

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 August 2010
(9th fiscal period)



**NIPPON
COMMERCIAL
INVESTMENT
CORPORATION**



**PACIFIC
COMMERCIAL**

October 19, 2010

Pacific Commercial Corporation

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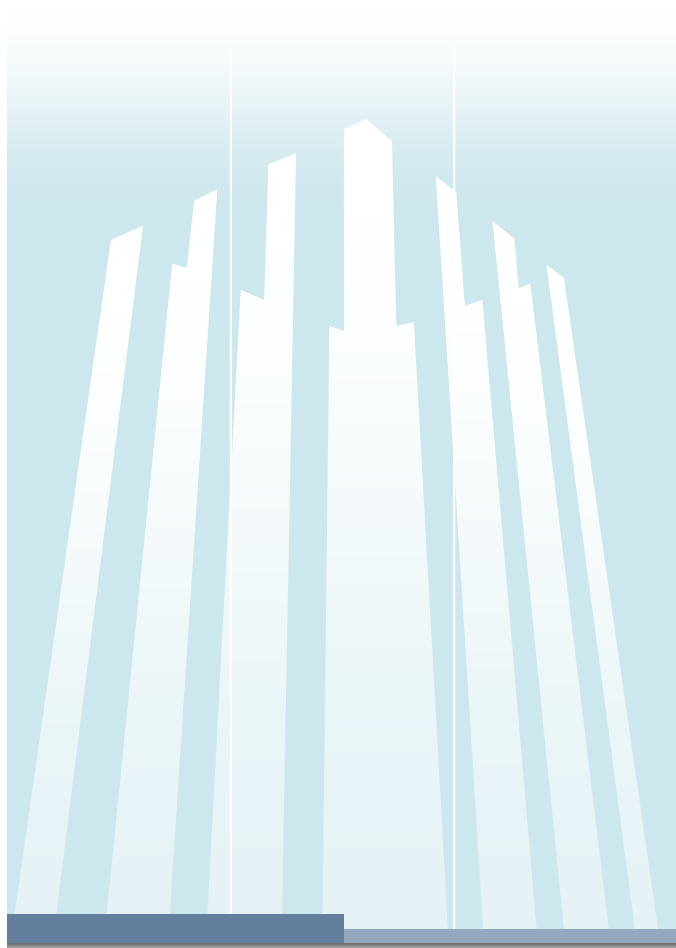


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Section 1

Status of Progress Towards Merger

Status of Progress Towards Merger

- Series of undertakings toward the merger with United Urban Investment Corporation are progressing steadily

Main Events

Execution of memorandum of understanding
concerning merger (April 22, 2010)

Execution of merger agreement
(May 10, 2010)

Approval of merger at general meetings of unitholders
(June 25, 2010)

Change in Asset Manager's parent company
(June 30, 2010)

Change in transfer agent
(August 1, 2010)

Implementation of refinancing
(September to November 2010)

Merger takes effect
(December 1, 2010) (planned)

Release of collateral
(December 1, 2010) (planned)

Status of Fulfillment of Major Preconditions

Completion of approval at general meetings of unitholders, as well as procedures and acquisition of permission, authorization, etc. in accordance with applicable laws and regulations, internal rules, etc.
→ Approval voted in favor at general meetings of unitholders, and procedures being implemented

Refinancing or early repayment of loans due for repayment prior to merger and loans from Real Estate Market Stabilization Fund
→ Loan after loan is being refinanced through Term Loan 40 for which agreement was executed on September 22, 2010

Obtaining of consent from lenders regarding merger and release of collateral
→ Lender's basic understanding for merger and release of collateral are gained, and earnest discussions are underway toward release of collateral by December 1



Section 2

Highlight of 9th Fiscal Period Results

Highlight of 9th Fiscal Period Results (March 1, 2010- August 31, 2010)

	8th Fiscal Period (Sep.1, 2009- Feb.28, 2010)	9th Fiscal Period (Mar.1,2010- Aug.31, 2010)	change	10th Fiscal Period Forecast (Sep.1 2010- Nov.30 2010)
Operating days	181days	184days	+3days	91days
Operating Revenue	JPY7,816MM	JPY7,283MM	-JPY533MM	JPY3,488MM
Operating Income	JPY2,694MM	JPY3,693MM	+JPY999MM	JPY1,750MM
Ordinary Income	JPY484MM	JPY1,408MM	+JPY924MM	JPY761MM
Net Income	JPY482MM	JPY1,021MM	+JPY539MM	JPY514MM
Dividend per Unit	JPY1,876	JPY3,967	+JPY2,091	JPY2,000
Number of Investment Unit	257,400	257,400	-	257,400

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



Highlight of 9th Fiscal Period Results

(March 1, 2010- August 31, 2010)

	8th Fiscal Period (Sep.1, 2009- Feb.28, 2010)	9th Fiscal Period (Mar.1,2010- Aug.31, 2010)	change	9th Fiscal Period Forecast (Revised on May 10, 2010)	9th Fiscal Period (Mar.1,2010- Aug.31, 2010)	difference
Operating days	181days	184days	+3days	184days	184days	-
Operating Revenue	JPY7,816MM	JPY7,283MM	-JPY533MM	JPY7,354MM	JPY7,283MM	-JPY71MM
Operating Income	JPY2,694MM	JPY3,693MM	+JPY999MM	JPY3,272MM	JPY3,693MM	JPY421MM
Ordinary Income	JPY484MM	JPY1,408MM	+JPY924MM	JPY846MM	JPY1,408MM	JPY562MM
Net Income	JPY482MM	JPY1,021MM	+JPY539MM	JPY846MM	JPY1,021MM	JPY175MM
Dividend per Unit	JPY1,876	JPY3,967	+JPY2,091	JPY3,290	JPY3,967	JPY677
Number of Investment Unit	257,400	257,400	-	257,400	257,400	-

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

Difference from the Previous Period
(1) Factors of difference in operating income <ul style="list-style-type: none"> ■ Loss on sale of PM Nishi-Shinjuku of 8th Fiscal Period (+JPY1,244MM) ■ Decrease in rental income due to sale of PM Nishi-Shinjuku (-JPY264MM) ■ Decrease in rental income of other properties (-JPY269MM) (2) Factors of difference in ordinary income <ul style="list-style-type: none"> ■ Increase in Interest payment and expenses in granting collaterals in correlation with the borrowing from Real Estate Market Stabilization Funds (3) Factors of difference in net income <ul style="list-style-type: none"> ■ Record of Extraordinary loss of merger expenses

Difference from the Management Forecast
(1) Factors of difference in operating income <ul style="list-style-type: none"> ■ Decrease in repair expenses and other sundry expenses ■ Merger expenses being changed to extraordinary loss ■ Containment of expenditures of other sundry expenses (2) Factors of difference in ordinary income <ul style="list-style-type: none"> ■ Base interest rate of interest expenses for loans being lower than that initially assumed ■ Borrowing related expenses upon the refinancing of loans being less than that initially assumed (3) Factors of difference in net income <ul style="list-style-type: none"> ■ Extraordinary loss due to changing the account to which the Investment Corporation records merger expenses as described in (1)



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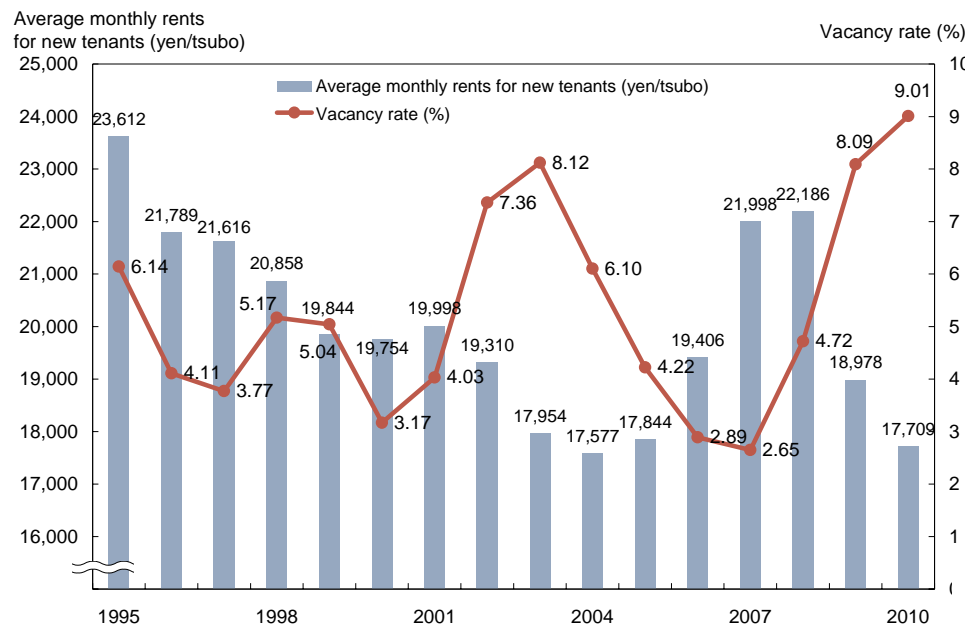
Section 3

Status of Business

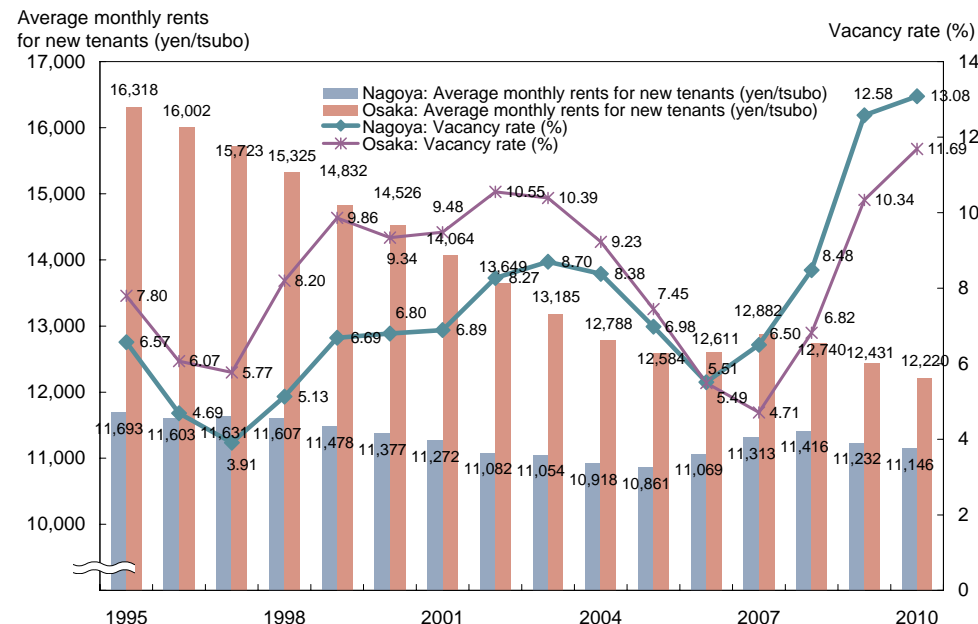
Current Office Rental Market Conditions <Major Metropolitan Areas>

- **Tokyo metropolitan area:** Due in part to declining rental rates, positive moves - such as tenants expanding floor space and newly relocating - and signs of declining trend in occupancy rates halting to a certain degree were found. With consciousness to reduce costs strong among tenants, expected to be a while yet before rental rates bottom out. (vacancy rate: 9.01%)
- **Osaka metropolitan area:** While new tenant needs were found for certain properties boasting favorable location and conditions, stagnant office demand continues due to strong consciousness to reduce costs among tenants. Ongoing need to closely watch trends as large new supply is anticipated to continue. (vacancy rate: 11.69%)
- **Nagoya metropolitan area:** With new supply being limited, signs of a declining trend in occupancy rates halting to a certain degree, but consciousness to reduce costs strong among tenants and stagnation in office demand continues. (vacancy rate: 13.08%)

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 (October 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/Nanba, 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 September 30.

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



Portfolio - As of September 30, 2010 -

Area	Asset Type	Geographic Diversification	Property No.	Property Name	Location	Acquisition Price (JPY m)	Investment Ratio	Book Value as of Aug 31, 2010 (JPY m)	Occupancy Rate as of end of month (%)					
									Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-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%	19,020	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
			OfficeA-2	Pacific Marks Shinjuku ParkSide	Shinjuku ward, Tokyo	15,100	6.25%	15,529	97.6%	97.6%	100.0%	100.0%	95.1%	100.0%
			OfficeA-3	Pacific Marks Tsukiji	Chuo ward, Tokyo	11,100	4.59%	11,396	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
			OfficeA-4	Pacific Marks Tsukishima	Chuo ward, Tokyo	8,080	3.34%	8,141	95.2%	95.2%	95.2%	100.0%	100.0%	100.0%
			OfficeA-6	Pacific Marks Yokohama East	Yokohama city, Kanagawa	7,110	2.94%	6,985	78.1%	76.2%	76.2%	72.8%	72.8%	82.7%
			OfficeA-7	Pacific Marks Shin-Urayasu	Urayasu city, Chiba	4,700	1.94%	4,638	75.4%	60.5%	60.5%	60.5%	60.5%	77.8%
			OfficeA-8	Oomori City Building	Ota ward, Tokyo	3,920	1.62%	3,887	95.1%	95.1%	95.1%	95.1%	95.1%	95.1%
			OfficeA-9	Akasaka Hikawa Building	Minato ward, Tokyo	3,385	1.40%	3,604	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%	3,140	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%	2,622	84.7%	84.7%	84.7%	84.7%	84.7%	84.7%
			OfficeA-12	Pacific Marks Akasaka-mitsuke	Minato ward, Tokyo	2,450	1.01%	2,454	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
			OfficeA-15	Yokohama Aioicho Building	Yokohama city, Kanagawa	1,710	0.71%	1,697	79.3%	82.0%	82.0%	82.0%	82.0%	84.5%
			OfficeA-16	Pacific Marks Shin-Yokohama	Yokohama city, Kanagawa	1,700	0.70%	1,604	83.9%	83.9%	83.9%	83.9%	83.9%	83.9%
			OfficeA-22	Pacific Marks Shinkawa	Chuo ward, Tokyo	3,540	1.46%	3,486	100.0%	100.0%	100.0%	100.0%	80.5%	90.2%
			OfficeA-24	Pacific Marks Mejiro	Toshima ward, Tokyo	2,008	0.83%	2,082	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
			OfficeA-25	Pacific Marks Kawasaki	Kawasaki city, Kanagawa	15,100	6.25%	15,622	96.0%	94.7%	94.7%	94.7%	96.1%	93.5%
			OfficeA-26	Towa Hamamatsucho Building	Minato ward, Tokyo	7,242	3.00%	7,448	78.8%	78.8%	78.8%	78.8%	78.8%	78.8%
			OfficeA-27	Lila Hijirizaka	Minato ward, Tokyo	4,300	1.78%	4,433	58.4%	45.0%	31.6%	31.6%	31.6%	45.0%
			OfficeA-28	Pacific Marks Aobadai	Meguro ward, Tokyo	3,050	1.26%	3,163	88.7%	88.7%	88.7%	88.7%	85.2%	85.2%
			OfficeA-29	Otsuka HT Building	Toshima ward, Tokyo	2,000	0.83%	2,065	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%	5,328	88.6%	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%	8,688	72.0%	77.5%	75.6%	73.3%	74.4%	90.0%
			OfficeB-2	Pacific Marks Higobashi	Osaka city, Osaka	5,573	2.30%	5,789	92.0%	92.0%	92.0%	95.2%	95.2%	95.2%
			OfficeB-3	Nagoya-Nishiki City Building	Nagoya city, Aichi	5,180	2.14%	5,278	82.7%	82.7%	71.4%	71.4%	70.0%	71.4%
			OfficeB-4	Pacific Marks Esaka	Suita city, Osaka	14,500	6.00%	15,144	96.6%	96.6%	97.5%	95.7%	95.7%	95.7%
		Other Metropolitan Areas (2 Properties) JPY3,475m	OfficeC-1	Pacific Marks Sapporo Kita-ichijo	Sapporo city, Hokkaido	2,250	0.93%	2,222	76.1%	76.1%	76.1%	81.3%	88.4%	88.4%
			OfficeC-2	Shin-Sapporo Center Building	Sapporo city, Hokkaido	1,225	0.51%	1,235	86.4%	86.4%	79.2%	79.2%	79.2%	82.6%
	RetailA-1		Shinsaibashi OPA Honkan	Osaka city, Osaka	31,800	13.15%	32,596	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	RetailA-2		Shinsaibashi OPA Kireikan	Osaka city, Osaka	3,500	1.45%	3,564	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	RetailA-3		PACIFIQUE Tenjin	Fukuoka city, Fukuoka	3,700	1.53%	3,679	81.6%	81.6%	81.7%	81.7%	81.7%	84.9%	
	RetailA-4		Albore Tenjin	Fukuoka city, Fukuoka	1,440	0.60%	1,445	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	RetailA-6		Albore Jingumae	Shibuya ward, Tokyo	2,525	1.04%	2,620	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	RetailA-7		Albore Sendai	Sendai city, Miyagi	3,100	1.28%	3,151	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	RetailB-1		Mallage Kashiwa	Kashiwa city, Chiba	17,310	7.16%	17,508	97.5%	97.8%	96.2%	93.0%	93.0%	93.8%	
	RetailB-2		Bellfa Uji	Uji city, Kyoto	3,200	1.32%	3,126	91.3%	95.3%	95.3%	95.3%	75.1%	72.8%	
	RetailC-1		Ito-Yokado Owariasahi	Owari Asashi city, Aichi	7,850	3.25%	7,942	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%	4,493	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Retail (10 Properties) JPY78,820m	Retail Properties located in Central Area (6 Properties) JPY46,065m													
	Suburban Multi-Tenant Retail Properties (2 Properties) JPY20,510m Suburban Single-Tenant Retail Properties (2 Properties) JPY12,245m													
Suburban Area (4 Properties) JPY32,755m														
Total				37 Properties	-	241,793	100%	246,841	93.8%	93.5%	93.0%	92.5%	91.3%	93.2%



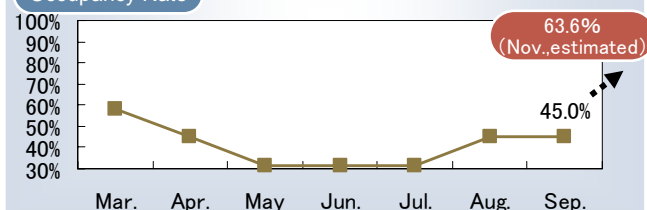
Status of Undertakings for Leasing-Focused Properties



Lila Hijirizaka	
Acquisition Price	4,300 million yen
Location	Minato-ku, Tokyo
Completion	November 1991
Total Rentable Area	4,255.02㎡

Exit of several tenants caused occupancy rate to fall to 30% level at one point, but occupancy rate, inclusive of tenants with which contracts are expected to be closed in the near future, is expected to recover to 60% level as a result of proactive leasing activities through campaigns.

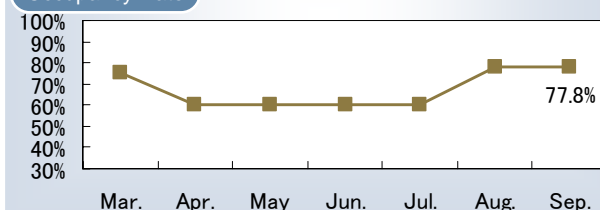
Occupancy Rate



Pacific Marks Shin Urayasu	
Acquisition Price	4,700 million yen
Location	Urayasu-shi, Chiba
Completion	May 1993
Total Rentable Area	8,708.62㎡

Termination of contract for large compartment caused occupancy rate to fall to 60% level, but occupancy rate recovered to high end of 70% level as a result of new contract (sports club: due to open in November).

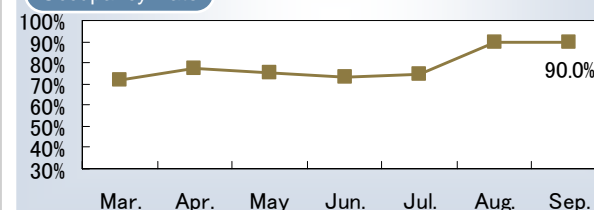
Occupancy Rate



Pacific Marks Nishiumeda	
Acquisition Price	8,950 million yen
Location	Osaka-shi, Osaka
Completion	March 1997
Total Rentable Area	11,035.42㎡

Exit of several tenants caused occupancy rate to fall to 70% level at one point, but occupancy recovered to 90% during 9th fiscal period as a result of proactive leasing activities through campaigns.

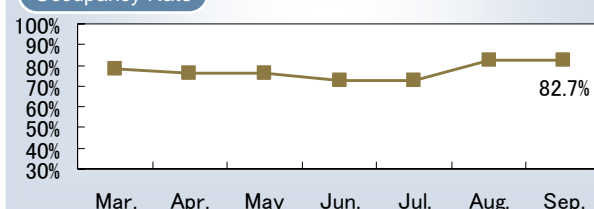
Occupancy Rate



Pacific Marks Yokohama East	
Acquisition Price	7,110 million yen
Location	Yokohama-shi, Kanagawa
Completion	October 1992
Total Rentable Area	10,793.68㎡

Market stagnation in Yokohama area caused occupancy rate to be low at 70% level. Occupancy rate recovered to 80%+ as a result of new contract. Ongoing focus on leasing activities in an aim to swiftly recover occupancy rate to 90% level.

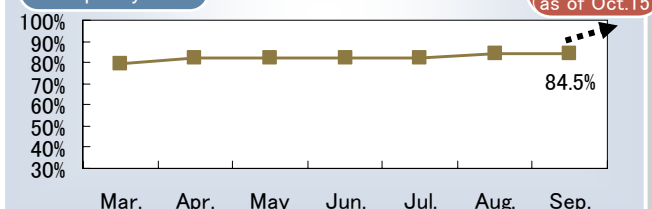
Occupancy Rate



Yokohama Aioicho Building	
Acquisition Price	1,710 million yen
Location	Yokohama-shi, Kanagawa
Completion	August 1993
Total Rentable Area	2,444.45㎡

Market stagnation in Yokohama area caused occupancy rate to be low at 70% level. Occupancy rate now recovered to 90%+ as a result of contracts being closed with several tenants.

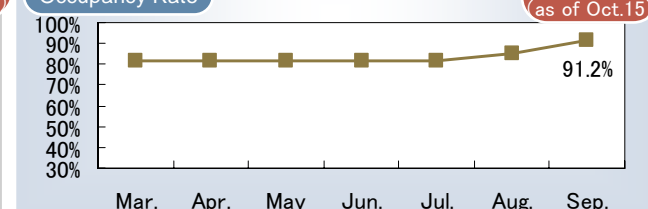
Occupancy Rate



Pacificque Tenjin	
Acquisition Price	3,700 million yen
Location	Fukuoka-shi, Fukuoka
Completion	April 1987
Total Rentable Area	2,984.29㎡

While occupancy rate has been low at 80% level for a long period of time, occupancy rate recovered to 90%+ as of end of September as a result of several store openings. A furniture store has opened for the key compartment on the 1st floor.

Occupancy Rate



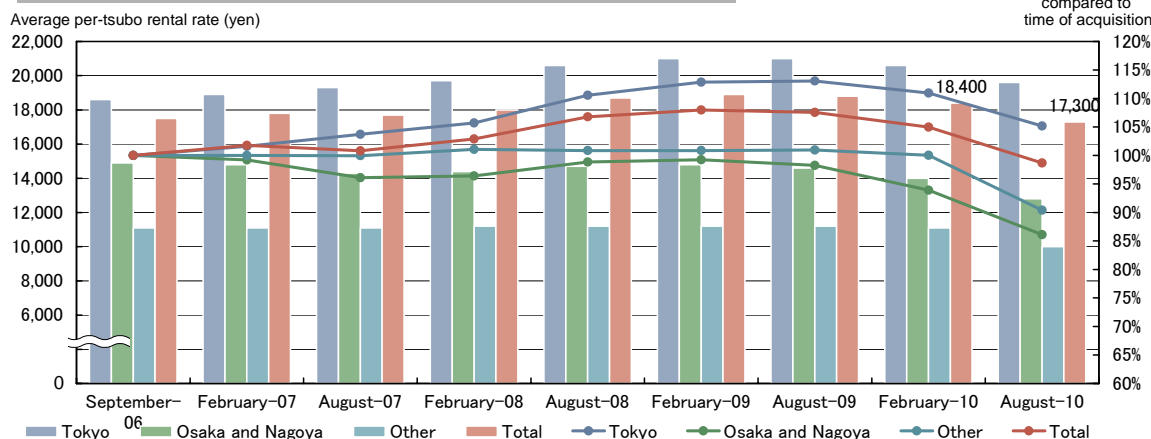
Office Building Rental Rate Trends

- Implemented flexible leasing, giving the highest priority to maintaining occupancy rate
- Number of contract termination notices received from tenants has decreased materially.

Changes in lease contracts during 9th fiscal period

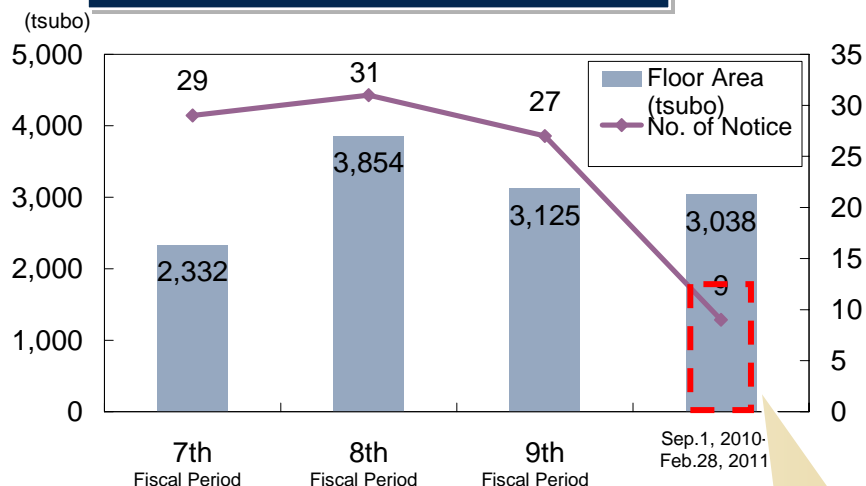
Terminated contracts 3,125 tsubos	New contracts 3,230 tsubos	Renewed contracts (including those revised during fiscal period) 15,933 tsubos				
Contract Changes		No. of Office Units	Floor Space (tsubos)	Previous Monthly Rental Rates (thousand yen)	Difference (thousand yen)	Rate of Change
New Contracts	Amount Increased	0	0.0	0	0	0.0%
	No Change	1	79.4	992	0	0.0%
	Amount Decreased	29	3,150.8	53,895	-18,834	-34.9%
Renewed Contracts	Amount Increased	0	0.0	0	0	0.0%
	No Change	65	4,970.7	86,403	0	0.0%
	Amount Decreased	61	10,962.3	171,126	-16,936	-9.9%
Grand Total		156	19,163.2	312,419	-35,771	-11.4%

Past average per-tsubo rental rates for portfolio



(Note) Average per-tsubo rental rate is the sum total of the monthly rental rate (incl. common area charges) of each of the properties divided by the sum total of the leased floor space of each of the properties, and rounded down to the nearest million yen.

Status of tenant contract cancellations



PM Tsukiji
Cancellation of the building in its entirety (1,806 tsubos)

Views of the Asset Manager

Recognition of current situation

- Number of contract termination notices has decreased materially. Drop in rental rate levels continues.
- Rent adjustment in NCI portfolio has substantially progressed during the past 12 months.
- Positive moves of tenants are increasing due to undervalued rent level.

Outlook

- Positive moves can be seen and recovery might be anticipated in Tokyo metropolitan area.
- Close watch on trends for recovery in regional cities is necessary.



Asset Management Topics

Strategy for tenant replacement at Mallage Kashiwa

Mallage Kashiwa

Attract tenants in view of enhancing ability to pull in customers and boosting sales through increase in frequency of store visits and expansion of customer base. Over 10 stores newly opened in 9th fiscal period. Number of visitors keeps surpassing 100% compared to the same period last year after July. Moreover, with tenants expanding floor space, high occupancy rate is expected to be maintained.



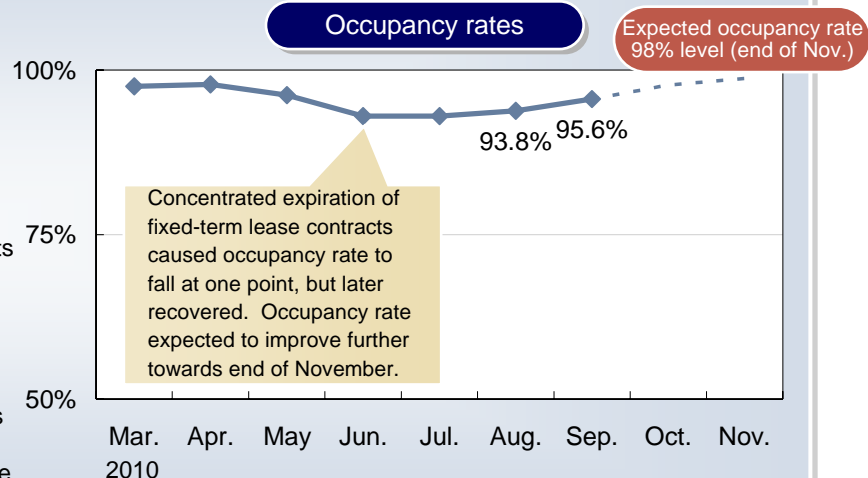
New stores opened (some)

Increase in frequency of store visits

Aim to increase frequency of store visits on weekdays by enhancing lineup of stores selling daily commodities.

Expansion of customer base

Attract stores selling imported food products and other tenants of business categories not found with existing tenants. Aim to tap new customer base.



Effects of change in sponsor

Will engage in asset management that draws on the diverse support of the Marubeni Group

Enhanced leasing ability

Regaining of trust from tenants

Introduction of Group companies and other tenants

Cost-saving effects

Reduction of insurance expenses

Reduction of electricity costs

New business partners

Introduction of building maintenance companies

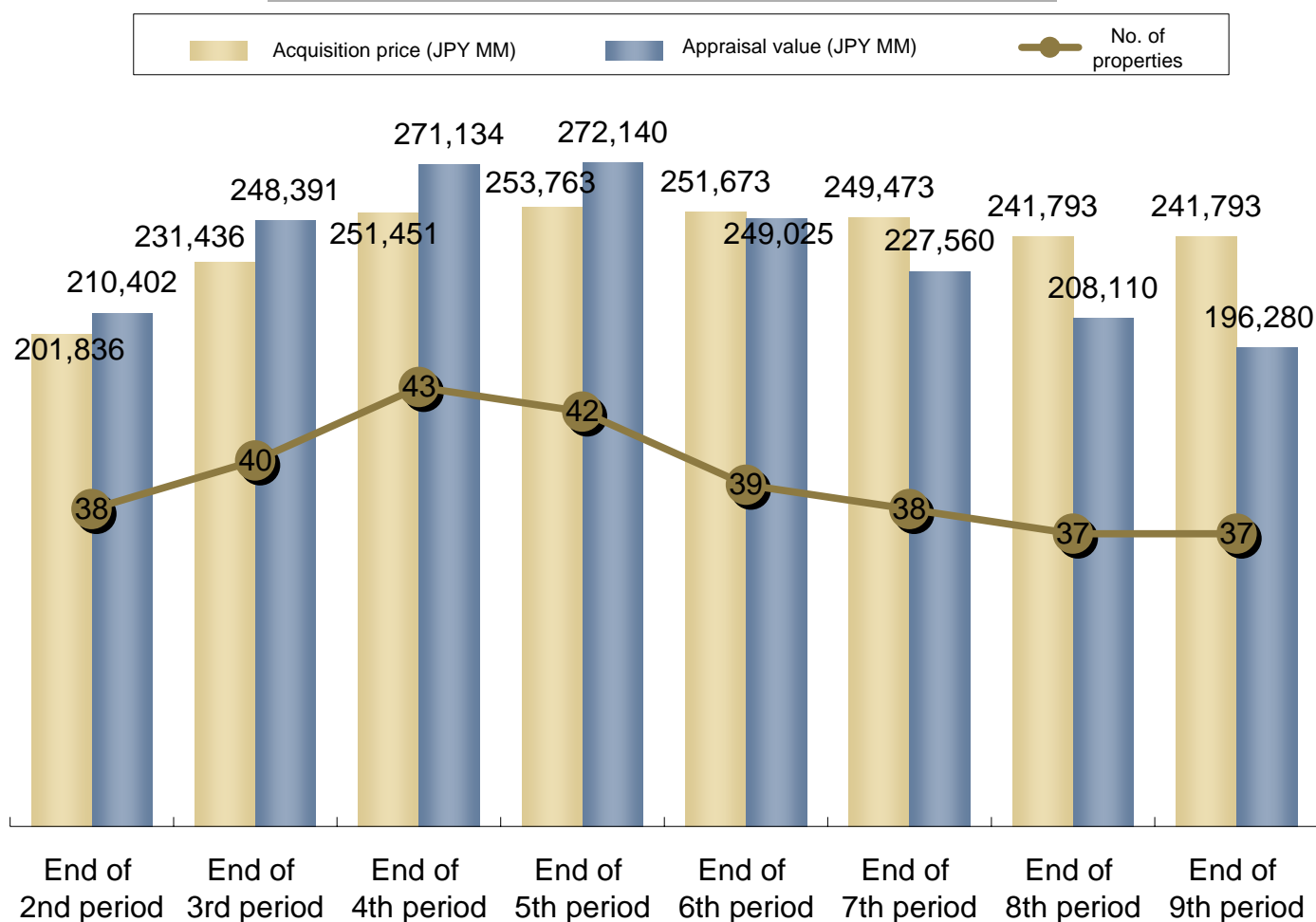
Introduction of property managers



Summary of Appraisal Value

- Drop in appraisal values continues, reflecting the drop in rental income
- Asset Manager breaks down that cause of drop is due to declining expected NOI(94%) and cap rate adjustments(6%) (Please see P21 for details)

Past appraisal values and acquisition prices



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

- Refinancing of loans totaling JPY100Bn yen is being implemented with Term Loan 40
- With the merger in sight, the refinancing extends the loan term, diversifies repayment deadlines, and reduces interest rate costs

Overview of Refinance

As of August 31, 2010

Loan	Outstanding Loan (JPYMM)	Interest	Maturity Date		Duration	Time to payment due date
			Spread	Applied Interest		
Term Loan J	11,924 (11.4%)	floating*	3M Tibor + 55bp	0.9400%	09/10	short term
Term Loan N	1,834 (1.8%)	floating*	3M Tibor + 55bp	0.9400%	09/10	short term
Term Loan R	13,300 (12.7%)	floating	6M Tibor + 90bp	1.4573%	09/10	short term
Term Loan U	2,751 (2.6%)	floating	6M Tibor + 90bp	1.4573%	09/10	short term
Term Loan 39	50,214 (48.0%)	floating	1M Tibor + 150bp	1.7015%	09/10	short term
Term Loan T	5,962 (5.7%)	floating	6M Tibor + 90bp	1.4177%	10/10	short term
Term Loan 38	6,319 (6.0%)	floating	1M Tibor + 180bp	2.0015%	10/10	short term
Term Loan O	3,026 (2.9%)	floating	3M Tibor + 55bp	0.9400%	11/10	short term
Term Loan 31	11,924 (11.4%)	floating	3M Tibor + 150bp	1.8900%	11/10	short term
Term Loan 37	8,000 (7.7%)	floating	3M Tibor + 396bp	4.3598%	09/12	long term
	104,550			1.9428%		0.25years

*Concerning Term Loan J and Term Loan N, the risk of fluctuations are hedged by derivative trades.

As of November 30, 2010 (Planned)

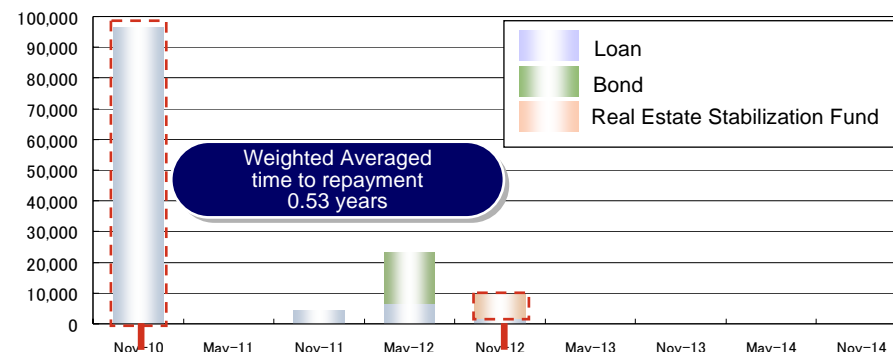
Loan	Outstanding Loan (JPYMM)	Interest	Maturity Date		Duration	Time to payment due date
			Spread	Applied* Interest		
Term Loan 40-A	40,008 (38.3%)	floating	1M Tibor + 130bp	1.4900%	09/12	long term
Term Loan 40-B1	7,972 (7.6%)	fixed	Swap rate + 105bp	1.5835%	03/13	long term
Term Loan 40-B2	2,253 (2.2%)	floating	3M Tibor + 105bp	1.4100%	03/13	long term
Term Loan 40-C1	13,120 (12.6%)	fixed	Swap rate + 115bp	1.6884%	09/13	long term
Term Loan 40-C2	2,253 (2.2%)	floating	3M Tibor + 115bp	1.5100%	09/13	long term
Term Loan 40-D	14,276 (13.7%)	fixed	Swap rate + 125bp	1.8065%	03/14	long term
Term Loan 40-E	12,260 (11.7%)	fixed	Swap rate + 135bp	1.9254%	09/14	long term
Term Loan 40-F	4,269 (4.1%)	fixed	Swap rate + 135bp	1.9254%	09/14	long term
Term Loan 40-G	7,932 (7.6%)	fixed	Swap rate + 105bp	1.5835%	03/13	long term
	104,343			1.6402%		2.56years

*Applicable interest rates as of September 2010 are indicated for Term Loan 40-A through Term Loan 40-D

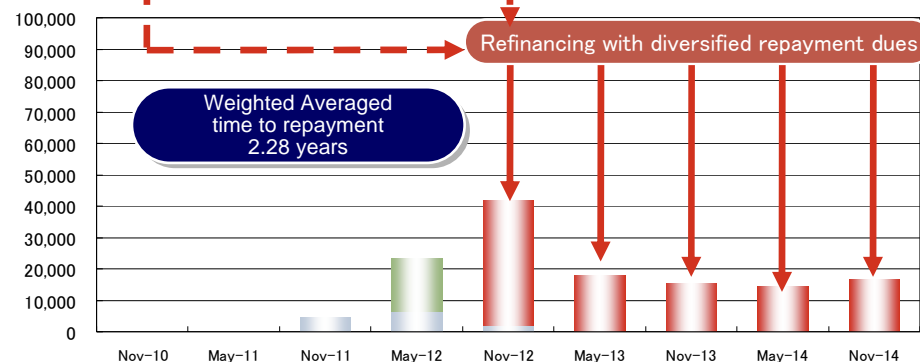
Applicable interest rates for Term Loan 40-E through Term Loan 40-G are proforma, based on swap rate as of September 2010.

Dispersion of Repayment Dues (unit: million yen)

As of August 31, 2010



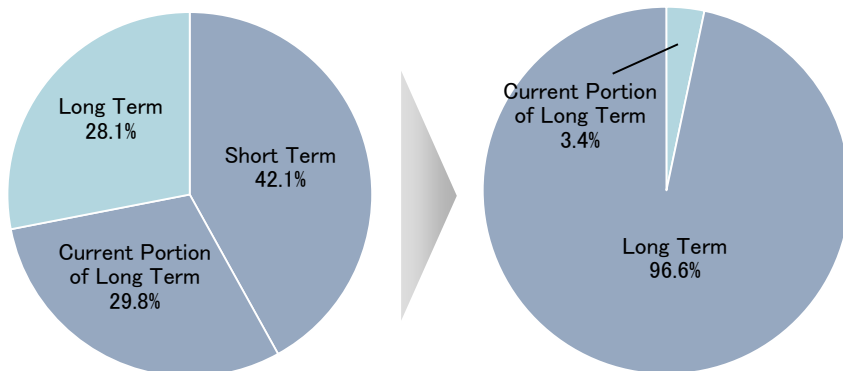
As of November 30, 2010 (Planned)



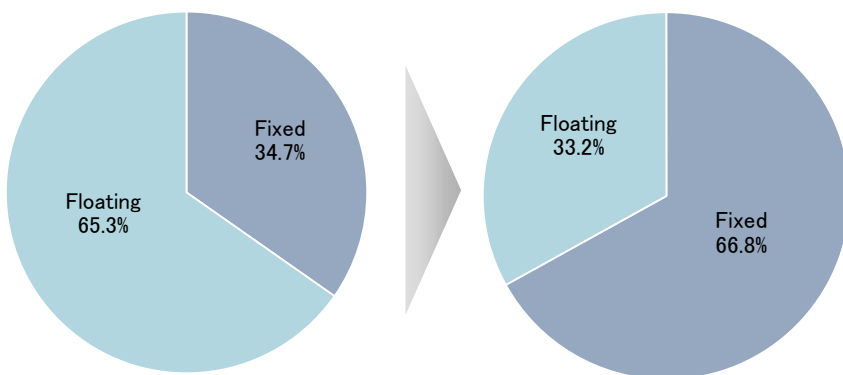
Status of Interest-Bearing Debt (2)

Change of Ratios (as of Aug. 31, 2010→as of Nov. 30, 2010) (Planned)

Long- and Short-term Debt



Fixed and Floating Interest



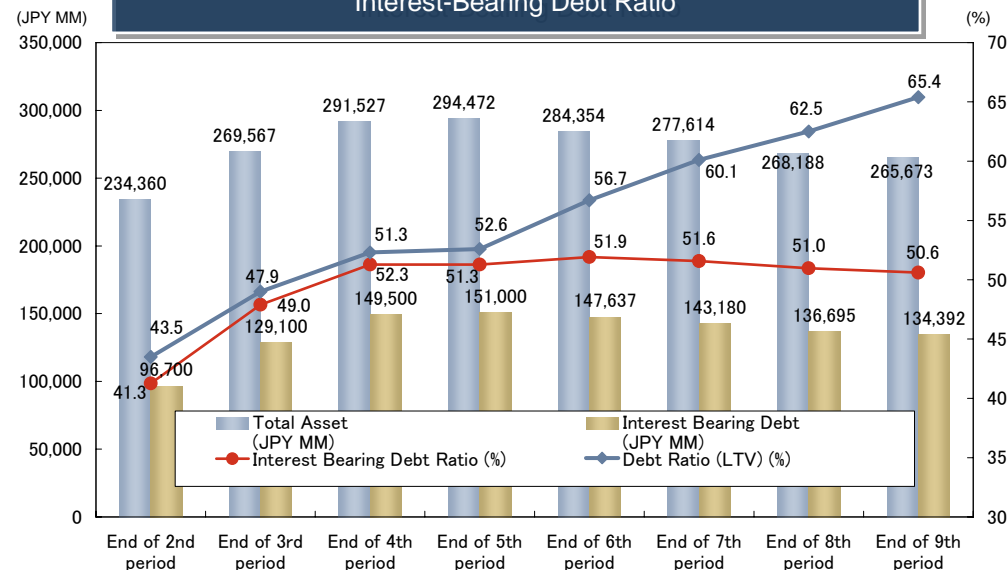
*Loans for which the risk of fluctuations are hedged are included in the fixed liability.

Status of Rating

Reflecting the reduction of short-term refinance risk as well as the progress in merger proceedings, NCI was upgraded to BBB, an investment-grade rating, on September 28, 2010.

Credit Rating Agency	Rating and Outlook
Rating and Investment Information, Inc. (R&I)	<p>Issuer Rating (BBB); Remains on the Rating Monitor with a view to upgrading</p> <p>Long-term Issue Rating (BBB); Remains on the Rating Monitor with a view to upgrading</p>

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



Status of Interest-Bearing Debt (3)

Balance by each financial institution (unit: million yen)

Sumitomo Mitsui Banking Corporation	31,874	34,750
Aozora Bank, Ltd.	13,398	15,374
The Norinchukin Bank	9,044	9,028
The Sumitomo Trust & Banking Co., Ltd.	8,203	9,689
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7,417	8,904
Shinsei Bank, Ltd.	7,179	7,166
The Chuo Mitsui Trust and Banking Co., Ltd.	6,989	6,977
Mitsubishi UFJ Trust and Banking Corporation	6,958	6,946
Mizuho Corporate Bank, Ltd.	5,098	5,089
Daido Life Insurance Company	3,669	3,662
Development Bank of Japan Inc	2,751	2,747
Resona Bank, Ltd.	2,713	2,708
Sompo Japan Insurance Inc.	917	915
Mie Bank	917	915
National Mutual Insurance Federation of Agricultural Cooperatives	917	915
Aioi Nissay Dowa Insurance Co., Ltd.	917	915
Hiroshima Bank	458	457
Real Estate Market Stabilization Fund	7,966	0
2nd Investment corporation bond	17,000	17,000

■ Aug.31, 2010
■ Nov.30, 2010(planned)

Status of Investment Corporation Bonds

Overview of Shelf Registration

Date of filing	November 27, 2009
Amount to be issued	100 Billion Yen
Period to be issued	December 6, 2009 to December 5, 2011

2nd round investment corporation bond

Name	2nd series of ranking pari-passu among the investment corporation bonds / private placement with split restriction for the portion of investors with less than 50 (Syoninzu Shibo) and with transfer restriction for the portion of qualified institution of investors.
Issue amount	17 Billion Yen
Interest rate	1.96%
Remarks	Unsecured and non-garanteed
Term	5years
Issue date	April 13, 2007
Redemption date	April 13, 2012
Rating	(BBB) Remains on the Rating Monitor with a view to upgrading (R&I)

- The borrowing from the Real Estate Market Stabilization Fund will be repaid by funds to be newly borrowed from existing financial institutions.
- Current bank formation will be maintained after the merger with United Urban Investment Corporation.



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Section 3

Future Outlook

Outlook

Recognition of current situation

Real estate trading market

- Replacement of portfolio assets and other transactions become more active with progress in restructuring of J-REITs
- Willingness to make new investments found, centering on overseas investors and creditworthy Japanese corporations
- Asset types with narrowing gap between seller and buyer prices also emerging

Real estate rental market

- Downward trend in rental rates as consciousness to reduce costs remains strong among tenant firms
- Positive relocation needs found, backed by fall in rental rates

Financial market

- New borrowing becoming slightly less difficult
- Increase in cases of issuance of investment corporation bonds by J-REITs

Future tasks and responses

Seek a stable performance in mid-to-long term by adopting UUR's solid strategy

Strategic External Growth

Deliberate investment decision based on "intrinsic value" of candidate property, aligned with economic conditions and market trends



Stable Internal Growth

Mid-to-long term stable internal growth through high occupancy, tenant satisfaction and continuous cost reduction



Conservative Financial Strategy

Long-term fixed borrowings and conservative gearing to mitigate risk and form optimal capital structure to cope with drastic changes in the market



10th Fiscal Period Forecast (September 1, 2010 to November 30, 2010)

	10th Fiscal Period Forecast (Sep.1 2010- Nov.30 2010)
Operating days	91days
Operating Revenue	JPY3,488MM
Operating Income	JPY1,750MM
Ordinary Income	JPY761MM
Net Income	JPY514MM

Dividend per Unit	JPY2,000
Number of Investment Unit	257,400

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

Item	Assumptions for 10th fiscal period forecast
Portfolio assets	<ul style="list-style-type: none"> Assumes portfolio of the assets held as at end of 9th fiscal period (37 properties)
Number of investment units issued and outstanding	<ul style="list-style-type: none"> Assumes 257,400 units, which is the number of investment units issued and outstanding as at end of 9th fiscal period Assumes no issuance of additional investment units through to end of 10th fiscal period
Operating expenses	<ul style="list-style-type: none"> Other than depreciation and amortization, expenses related to rent business, which constitute a principal component of operating expenses, calculated based on historical data and taking into account factors that may result in a fluctuation of expenses Expects to record approximately 111 million yen as expenses for taxes and dues (fixed property tax, city planning tax, etc.) Expects repair expenses for properties of approximately 90 million yen Expects property management fees and other management consignment expenses of approximately 314 million yen Expects depreciation and amortization of approximately 514 million yen
Non-operating expenses	<ul style="list-style-type: none"> Expects interest expenses, etc. (including interest expenses on investment corporation bonds and borrowing related expenses) of approximately 914 million yen
Extraordinary loss	<ul style="list-style-type: none"> Expects merger expenses of approximately 247 million yen as extraordinary loss
Other	<ul style="list-style-type: none"> Assumes there would be no changes to laws and regulations, the taxation system, accounting standards, listing rules, or the rules of The Investment Trusts Association, Japan, etc. that will affect the foregoing expected figures Assumes there would be no unforeseen material changes to general economic conditions or the real estate market, etc.

(Reference) Extraordinary factors for 10th fiscal period

As the 10th fiscal period is a deemed business period of 3 months, there are several extraordinary factors. The key factors are as follows:

Merger expenses
(approx. 247 million yen)

One-time expense
associated with the merger

Taxes and dues
(approx. 111 million yen)

Posting of approx. 710 million yen
assumed for the 6 month period from
September 1, 2010 to February 28, 2011



The word "Appendix" is centered within a dark olive-green rounded rectangle. This rectangle is positioned in the center of a larger white rectangular area. The white area is framed by a light blue gradient bar at the top and a dark blue gradient bar at the bottom. On the left and right sides of the white area, there are vertical bars with a blue-to-white gradient, creating a frame-like effect.

Appendix

Appraisal Value of Individual Property

Property Number	Property Name	Acquisition Price (JPY MM)	Appraisal Value(JPY MM)			Difference Analysis								
			8th fiscal period	9th fiscal period	Rate of Change	Difference (JPY MM)	Effect of NOI	Effect of CAP	8th fiscal period	9th fiscal period	Change	8th fiscal period	9th fiscal period	Change
OfficeA-1	Hitachi High-Tech Building	18,100	16,580	14,670	-11.5%	-1,910	-1,910	0	773	683	-90	4.6%	4.6%	0.0%
OfficeA-2	Pacific Marks Shinjuku ParkSide	15,100	14,800	14,000	-5.4%	-800	-511	-289	748	722	-26	4.9%	5.0%	0.1%
OfficeA-3	Pacific Marks Tsukiji	11,100	8,660	8,060	-6.9%	-600	-435	-165	422	400	-22	4.8%	4.9%	0.1%
OfficeA-4	Pacific Marks Tsukishima	8,080	7,710	7,380	-4.3%	-330	-330	0	416	399	-17	5.2%	5.2%	0.0%
OfficeA-6	Pacific Marks Yokohama East	7,110	7,380	7,060	-4.3%	-320	-320	0	422	404	-18	5.5%	5.5%	0.0%
OfficeA-7	Pacific Marks Shin-Urayasu	4,700	4,400	3,810	-13.4%	-590	-590	0	273	232	-41	5.6%	5.6%	0.0%
OfficeA-8	Oomori City Building	3,920	4,220	4,120	-2.4%	-100	-32	-68	253	251	-2	5.8%	5.9%	0.1%
OfficeA-9	Akasaka Hikawa Building	3,385	3,490	3,410	-2.3%	-80	-80	0	189	185	-4	5.2%	5.2%	0.0%
OfficeA-10	Pacific Marks Shibuya-Koendoori	3,050	2,790	2,690	-3.6%	-100	-100	0	153	148	-5	5.3%	5.3%	0.0%
OfficeA-11	Pacific Marks Nihonbashi-Tomizawacho	2,550	2,390	2,350	-1.7%	-40	-40	0	127	125	-2	5.1%	5.1%	0.0%
OfficeA-12	Pacific Marks Akasaka-mitsuke	2,450	2,570	2,510	-2.3%	-60	-60	0	128	125	-3	4.5%	4.5%	0.0%
OfficeA-15	Yokohama Aioicho Building	1,710	1,140	1,130	-0.9%	-10	-10	0	71	70	-1	5.7%	5.7%	0.0%
OfficeA-16	Pacific Marks Shin-Yokohama	1,700	1,850	1,860	0.5%	10	0	0	111	111	0	5.7%	5.7%	0.0%
OfficeA-22	Pacific Marks Shinkawa	3,540	3,710	3,300	-11.1%	-410	-410	0	206	182	-24	5.2%	5.2%	0.0%
OfficeA-24	Pacific Marks Mejiro	2,008	1,990	1,980	-0.5%	-10	-10	0	112	113	1	5.6%	5.6%	0.0%
OfficeA-25	Pacific Marks Kawasaki	15,100	11,420	10,940	-4.2%	-480	-480	0	574	548	-26	4.9%	4.9%	0.0%
OfficeA-26	Towa Hamamatsucho Building	7,242	6,590	6,240	-5.3%	-350	-350	0	333	315	-18	5.0%	5.0%	0.0%
OfficeA-27	Lila Hijirizaka	4,300	3,590	3,260	-9.2%	-330	-330	0	197	180	-17	5.2%	5.2%	0.0%
OfficeA-28	Pacific Marks Aobadai	3,050	1,900	1,760	-7.4%	-140	-107	-33	117	111	-6	6.0%	6.1%	0.1%
OfficeA-29	Otsuka HT Building	2,000	1,640	1,530	-6.7%	-110	-78	-32	88	84	-4	5.1%	5.2%	0.1%
OfficeA-30	Pacific Marks Shinjuku south-gate	5,100	3,640	3,480	-4.4%	-160	-160	0	175	167	-8	4.6%	4.6%	0.0%
OfficeB-1	Pacific Marks Nishi-Umeda	8,950	8,990	7,630	-15.1%	-1,360	-1,360	0	512	437	-75	5.4%	5.4%	0.0%
OfficeB-2	Pacific Marks Higobashi	5,573	5,150	4,730	-8.2%	-420	-420	0	289	267	-22	5.4%	5.4%	0.0%
OfficeB-3	Nagoya-Nishiki City Building	5,180	3,790	3,470	-8.4%	-320	-320	0	219	204	-15	5.4%	5.4%	0.0%
OfficeB-4	Pacific Marks Esaka	14,500	12,300	11,800	-4.1%	-500	-500	0	731	703	-28	5.6%	5.6%	0.0%
OfficeC-1	Pacific Marks Sapporo Kita-ichijo	2,250	2,010	1,880	-6.5%	-130	-130	0	140	131	-9	6.4%	6.4%	0.0%
OfficeC-2	Shin-Sapporo Center Building	1,225	1,090	1,040	-4.6%	-50	-50	0	76	73	-3	6.4%	6.4%	0.0%
RetailA-1	Shinsaibashi OPA Honkan	31,800	28,000	27,900	-0.4%	-100	-100	0	1,245	1,238	-7	4.2%	4.2%	0.0%
RetailA-2	Shinsaibashi OPA Kireikan	3,500	2,970	2,970	0.0%	0	0	0	156	156	0	4.9%	4.9%	0.0%
RetailA-3	PACIFIQUE Tenjin	3,700	2,960	2,300	-22.3%	-660	-578	-82	169	135	-34	5.6%	5.8%	0.2%
RetailA-4	Albore Tenjin	1,440	1,080	1,010	-6.5%	-70	-22	-48	55	54	-1	5.1%	5.3%	0.2%
RetailA-6	Albore Jingumae	2,525	2,120	1,800	-15.1%	-320	-320	0	97	79	-18	4.2%	4.2%	0.0%
RetailA-7	Albore Sendai	3,100	2,770	2,710	-2.2%	-60	-60	0	167	164	-3	5.9%	5.9%	0.0%
RetailB-1	Mallage Kashiwa	17,310	10,900	10,300	-5.5%	-600	-600	0	628	611	-17	6.0%	6.0%	0.0%
RetailB-2	Bellfa Uji	3,200	2,050	1,720	-16.1%	-330	-330	0	147	129	-18	6.7%	6.7%	0.0%
RetailC-1	Ito-Yokado Owariasahi	7,850	6,280	6,290	0.2%	10	10	0	394	395	1	6.0%	6.0%	0.0%
RetailC-2	Nitori Yokohama Kariba I.C.	4,395	3,190	3,190	0.0%	0	0	0	175	175	0	5.3%	5.3%	0.0%
Total		241,793	208,110	196,280	-5.68%	-11,830	-11,123	-717	11,088	10,506	-582	5.35%	5.38%	0.02%

*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.



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-6 Pacific Marks Yokohama East	Office A-7 Pacific Marks Shin-Urayasu	Office A-8 Oomori City Building	Office A-9 Akasaka Hikawa Building	Office A-10 Pacific Marks Shibuya-Koendoori	Office A-11 Pacific Marks Nihonbashi-Tomizawacho
Operating period (Operating Days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)
Revenue	439,781	481,276	301,205	255,280	244,138	175,183	167,477	127,229	85,200	73,692
Rent	439,781	468,642	301,205	251,935	239,870	168,408	167,289	123,151	85,200	73,581
Other	—	12,634	—	3,345	4,267	6,774	187	4,078	—	111
Expenses	95,319	146,752	54,677	114,461	120,967	123,321	63,729	32,734	11,263	26,460
Taxes	20,748	21,069	6,641	19,889	22,048	20,118	6,173	5,196	1,766	3,875
Management	24,604	32,545	11,303	23,614	24,549	30,714	10,835	7,713	2,298	5,078
Repairs	3,271	14,827	735	7,486	3,785	5,995	3,608	712	1,196	866
Utilities	18,608	33,955	11,797	20,677	23,938	21,472	10,092	5,241	—	4,417
Insurance	458	722	269	581	679	538	250	179	58	146
Depreciation	26,035	38,374	22,738	40,310	42,483	40,861	31,688	12,770	4,684	11,011
Other	1,591	5,256	1,190	1,902	3,484	3,618	1,079	920	1,259	1,064
NOI	344,462	334,524	246,527	140,818	123,170	51,862	103,748	94,495	73,936	47,231

Property name	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 Shinkawa	Office A-24 Pacific Marks Mejiro	Office A-25 Pacific Marks Kawasaki	Office A-26 Towa Hamamatsucho Building	Office A-27 Lila Hijirizaka	Office A-28 Pacific Marks Aobadai	Office A-29 Otsuka HT Building
Operating period (Operating Days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	1900.1.0 - 1900.1.0 (0days)	1900.1.0 - 1900.1.0 (0days)	2010.3.1 - 2010.8.31 (184days)
Revenue	82,735	54,293	73,110	141,754	73,869	367,178	182,685	52,011	75,954	62,864
Rent	79,908	54,211	72,987	133,205	73,869	341,674	182,685	51,795	73,835	62,774
Other	2,827	82	122	8,548	—	25,503	—	215	2,119	89
Expenses	23,742	35,133	46,900	72,482	14,004	99,175	54,142	52,046	25,620	24,415
Taxes	6,602	5,465	5,845	6,343	1,322	19,232	5,889	12,962	3,008	2,327
Management	3,973	7,722	6,468	10,913	3,655	18,987	14,009	13,151	5,686	5,478
Repairs	2,015	688	1,140	10,681	529	818	271	1,058	2,314	467
Utilities	4,059	8,387	5,817	11,643	3,396	28,037	13,684	3,474	5,251	5,394
Insurance	85	156	186	260	54	444	201	192	128	94
Depreciation	6,831	11,328	25,554	31,582	3,782	31,487	19,167	18,976	7,969	6,246
Other	175	1,383	1,887	1,056	1,263	166	919	2,228	1,262	4,406
NOI	58,992	19,160	26,210	69,272	59,865	268,003	128,542	△35	50,333	38,449



Earnings of Each Property(2)

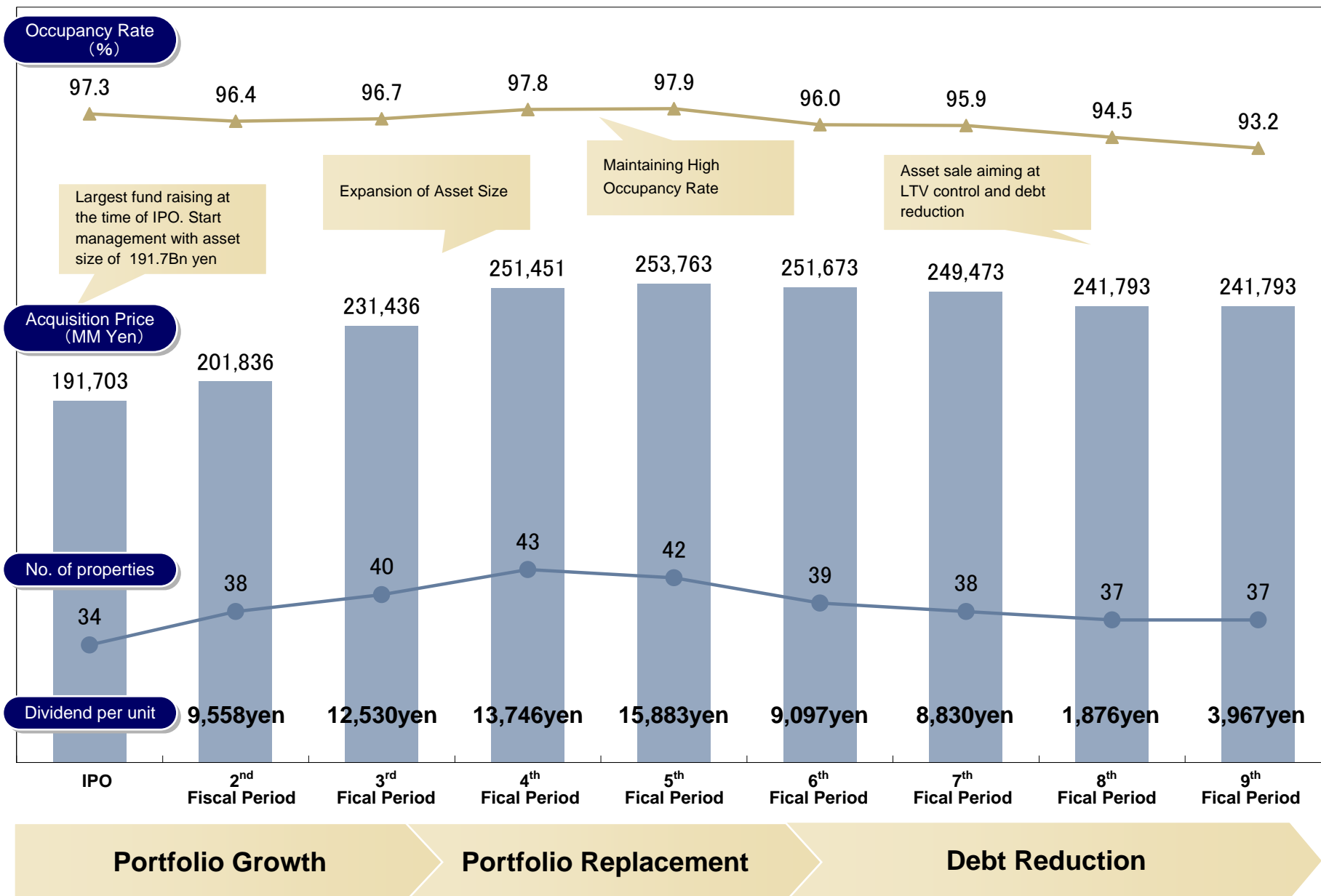
(in thousand yen)

Property name	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	Retail A-2 Shinsaibashi OPA Kireikan	Retail A-3 PACIFIQUE Tenjin
Operating period (Operating Days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184日)
Revenue	91,282	268,733	193,952	148,731	531,921	84,829	57,326	709,376	87,768	99,238
Rent	87,406	268,194	193,769	121,643	525,647	84,537	57,047	709,376	87,768	85,290
Other	3,876	538	183	27,087	6,273	291	278	—	—	13,947
Expenses	25,090	181,093	65,727	67,847	244,698	53,233	31,105	192,387	27,747	55,501
Taxes	5,649	28,004	17,271	12,926	39,278	9,320	5,427	82,904	9,579	8,737
Management	3,593	30,560	11,969	13,547	66,249	9,316	7,578	2,661	385	12,839
Repairs	1,677	5,721	2,993	5,672	7,227	3,301	515	5,594	1,378	4,848
Utilities	5,527	36,294	16,635	11,944	58,831	8,727	6,689	—	—	10,997
Insurance	74	771	381	342	1,195	212	139	1,249	220	228
Depreciation	8,065	63,793	14,589	21,953	69,495	17,483	9,351	92,588	15,175	15,532
Other	502	15,947	1,886	1,460	2,420	4,872	1,403	7,390	1,007	2,317
NOI	66,192	87,639	128,225	80,884	287,223	31,595	26,220	516,988	60,020	43,736

Property name	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)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184days)	2010.3.1 - 2010.8.31 (184日)
Revenue	36,617	58,012	113,282	702,790	237,776	242,785	102,000
Rent	36,617	56,287	111,305	661,275	180,437	241,747	102,000
Other	—	1,725	1,976	41,515	57,339	1,038	—
Expenses	11,197	8,718	43,171	571,971	199,461	93,615	31,019
Taxes	2,938	1,217	7,743	57,656	28,034	28,062	10,458
Management	2,300	2,220	6,896	141,380	57,575	1,800	3,943
Repairs	10	57	750	7,610	7,990	1,022	79
Utilities	3,357	2,142	9,763	131,468	45,764	—	—
Insurance	36	25	147	1,249	666	780	191
Depreciation	2,536	2,020	16,816	101,995	37,828	49,336	14,444
Other	18	1,035	1,054	130,611	21,601	12,613	1,902
NOI	25,419	49,294	70,111	130,819	38,315	149,170	70,980



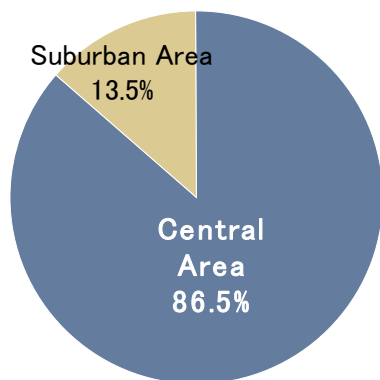
Track Record of Nippon Commercial Investment Corp.



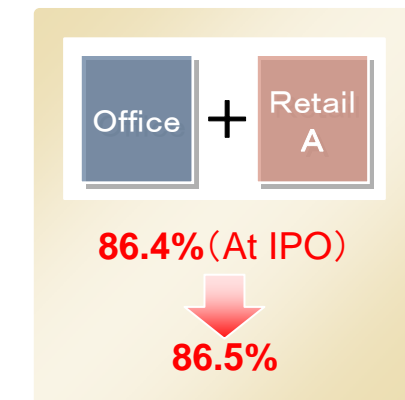
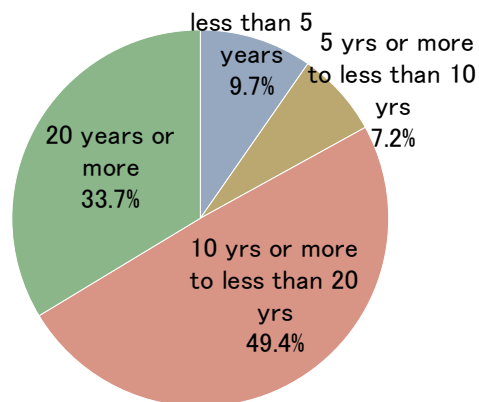
Diversified Portfolio <Area and Type Distribution> (as of September 30, 2010)

- 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



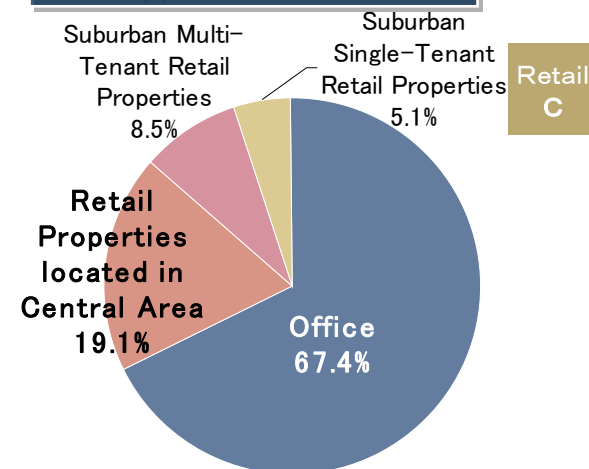
Weighted Average Building Age

17.3Yrs

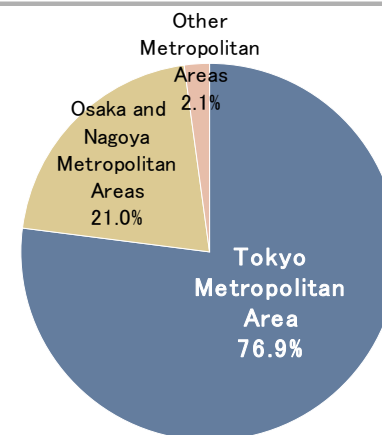
PML (Probable Maximum Loss)

3.93%

Type Distribution



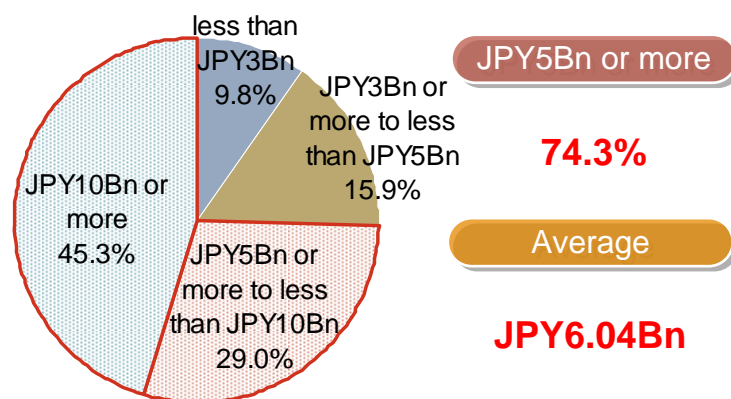
Geographical Distribution (Office)



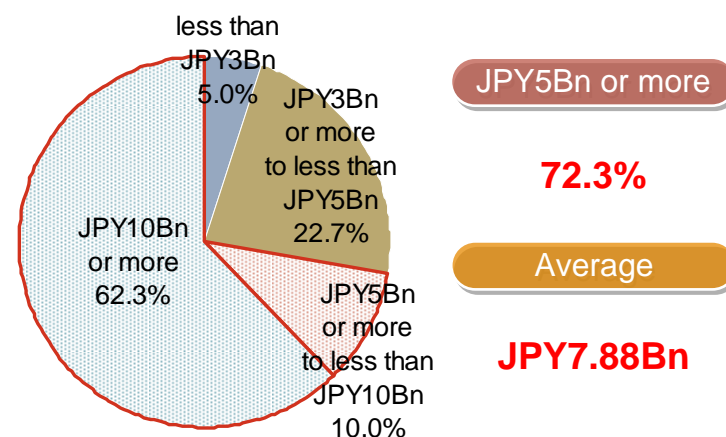
Diversified Portfolio <Size Distribution> (as of September 30, 2010)

- 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

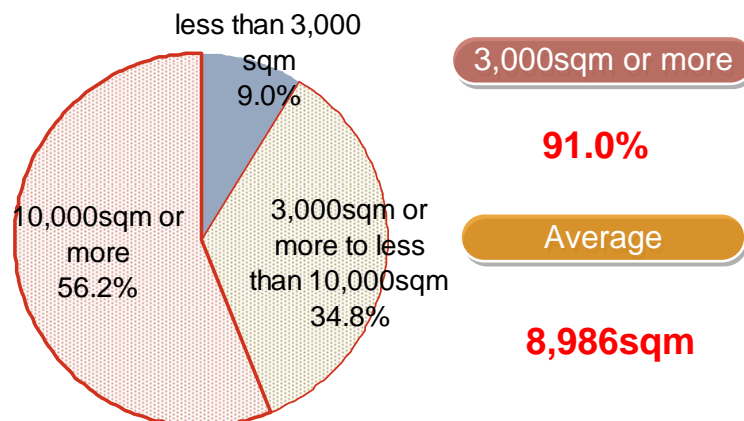
Size Distribution (Office)



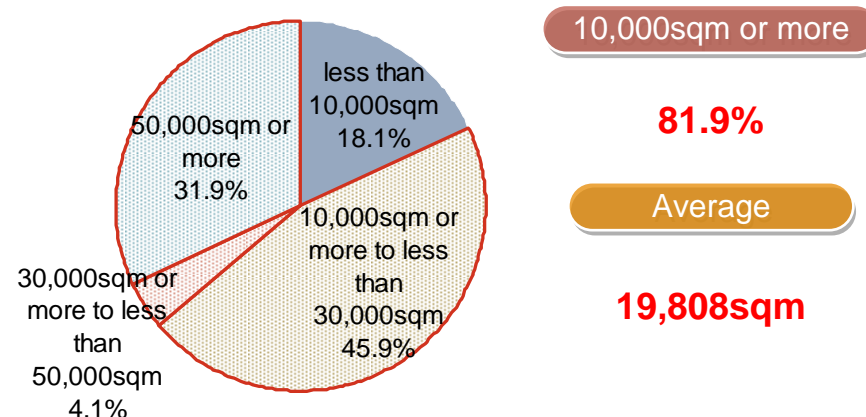
Size Distribution (Retail)



Size Distribution (Office) <based on floor area>



Size Distribution (Retail) <based on floor area>



Loans Outstanding (as of September 30, 2010)

Loans	Lender	Outstanding Loan (JPYMM)		Interest	Maturity Date			(MM/YY)	Duration	Time to payment due date
					Spread	Applied Interest	Risk Hedge			
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.	4,578	(3.4%)	floating	3M Tibor+65bp	1.0100%	Interest rate swap transaction	03/12	long term	1.50years
Term Loan F-b	Daido Life Insurance Company	1,831	(1.4%)	fixed	5Y Swap+65bp	2.0200%	—	03/12	long term	1.50years
Term Loan G	Daido Life Insurance Company	1,831	(1.4%)	fixed	5Y Swap+70bp	2.4075%	—	06/12	long term	1.74years
Term Loan K	National Mutual Insurance Federation of Agricultural Cooperativ Aioi Insurance Co., Ltd.	1,831	(1.4%)	fixed	4Y Swap+64bp	1.9813%	—	09/11	long term	0.99years
Term Loan L	Development Bank of Japan Inc.	915	(0.7%)	fixed	4Y Swap+62bp	1.9675%	—	09/11	long term	0.99years
Term Loan Q	Development Bank of Japan Inc.	1,831	(1.4%)	fixed	3.2 Swap + 79bp	2.1067%	—	09/11	long term	0.99years
Term Loan T	Sumitomo Mitsui Banking Corporation	5,952	(4.4%)	floating	6M Tibor+90bp	1.4177%	—	10/10	short term	0.08years
Term Loan 38	Sumitomo Mitsui Banking Corporation	6,308	(4.7%)	floating	1M Tibor+180bp	1.9900%	—	10/10	short term	0.08years
Term Loan O	Aozora Bank, Ltd.	3,021	(2.2%)	floating	3M Tibor+55bp	0.8200%	Interest rate cap purchase	11/10	short term	0.16years
Term Loan 31	Aozora Bank, Ltd.	1,248	(0.9%)	floating	3M Tibor + 150bp	1.7700%	—	11/10	short term	0.16years
Term Loan 37	The Sumitomo Trust & Banking Co., Ltd. (real estate market stabilization fund account)	8,000	(6.0%)	floating	3M Tibor+396bp	4.3298%	—	09/12	long term	1.97years
Term Loan 40-A	※1	40,008	(38.4%)	floating	1M Tibor+130bp	1.4900%	—	09/12	long term	1.81years
Term Loan 40-B1	※2	7,972	(7.7%)	fixed	Swap rate+105bp	1.5835%	—	03/13	long term	2.31years
Term Loan 40-B2	The Norinchukin Bank	2,253	(2.2%)	floating	3M Tibor + 105bp	1.4100%	—	03/13	long term	2.31years
Term Loan 40-C1	※3	13,120	(12.6%)	fixed	Swap rate+115bp	1.6884%	—	09/13	long term	2.81years
Term Loan 40-C2	The Norinchukin Bank	2,253	(2.2%)	floating	3M Tibor + 115bp	1.5100%	—	09/13	long term	2.81years
Term Loan 40-D	※4	14,276	(13.5%)	fixed	Swap rate+125bp	1.8065%	—	03/14	long term	3.30years
Investment Corporation Bonds (2nd round)	—	17,000	(12.6%)	fixed	—	1.9600%	—	04/12	long term	1.54years
		134,165				1.8068%				1.84years

*1 Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., The Norinchukin Bank, The Bank of Tokyo-Mitsubishi UFJ, Ltd., The Sumitomo Trust & Banking Co, Ltd., Shinsei Bank, Ltd., The Chuo Mitsui Trust and Banking Co, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Mizuho Corporate Bank, Ltd., Resona Bank, Ltd.

*2 Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., The Sumitomo Trust & Banking Co, Ltd., The Chuo Mitsui Trust and Banking Co, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Mizuho Corporate Bank, Ltd., Resona Bank, Ltd.

*3 Shinsei Bank, Ltd., Aozora Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., The Sumitomo Trust & Banking Co, Ltd., The Chuo Mitsui Trust and Banking Co, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Mizuho Corporate Bank, Ltd., Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd.

*4 Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., The Sumitomo Trust & Banking Co, Ltd., The Chuo Mitsui Trust and Banking Co, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Mizuho Corporate Bank, Ltd., Resona Bank, Ltd.

Loans to be refinanced with Term Loan 40-E through G by the end of November 2010

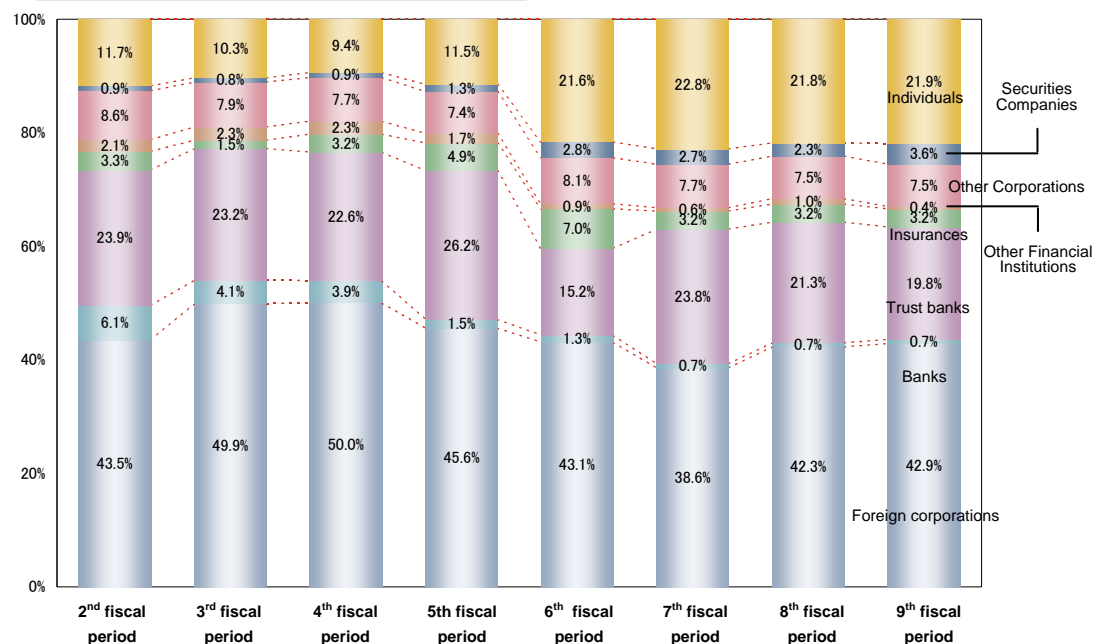
Loans refinanced on September 27, 2010



Shareholders

Type of Investors and Number of Investment Units held

Number of Investment Units



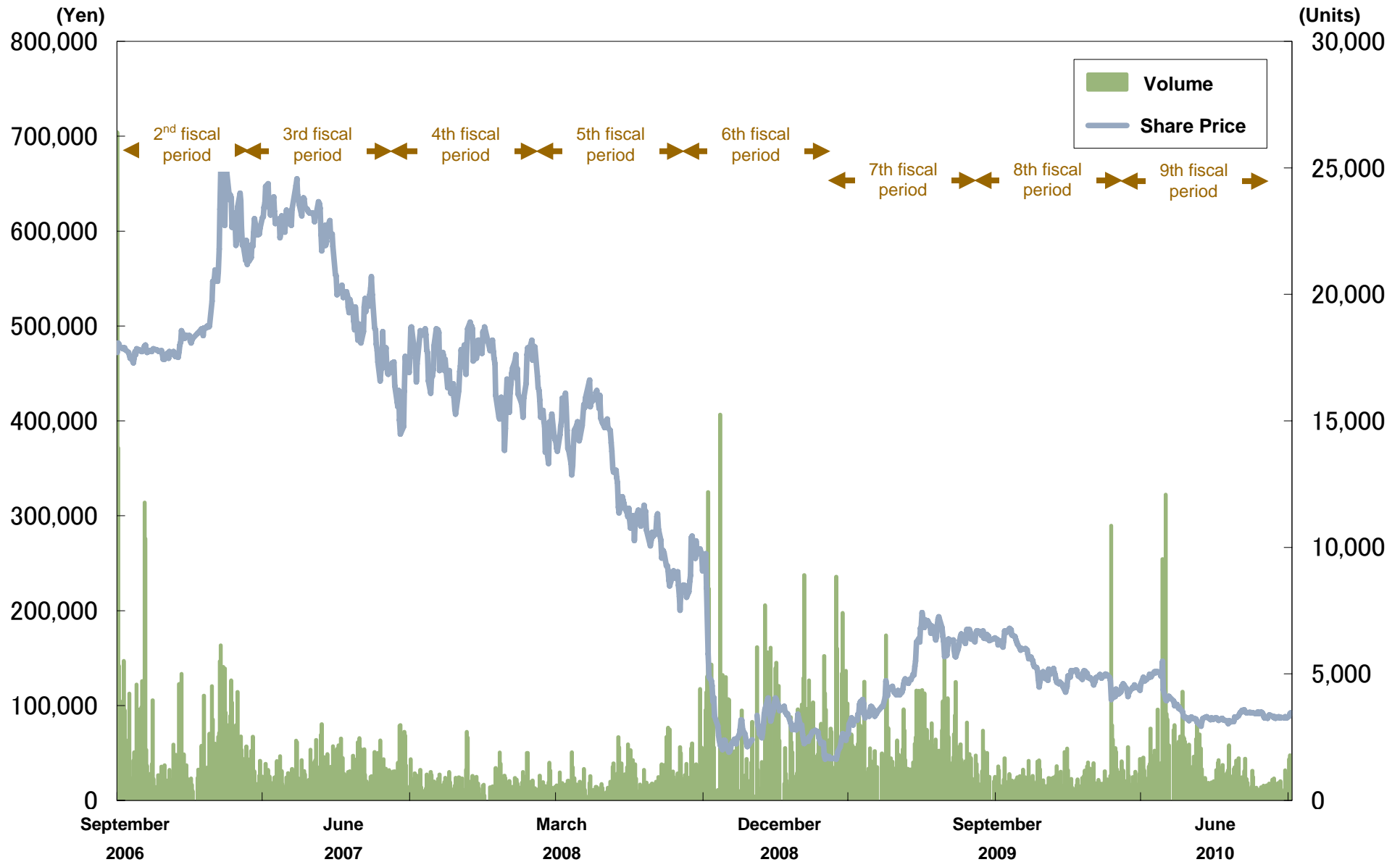
	End of 9th Fiscal Period				End of 8th Fiscal Period			
	No. of Investment Units	ratio	No. of Investors	ratio	No. of Investment Units	ratio	No. of Investors	ratio
Foreign Corporations	110,351	42.9%	131	1.2%	108,817	42.3%	153	1.4%
Financial Institutions	62,122	24.1%	21	0.2%	67,272	26.1%	20	0.2%
Banks	1,859	0.7%	4	0.0%	1,859	0.7%	4	0.0%
Trust Banks	51,011	19.8%	6	0.1%	54,758	21.3%	5	0.0%
Insurances	8,158	3.2%	2	0.0%	8,158	3.2%	2	0.0%
Other Financial Institutions	1,094	0.4%	9	0.1%	2,497	1.0%	9	0.1%
Other Corporations	19,202	7.5%	174	1.6%	19,291	7.5%	167	1.5%
Securities Companies	9,362	3.6%	27	0.2%	5,933	2.3%	26	0.2%
Individuals	56,363	21.9%	10,710	96.8%	56,087	21.8%	10,885	96.7%
Total	257,400	100.0%	11,063	100.0%	257,400	100.0%	11,251	100.0%

Major Shareholders as of August 31, 2010

Rank	Shareholder	Number of Investment Units (units)	Share (%)
1	The Nomura Trust and Banking Co., Ltd. (Trust Account)	21,927	8.51%
2	Japan Trustee Services Bank, Ltd. (Trust Account)	18,629	7.23%
3	GOLDMAN SACHS INTERNATIONAL	16,476	6.40%
4	UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	14,031	5.45%
5	Pacific Holdings, Inc.	12,400	4.81%
6	CREDIT SUISSE SEC (EUROPE) LTD PB SEC INT NON-TR CLT	11,117	4.31%
7	NORTHERN TRUST CO. (AVFC) SUB A/C AMERICAN CLIENTS	8,986	3.49%
8	The Fuji Fire and Marine Insurance Co., Ltd.	8,137	3.16%
9	DEUTCHE BANK AG LONDON-PB NON-TREATY CLIENTS 613	5,967	2.31%
10	The Master Trust Bank of Japan Ltd. (Trust Account)	5,278	2.05%
11	DEUTCHE BANK AG LONDON 610	4,731	1.83%
12	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	4,310	1.67%
13	THE CHASE MANHATTAN BANK, N.A. LONDON SECS LENDING OMNIBUS ACCOUNT	3,820	1.48%
14	NORTHERN TRUST CO. (AVFC) SUB A/C BRITISH CLIENTS	3,498	1.35%
15	NOMURA INTERNATIONAL PLC A/C JAPAN FLOW	2,938	1.14%
16	STATE STREET BANK AND TRUST COMPANY 505104	2,851	1.10%
17	BNY FOR GCM CLIENT ACCOUNT (E) BD	2,743	1.06%
18	BARCLAYS BANK PLC SUB-ACCOUNT BARCLAYS CAPITAL SECURITIES LIMITED SBL/PB	2,576	1.00%
19	BNP Paribas Securities (Japan) Limited	2,083	0.80%
20	SIX SIS LTD.	2,071	0.80%
Total		154,569	60.05%

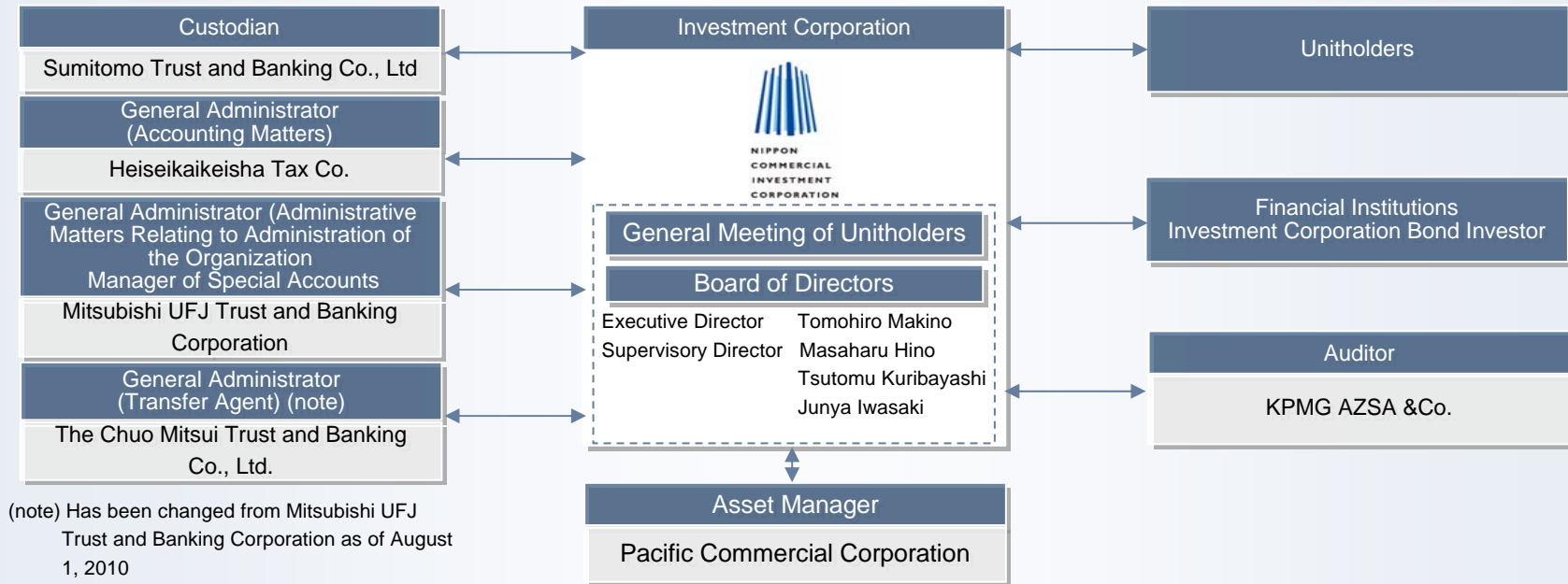


Trend of Share Price



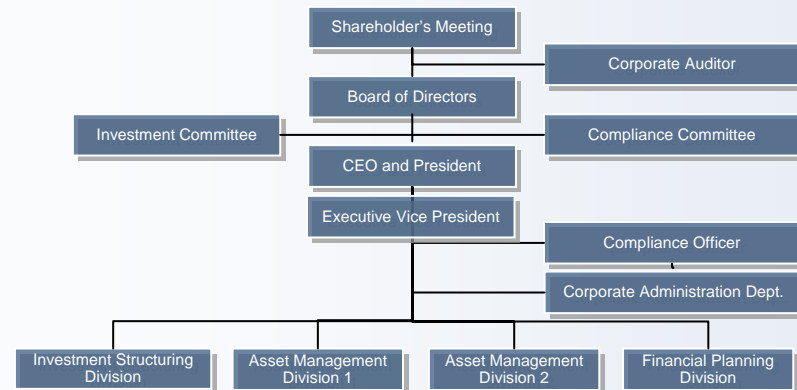
Corporate Structure (as of October 15, 2010)

Overview of the Investment Corp.



Overview of Asset Management Company

- **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
- **F o u n d a t i o n** February 9, 2005
- **S h a r e h o l d e r** Japan REIT Advisors Co., Ltd.
- **B u s i n e s s** Asset Management of Investment Corporation



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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)

