The Sumitomo Trust & Banking Co., Ltd. Sompo Japan Insurance Inc. The Hiroshima Bank, Ltd. The Mie Bank, Ltd.	4,594	(3.4%)	floating	3M Tibor + 65bp	1.0946%	Interest rate swap transaction	03/12	long term	1.96years
Term Loan F-b	Daido Life Insurance Company	1,837	(1.4%)	fixed	5Y Swap + 65bp	2.0200%	-	03/12	long term	1.96years
Term Loan G	Daido Life Insurance Company	1,837	(1.4%)	fixed	5Y Swap + 70bp	2.4075%	-	06/12	long term	2.20years
Term Loan J	Aozora Bank, Ltd. Shinsei Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation The Sumitomo Trust & Banking Co., Ltd.	11,944	(8.9%)	floating	3M Tibor + 55bp	0.9955%	Interest rate swap transaction	09/10	short term	0.45years
Term Loan K	National Mutual Insurance Federation of Agricultural Cooperatives Aioi Insurance Co., Ltd.	1,837	(1.4%)	fixed	4Y Swap + 64bp	1.9813%	-	09/11	long term	1.45years
Term Loan L	Development Bank of Japan Inc.	918	(0.7%)	fixed	4Y Swap + 62bp	1.9675%	-	09/11	long term	1.45years
Term Loan N	The Chuo Mitsui Trust and Banking Co., Ltd.	1,837	(1.4%)	floating	3M Tibor + 55bp	0.9955%	Interest rate cap purchase	09/10	short term	0.45years
Term Loan O	Aozora Bank, Ltd.	3,032	(2.3%)	floating	3M Tibor + 55bp	0.9955%	Interest rate cap purchase	11/10	short term	0.63years
Term Loan Q	Development Bank of Japan Inc.	1,837	(1.4%)	fixed	3.2 Swap + 79bp	2.1067%	-	09/11	long term	1.45years
Term Loan R	Sumitomo Mitsui Banking Corporation Aozora Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	13,322	(9.9%)	floating	6M Tibor + 90bp	1.4573%	-	09/10	short term	0.46years
Term Loan S	Sumitomo Mitsui Banking Corporation	6,339	(4.7%)	floating	1M Tibor + 80bp	1.0546%	-	04/10	short term	0.04years
Term Loan T	Sumitomo Mitsui Banking Corporation	5,972	(4.4%)	floating	6M Tibor + 90bp	1.5464%	-	10/10	short term	0.54years
Term Loan U	The Sumitomo Trust & Banking Co., Ltd.	2,756	(2.0%)	floating	6M Tibor + 90bp	1.4573%	-	09/10	short term	0.46years
Term Loan 36	Sumitomo Mitsui Banking Corporation The Norinchukin Bank Shinsei Bank, Ltd. The Chuo Mitsui Trust and Banking Co., Ltd. Mizuho Corporate Bank, Ltd. Aozora Bank, Ltd. The Sumitomo Trust & Banking Co., Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation Resona Bank, Ltd.	50,300	(37.4%)	floating	1M Tibor + 180bp	2.0555%	-	06/10	short term	0.21years
Term Loan 37	The Sumitomo Trust & Banking Co., Ltd. (real estate market stabilization fund account)	8,000	(5.9%)	floating	3M Tibor + 396bp	4.3165%	-	09/12	long term	2.43years
Investment Corporation Bonds (2nd round)	-	17,000	(12.6%)	fixed	-	1.9600%	-	04/12	long term	2.00years
		134,621				1.8737%				0.80years

*1 Concerning Term Loan J, interest rate swap agreements have been executed separately for 5,944 million yen and 6,000 million yen.

Applied interest is the weighted-average rate applicable, in effect, following execution of interest rate swap agreements.

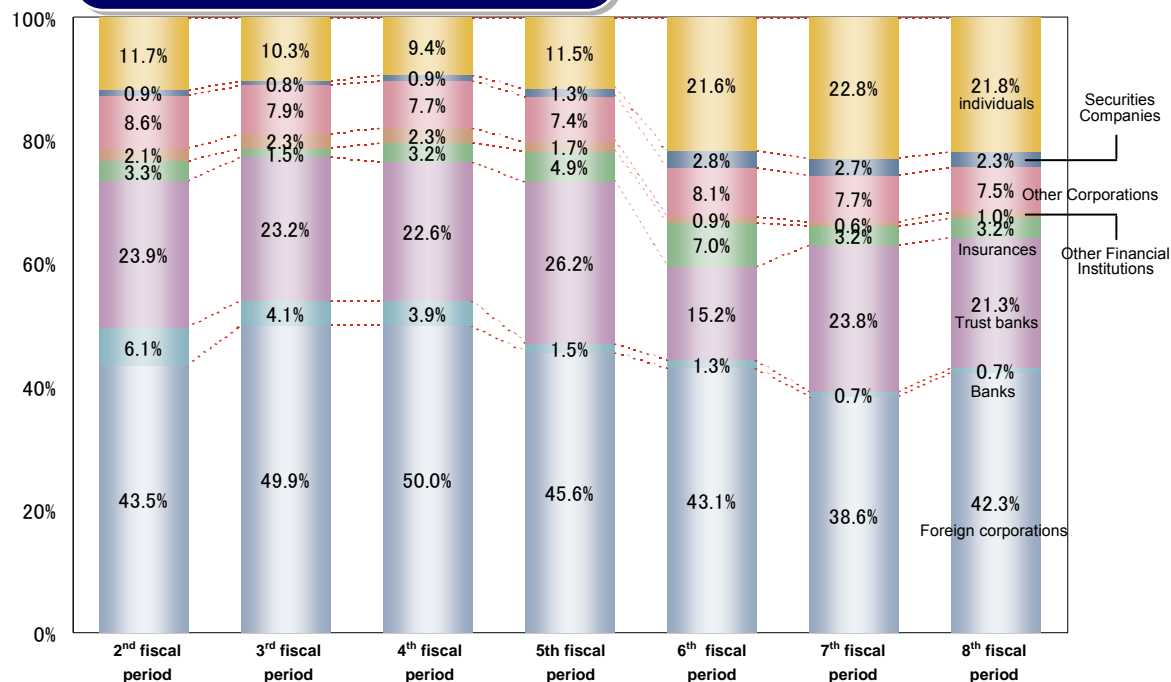
*2 Term Loan 36 is the refinancing of Term Loan 35.



Shareholders

Type of Investors and Number of Investment Units held

Number of Investment Units



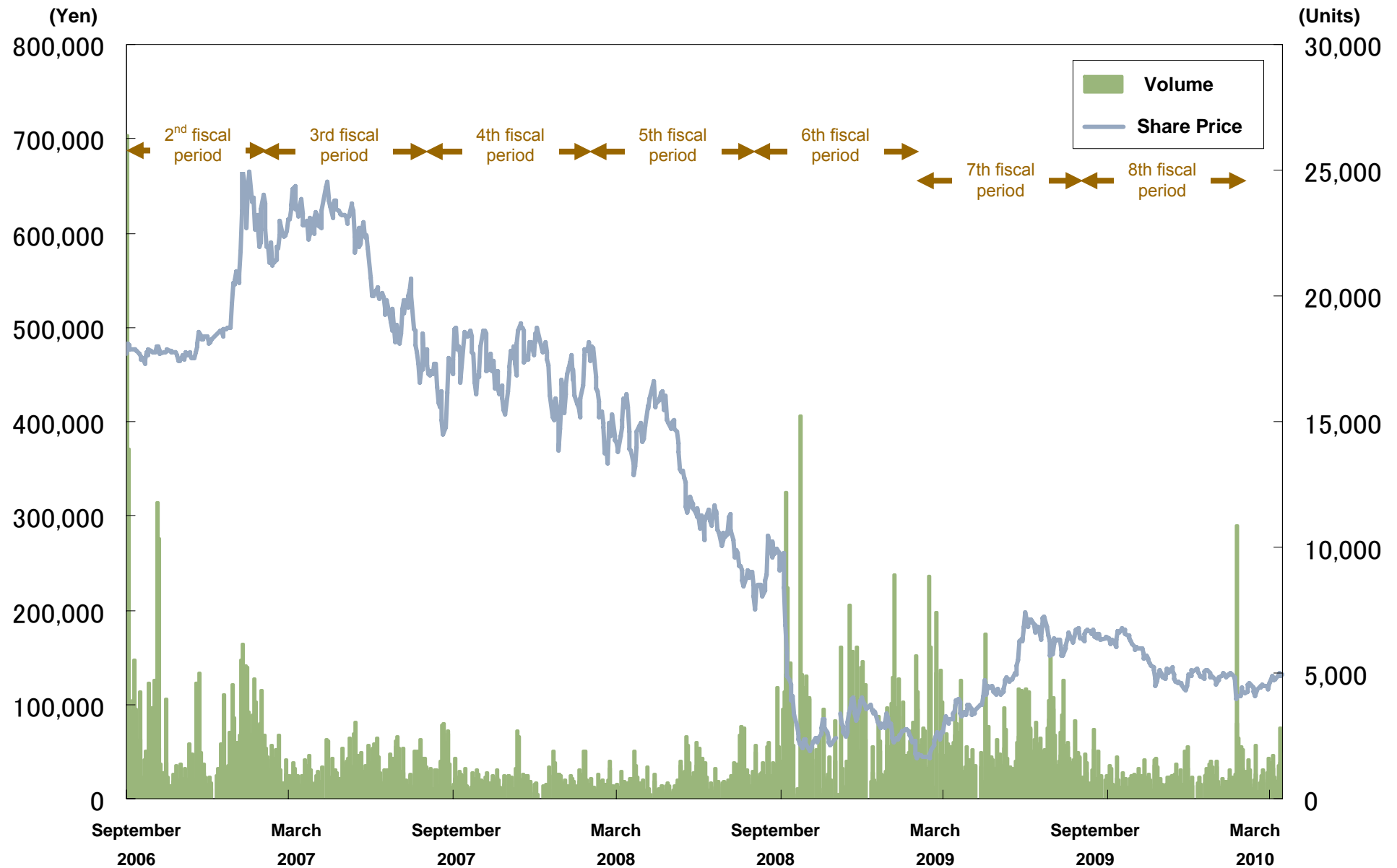
	End of 8th Fiscal Period				End of 7th Fiscal Period			
	No. of Investment Units		No. of Investors		No. of Investment Units		No. of Investors	
		ratio		ratio		ratio		ratio
Foreign Corporations	108,817	42.3%	153	1.4%	99,234	38.6%	162	1.4%
Financial Institutions	67,272	26.1%	20	0.2%	72,641	28.2%	23	0.2%
Banks	1,859	0.7%	4	0.0%	1,859	0.7%	4	0.0%
Trust Banks	54,758	21.3%	5	0.0%	61,144	23.8%	5	0.0%
Insurances	8,158	3.2%	2	0.0%	8,158	3.2%	2	0.0%
Other Financial Institutions	2,497	1.0%	9	0.1%	1,480	0.6%	12	0.1%
Other Corporations	19,291	7.5%	167	1.5%	19,759	7.7%	169	1.5%
Securities Companies	5,933	2.3%	26	0.2%	7,037	2.7%	28	0.2%
Individuals	56,087	21.8%	10,885	96.7%	58,729	22.8%	11,200	96.7%
Total	257,400	100.0%	11,251	100.0%	257,400	100.0%	11,582	100.0%

Major Shareholders as of February 28, 2010

Rank	Shareholder	Number of Investment Units (units)	Share (%)
1	NikkoCiti Trust and Banking Corporation (Trust Account)	19,792	7.68%
2	Goldman Sachs International	16,917	6.57%
3	Japan Trustee Services Bank, Ltd. (Trust Account)	13,214	5.13%
4	Pacific Holdings, Inc. (received court order of commencement of corporate rehabilitation proceedings)	12,400	4.81%
5	Deutsche Bank AG London PB Non-Treaty Clients 613	10,276	3.99%
6	The Nomura Trust and Banking Co., Ltd. (Trust Account)	9,542	3.70%
7	Northern Trust Company (AVFC) Sub Account American Client	8,986	3.49%
8	The Master Trust Bank of Japan Ltd. (Trust Account)	8,513	3.30%
9	The Fuji Fire and Marine Insurance Co., Ltd.	8,137	3.16%
10	BNP Paribas Securities Services Singapore / BP2S Sydney / Jasdec / Australian Residents	6,472	2.51%
11	Credit Suisse Securities Europe Limited PB Sec Int Non-Treaty Client	5,984	2.32%
12	Northern Trust Company (AVFC) Sub Account British Client	4,915	1.90%
13	State Street Bank and Trust Company	4,681	1.81%
14	Credit Suisse Europe PB Sec Int Treaty Client	4,558	1.77%
15	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	3,697	1.43%
16	Deutsche Bank AG London 610	3,246	1.26%
17	The Chase Manhattan Bank NA London SL Omnibus Account	3,030	1.17%
18	Northern Trust Company (AVFC) Re US Tax Exempted Pension Funds	2,272	0.88%
19	The Bank of New York Jasdic Treaty Account	2,193	0.85%
20	Melon Bank NA Treaty Client Omnibus	2,042	0.79%
Total		150,867	58.61%

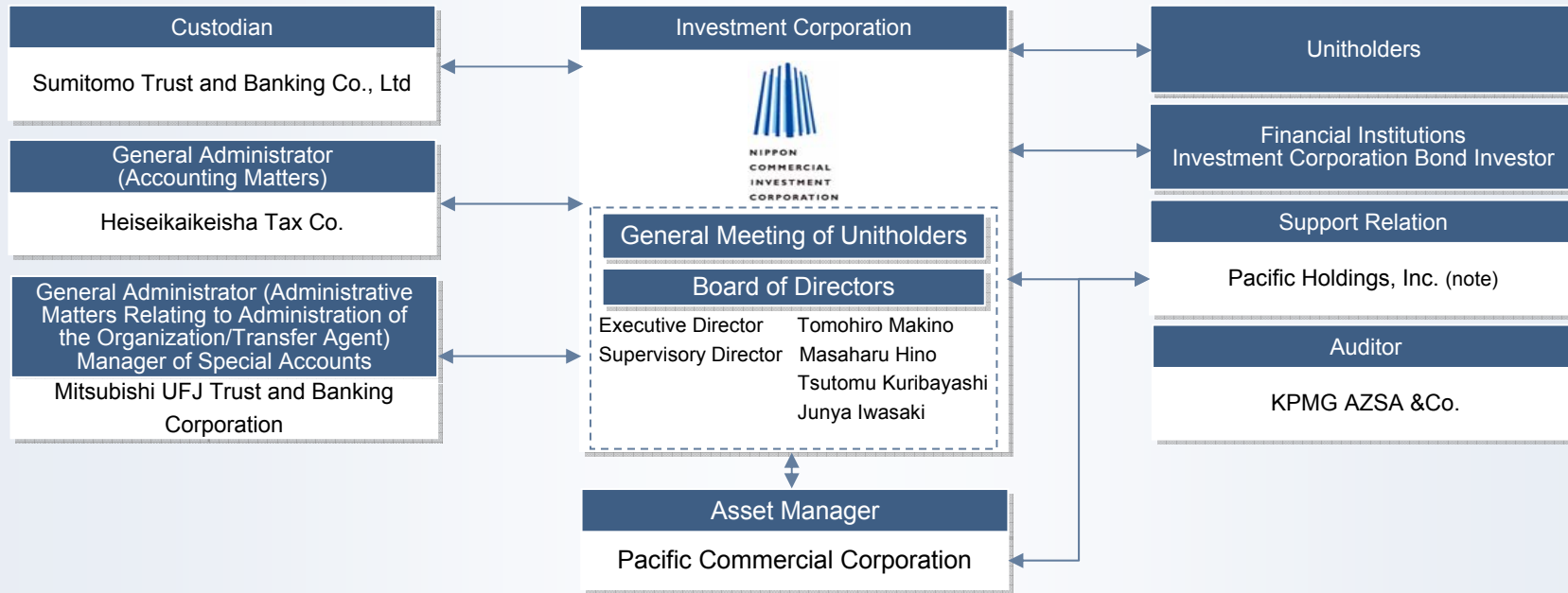


Trend of Share Price



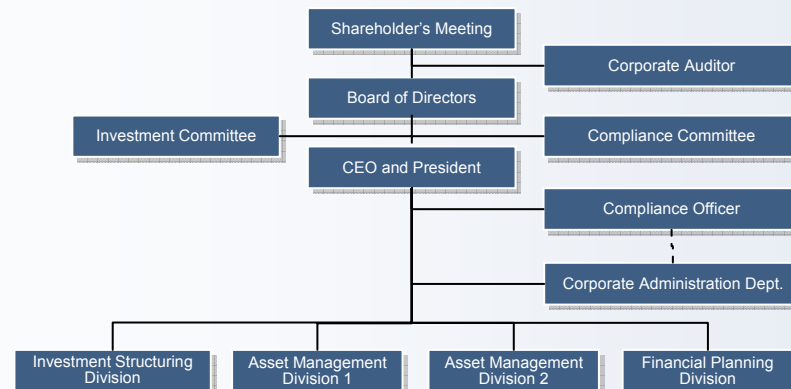
Corporate Structure (as of April 15, 2010)

Overview of the Investment Corp.



Overview of Asset Manager

- **N a m e** Pacific Commercial Corporation
- **L o c a t i o n** 1-14-1 Kanda Jinbo-cho, Chiyoda-ku, Tokyo
- **Representative** Tetsuya Saito, Representative Director
- **Foundation** February 9, 2005
- **Shareholder** Pacific Holdings, Inc. (note)
- **B u s i n e s s** Asset Management of Investment Corporation



(note) Pacific Holdings, Inc. has received court order of commencement of corporate rehabilitation proceedings



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Asset Manager: Pacific Commercial Corporation
(Financial Instruments Business Operator, Director-General of Kanto Local Finance Bureau (Kinsho) No. 377)
(Member of The Investment Trusts Association, Japan)

