

Report on the Investment Management Structure, etc. of the Issuer, etc. of Real Estate Investment Trust Certificates

Issuer of Real Estate Investment Trust Certificates:

Nippon Commercial Investment Corporation

Name of the representative:

Tomohiro Makino

Executive Director

(Securities Identification Code: 3229)

Inquiries: TEL. 03-3518-0288

Asset Manager:

Pacific Commercial Corporation

Name of the representative:

Tetsuya Saito

Chief Executive Officer and President

1. Basic Information

(1) Basic Policy on Compliance

Nippon Commercial Investment Corporation (the “Investment Corporation”) recognizes that misconduct could seriously undermine trust in the Investment Corporation and the extent of difficulty in recovering that trust once such is undermined. Based on this recognition, the Investment Corporation has set as its aim to accurately understand the content and purpose of and comply with laws and ordinances on insider trading and bribery and all other applicable laws, ordinances and regulations, and has adopted as its basic principle the ensuring of thorough compliance by establishing a code of ethics that provides for the prevention of conflicts of interest, prohibition of insider trading and other stipulations.

Pacific Commercial Corporation (the “Asset Manager”) makes it a policy to perform businesses with integrity in compliance with the Law Concerning Investment Trusts and Investment Corporations (the “ITL”), the Financial Instruments and Exchange Law (the “FIEL”), the Building Lots and Buildings Transaction Law (the “BLBTL”) and other laws and ordinances applicable to the performance of businesses by the Asset Manager, the rules of The Investment Trusts Association, Japan, and internal rules. The Asset Manager also has drawn up Compliance Rules as guidelines to ensure that the running of businesses as the Asset Manager and daily work by officers and employees are carried out appropriately. The Compliance Rules are positioned as the internal rules of the highest precedence after the Articles of Incorporation and set forth the following as the duties of the Board of Directors, Compliance Committee and Compliance Officer with respect to compliance.

① Structure of Operation of Compliance

(A) Board of Directors

The matters relating to compliance that are to be deliberated and resolved by and the matters relating to compliance that are to be reported to the Board of Directors are as follows:

- a. Matters to be Deliberated and Resolved
 - i. Establishment and revision of the Compliance Rules and Compliance Manual
 - ii. Establishment and revision of the Compliance Program
 - iii. Deliberation and decision on policies for dealing with violations of applicable laws and ordinances, violations of criminal laws and ordinances and other serious misconduct
 - iv. Deliberation and decision on other significant matters pertaining to compliance
- b. Matters to be Reported
 - i. Status of progress of the Compliance Program
 - ii. Status of ex-post measures for serious violations of compliance, etc.
 - iii. All complaints from customers, etc., and status of response and ex-post measures for such
 - iv. Of matters to be deliberated by the Compliance Committee, those regarded as being matters that need to be reported to the Board of Directors

(B) Compliance Officer

One Compliance Officer is appointed, based on election by the Board of Directors, as the person responsible for overseeing compliance to organize and execute the following matters:

- a. Review of proposals to establish, revise or scrap internal rules, regulations, etc., and checking of status of compliance with those internal rules, regulations, etc.
- b. Preliminary review of agenda items submitted for deliberation by organizations/boards
- c. Compiling and planning revision of the Compliance Rules or Compliance Manual
- d. Development of Compliance Program proposals, and management of the progress of the Program
- e. Development and execution of plans concerning education and raising of awareness of compliance
- f. Review and judgment concerning compliance
- g. Collection of information concerning the status of compliance and consideration of corresponding measures, and reporting to relevant divisions
- h. Investigation into and consideration of ex-post measures for violations of compliance, and instruction of improvements to relevant divisions
- i. Responding to relevant authorities and outside experts (attorneys, accounting auditors, etc.) concerning compliance
- j. Monitoring of status of compliance of all aspects of businesses with laws, ordinances and regulations
- k. Overseeing of handling of customer support, etc.
- l. Development of plans on implementation of self-assessments
- m. Planning and development of policy proposals and implementation plans on internal audits

- n. Monitoring of internal audits
- o. Other incidental businesses

The Compliance Officer reports promptly to the Chief Executive Officer and President when it has deemed there to be or will be a compliance or risk management issue, and also has the authority to provide necessary opinions and instructions to relevant divisions, etc.

In addition, the Compliance Officer independently verifies the transaction details or decision details pertaining to the financial instruments business from the standpoint of compliance as an organization independent from the Asset Manager's other internal organizations (including the Compliance Committee and the Corporate Administration Department) without being influenced by the judgment of the other internal organizations.

(C) Compliance Committee

The Asset Manager has set up the Compliance Committee to serve as the organization that deliberates on compliance matters. The Compliance Committee holds a meeting upon the convocation of the Compliance Officer, who acts as the committee chairman, and engages in the following deliberations and resolutions, verifications, etc.:

- a. Deliberation and resolution on financial instruments business transactions that are with related parties (the meaning of "related parties" as defined in the Asset Manager's Policies Regarding Related Party Transactions, which are internal rules of the Asset Manager; hereafter, the "Related Parties")
- b. Aside from a. above, deliberation and resolution on compliance pertaining to agenda items submitted for deliberation at meetings of the Investment Committee or Board of Directors that the Compliance Officer requires the deliberation and resolution of the Compliance Committee
- c. Deliberation and resolution on compliance of other matters that the Compliance Officer requires the deliberation and resolution of the Compliance Committee
- d. Verification of risks and status of risk management on asset management pertaining to the financial instruments business
- e. Deliberation and resolution on improvements or abolitions of the Compliance Rules and Compliance Committee Rules
- f. Other incidental businesses

(D) Corporate Administration Department

The Corporate Administration Department is installed as the department in charge of compliance and risk management practices. The Corporate Administration Department organizes the following matters and executes them subject to confirmation of the Compliance Officer.

- a. Checking of status of compliance of all aspects of businesses with laws, ordinances and regulations
- b. Compiling of basic points on risk management for all aspects of businesses
- c. Implementation of risk management for all aspects of businesses
- d. Management of corporate affairs information
- e. Other incidental businesses

② Operation of Compliance

(A) Occurrence, Reporting and Consultations of Compliance Cases

The officers and employees of the Asset Manager are obliged to report promptly to and obtain instructions in terms of compliance from the Compliance Officer in the event that the following matters are found in performing the businesses of the department they are responsible for or other businesses.

- a. Cases of acts in violation of laws, ordinances, regulations, etc. for whatever reason that are exposed to legal/social risks
- b. Cases involving matters of uncertainty over laws, ordinances, regulations, etc. in transactions and require judgment pertaining to how such should be addressed
- c. Complaints, inquiries, etc. from customers, etc.
- d. Cases pertaining to transactions with Related Parties

Of these matters to be reported, the Compliance Officer reports promptly to the Chief Executive Officer and President the cases that are deemed to be matters subject to deliberation and resolution of the Board of Directors as stipulated in the Compliance Rules that are cases deemed to be deliberations or decisions of policies on response to violations of applicable laws and ordinances, violations of criminal laws and ordinances and other serious misconduct and other deliberations or decisions of material matters on compliance. The Chief Executive Officer and President convenes a meeting of the Board of Directors, where deliberation and resolution on the concerned case shall take place. Concerning the cases that have gone through deliberation and resolution at a meeting of the Board of Directors as described, the Compliance Officer also reports the status of corresponding ex-post measures to the Board of Directors.

(B) Judgments and Recording of Compliance Cases

The Compliance Officer engages in the following matters in operating compliance measures.

- a. Judgment of handling of compliance matters
- b. Preparation and management of records of compliance cases for the purpose of ensuring thorough management of compliance cases
- c. Preparation of written opinions as needs arise when making compliance judgments
- d. In the event that an opinion/judgment is sought from relevant authorities or outside experts (attorneys, accounting auditors, etc.), preparation and management of those records

Concerning cases pertaining to transactions with Related Parties, the Compliance Officer convenes a meeting of the Compliance Committee and deliberates on said cases. In addition, the written opinion given in c. above clarifies the presence or absence of conflicts with laws, ordinances, regulations, etc., policies on how such should be addressed and the handling of such, the basis for judgment, etc., and is circulated to relevant divisions and retained along with relevant documents. Furthermore, when relevant authorities and outside experts are to be invited to offer their opinions/judgments on violations of laws, ordinances, regulations, etc., proposals against such may not be made.

(C) Monitoring

The Compliance Officer conducts monitoring of the following status on a periodic basis (at least once every three months) and reports the results of such promptly to the Chief Executive Officer and President.

- a. Status of compliance of each division's performance of businesses with laws, ordinances, regulations, etc.
- b. Status of progress of the Compliance Program
- c. Content of the Compliance Manual

(D) Compliance Manual

The Asset Manager has established the Compliance Manual as a concrete guide for officers and employees to put compliance activities into practice. The Compliance Manual is comprised of concrete guidelines, laws, ordinances, etc. concerning compliance of the Asset Manager. Establishment of and changes in the Compliance Manual are subject to resolution of the Board of Directors.

(E) Compliance Program

The Compliance Officer is required to develop the Compliance Program containing the following matters for realization of sound compliance measures.

- a. Plan for improvement of the Compliance Manual
- b. Plan for implementation of internal control (improvement of structure, and monitoring of status of compliance with laws, ordinances, regulations, etc.)
- c. Plan for education/training

(2) Status of Unitholders

The Investment Corporation's ten largest unitholders as of August 31, 2009 are as follows:

Name	Relationship with the Investment Corporation, Asset Manager or Sponsor, and History of Capital Contribution	Number of Investment Units Held (units)	Percentage to Total Investment Units Issued and Outstanding (Note 1) (%)
NikkoCiti Trust and Banking Corporation (Investment Trust Account)	–	20,303	7.88
Goldman Sachs International	–	16,552	6.43
Japan Trustee Services Bank, Ltd. (Trust Account)	–	14,525	5.64
Pacific Holdings, Inc. (Note 2)	The Asset Manager's parent company, and contributed capital at time of incorporation of the Investment Corporation (February 22, 2006)	12,400	4.81

Deutsche Bank AG London PB Non-Treaty Clients 613	–	11,045	4.29
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	–	10,296	4.00
The Master Trust Bank of Japan, Ltd. (Trust Account)	–	10,118	3.93
Northern Trust Company (AVFC) Sub Account American Client	–	9,064	3.52
The Fuji Fire and Marine Insurance Co., Ltd.	–	8,137	3.16
OM01 SSB Client Omnibus	–	6,174	2.39
Total of the 10 Largest Unitholders		118,614	46.08

(Note 1) The percentage of the number of investment units held to the total number of investment units issued and outstanding (257,400 units), rounded down to two decimal places.

(Note 2) Pacific Holdings, Inc. filed a petition to commence corporate reorganization proceedings with the Tokyo District Court on March 10, 2009 and received an order of commencement of corporate reorganization proceedings from said Court on March 31, 2009. The same hereafter.

(3) Status of Large Shareholders of the Asset Manager

The status of the Asset Manager's large shareholders as of the filing date of this Report is as follows:

Name	Relationship with the Investment Corporation, Asset Manager or Sponsor, and History of Capital Contribution	Number of Shares Held (shares)	Percentage to Total Shares Issued and Outstanding (Note 1) (%)
Pacific Holdings, Inc.	<ul style="list-style-type: none"> • The Asset Manager's parent company • Support agreement concluded between the Investment Corporation and the Asset Manager (Note 2) • Contributed capital at time of incorporation of the Asset Manager (February 9, 2005) 	10,000	100.0
Total		10,000	100.0

(Note 1) The percentage of the number of shares held to the total number of shares issued and outstanding.

(Note 2) Concerning the support agreement, please refer to “(5) Matters Concerning Sponsor; ② Status of Agreements on Supply of Properties and Provision of Information, etc. with Sponsor's Corporate Group” below.

(4) Investment Policy and Investment Target

Concerning the investment policy and investment target, please refer to “2. [Investment Policy]; (1) [Investment Policy]” and “2. [Investment Policy]; (2) [Investment Target]” of the periodic securities report (*Yuuka Shouken Houkokusho*) for the seventh fiscal period (from March 1, 2009 to August 31, 2009).

(4) –2 Matters Concerning Overseas Real Estate Investment

① Stance on Investment into Overseas Real Estate

In light of deregulations or lifting of regulations on investment into real estate situated outside of Japan and assets that are primarily backed by such real estate (the “Overseas Real Estate”), the Investment Corporation changed its Articles of Incorporation, which to date had placed restrictions on investment into Overseas Real Estate, at its second general meeting of unitholders held on February 21, 2008 in order to enable flexible response to be taken when needed.

On the other hand, the Investment Management Guidelines, which specify the investment policy and investment target, does not lay out provisions on Overseas Real Estate. Consequently, upon investment into Overseas Real Estate, and the Investment Management Guidelines need to be revised based on the investment policy, investment target and investment management structure as well as timely disclosure structure, risk management structure, etc. for investment into Overseas Real Estate that are to be established.

Prompt disclosure will be made when the abovementioned investment policy, etc. concerning investment into Overseas Real Estate are established and the Investment Management Guidelines are revised in the future.

② Policy, etc. for Investment into Overseas Real Estate

No such matters have been set as there are no plans for investment into Overseas Real Estate as of the filing date of this Report.

③ Investment Management Structure and Timely Disclosure Structure for Investment into Overseas Real Estate

No such matters have been set as there are no plans for investment into Overseas Real Estate as of the filing date of this Report.

④ Risk Management Structure for Investment into Overseas Real Estate

No such matters have been set as there are no plans for investment into Overseas Real Estate as of the filing date of this Report.

(5) Matters Concerning Sponsor

① Line of Business of Sponsor’s Corporate Group

The Asset Manager belongs to the Pacific Holdings Group, which is comprised of the holding company Pacific Holdings, Inc. and companies engaged in business under its umbrella. The Pacific Holdings Group was operating primarily in three business fields, with the real estate investment fund business at the core and encompassing the real estate investment consulting services business and real estate investment business. However, Pacific Holdings, Inc. and companies engaged in business under its umbrella Pacific Realty Corporation and Pacific Properties Investment Inc. filed a petition to commence corporate reorganization proceedings with the Tokyo District Court on March 10, 2009 and received an order of commencement of corporate reorganization proceedings from said Court on March 31, 2009.

As of the filing date of this Report, the companies are developing a proposed reorganization plan and the line of business is also being drawn up.

② Status of Agreements on Supply of Properties and Provision of Information, etc. with Sponsor's Corporate Group

(A) Conclusion of Agreements on Supply of Properties and Provision of Information

The Investment Corporation and the Asset Manager entered into a support agreement with the sponsor Pacific Holdings, Inc. on August 9, 2006.

(Note 1) Pacific Holdings, Inc. implemented an absorption-type company split of Pacific Realty Corporation on June 1, 2008. In correlation with the absorption-type company split, Pacific Realty Corporation has taken over part of Pacific Holdings, Inc.'s status as a party to the support agreement in accordance with the provisions set forth in the absorption-type company split agreement, dated April 24, 2008, entered into between the two parties.

(Note 2) The Investment Corporation and the Asset Manager made a request to Pacific Holdings, Inc. and Pacific Realty Corporation to cancel the support agreement on March 24, 2009. The matter is under discussion as of the filing date of this Report. Furthermore, as of the filing date of this Report, corporate reorganization proceedings are underway at Pacific Holdings, Inc. and Pacific Realty Corporation and, in effect, the support agreement between the two companies is not in function.

(B) Method at Sponsor's Corporate Group for Selecting Properties and Property Information to be Provided to the Investment Corporation and the Asset Manager

Of real estate, etc. owned by the sponsor itself, real estate, etc. owned by a corporation that is wholly-owned by the sponsor or real estate, etc. owned by a fund that is wholly-owned by the sponsor or a corporation that is wholly-owned by the sponsor, where the sponsor plans to sell or develop real estate, etc. that is deemed to meet the Investment Corporation's investment criteria or where information on the disposition of real estate, etc. obtained from a third party is on real estate that is deemed to meet the Investment Corporation's investment criteria, the sponsor shall provide the relevant information on a preferential basis to the Investment Corporation before third parties on the condition that consent of the titleholder of the concerned real estate, etc. is obtained when such consent is required.

2. Investment Management Structure, etc. of the Investment Corporation and the Asset Manager

(1) Investment Corporation

① Status of Officers of the Investment Corporation (as of the filing date of this Report)

Title	Name	Bio		Reason for Appointment
Executive Director	Tomohiro Makino	April 1983	Joined The Dai-Ichi Kangyo Bank, Ltd. (now, Mizuho Bank, Ltd.) Assigned to Yotsuya Branch	Tomohiro Makino was appointed because he has insights appropriate for fulfilling duties as Executive Director, drawn from a good knowledge of the business content, business strategy, etc. of REITs based on his experience working mainly in the real estate industry. Tomohiro Makino stepped down from the position of Chief Executive Officer and President of the Asset Manager as of June 2008.
		October 1985	Assigned to Ikebukuro West Branch	
		August 1986	Joined The Boston Consulting Group K.K.	
		March 1989	Joined Mitsui Fudosan Co., Ltd. Assigned to Let's Project Planning Department	
		October 1994	Assigned to Office Building Leasing and Marketing Department, Office Building Leasing and Marketing Division	
		July 1998	Assigned to Office Building Project Planning Department, Office Building Leasing and Marketing Division	
		April 2002	Assigned to Personnel Department Seconded to Garden Hotels Co., Ltd. (now, Mitsui Fudosan Hotel Management Co., Ltd.)	
		October 2004	Assigned to Office Building Leasing and Marketing Department	
		April 2005	Appointed Executive Officer (overseeing Investment Planning Division's Fund Management Department) of Pacific Management Corporation (now, Pacific Holdings, Inc.) Seconded to Pacific Commercial Investment Corporation (now, Pacific Commercial Corporation) Appointed Chief Executive Officer and President of Pacific Commercial Investment Corporation (now, Pacific Commercial Corporation)	
		October 2005	Appointed Chief Executive Officer and President of Pacific Commercial Investment Corporation (now, Pacific Commercial Corporation)	
		February 2006	Appointed Executive Director of Nippon Commercial Investment Corporation (current position)	
		March 2009	Appointed Representative Director of OFFICE MAKINO Corporation (current position)	
		September 2009	Appointed Representative Director of ORAGA HSC Inc. (current position)	

Title	Name	Bio		Reason for Appointment
Supervisory Director	Masaharu Hino	April 1961	Appointed as prosecutor	Masaharu Hino was appointed because he has insights appropriate for supervising operations as Supervisory Director, drawn from being fully equipped with a broad perspective based on his knowledge and experience, etc. as a legal expert.
		February 1997	Appointed Superintending Prosecutor of Nagoya High Public Prosecutors Office	
		June 1998	Appointed Commissioner of Financial Supervisory Agency	
		July 2000	Appointed Commissioner of Financial Services Agency	
		January 2001	Appointed Advisor to Financial Services Agency	
			Registered with Dai-ichi Tokyo Bar Association	
			Appointed Partner of Masaharu Hino Law Office (current position)	
		February 2008	Appointed Supervisory Director of Nippon Commercial Investment Corporation (current position)	
	Tsutomu Kuribayashi	April 1993	Registered with Tokyo Bar Association	Tsutomu Kuribayashi was appointed because he has insights appropriate for supervising operations as Supervisory Director, drawn from being fully equipped with a broad perspective based on his knowledge and experience, etc. as a legal expert.
			Joined Asahi Law Offices (now, Nishimura & Asahi)	
		August 1997	Joined Haynes and Boone, LLP	
		November 1999	Registered with New York State Bar Association	
		April 2003	Appointed Partner of Kuribayashi Sogo Law Office (current position)	
		February 2006	Appointed Supervisory Director of Nippon Commercial Investment Corporation (current position)	
	Junya Iwasaki	October 1995	Joined Chuo Audit Corporation	Junya Iwasaki was appointed because he has insights appropriate for supervising operations as Supervisory Director, drawn from being fully equipped with a broad perspective based on his knowledge and experience, etc. as an accounting and auditing expert.
		April 1998	Registered as certified public accountant	
		August 2007	Appointed Partner of Iwasaki Certified Public Accountant Office (current position)	
			Appointed Executive Director of Minoli Kaikei (current position)	
		February 2008	Appointed Supervisory Director of Nippon Commercial Investment Corporation (current position)	

② Reason for the Investment Corporation's Executive Director Concurrently Holding the Position of Officer/Employee at the Asset Manager, and Measures for Relationships Involving Conflicts of Interest

Name	Title at the Asset Manager	Reason for Concurrently Holding Another Position at the Asset Manager	Measures for Relationships Involving Conflicts of Interest
-	-	-	Not applicable.

③ Presence/Absence, etc. of Other Relationships Involving Conflicts of Interest Due to the Investment Corporation's Officers Concurrently Holding Another Position at the Investment Corporation or Another Party (excluding the content outlined in ② above)

Name	Place where Another Position is Concurrently Held	Response and Initiatives, Future Policy, etc. for Relationships, Transactions, etc. Involving Conflicts of Interest
Tomohiro Makino	OFFICE MAKINO Corporation and ORAGA HSC Inc.	<p>OFFICE MAKINO Corporation is a stock company operating for real estate development and investment management consulting, among other purposes, that is engaged in primarily advisory businesses such as measures for effective utilization and inheritance of real estate and real estate development. Meanwhile, ORAGA HSC Inc. is a stock company operating for the running and management of hotels, traditional Japanese inns, etc. and related consulting, among other purposes. Considering that...</p> <p>① The real estate applicable to the businesses are not related to the real estate, etc. that is the investment target of the Investment Corporation;</p> <p>② Article 198 of the ITL states that registered investment corporations must entrust businesses pertaining to asset management with an asset manager and that the executive director shall not restrict the businesses pertaining to the real estate and other asset management; and</p> <p>③ Article 195 of the ITL prohibits, in principle, asset management transactions between an investment corporation and executive director.</p> <p>..., among other reasons, the Investment Corporation and the Asset Manager see it unlikely that relationships involving conflicts of interest would arise between these companies and the Investment Corporation or the Asset Manager.</p> <p>Furthermore, when contracted with businesses, OFFICE MAKINO Corporation and ORAGA HSC Inc. make it a rule to accept the contract only after careful consideration of the presence/absence of conflicts of interest with the Investment Corporation and the Asset Manager.</p> <p>Moreover, in light of the purpose of Article 195 of the ITL mentioned above, the Asset Manager has set provisions stating that the Executive Director shall not engage in asset management transactions with stock companies in which the Executive Director owns a majority of the total number of shares issued and outstanding.</p>

(2) Asset Manager

① Status of Officers of the Asset Manager (as of the filing date of this Report)

Title, and Whether a Full-Time or Part-Time Director	Name	Bio		Status of Concurrently Holding Another Position at the Asset Manager / Another Party or Secondment
Chief Executive Officer and President, and Director of Financial Planning Division (full-time)	Tetsuya Saito	April 1992 October 1997 January 1998 January 1999 April 2000 July 2001 March 2002 February 2005 July 2005 June 2007 June 2008 February 2009	Joined The Mitsui Trust and Banking Company, Limited (now, The Chuo Mitsui Trust and Banking Company, Limited) Assigned to Business Planning Division Assigned to Corporate Business Group of Real Estate Division Assigned to Planning Group of Real Estate Division Assigned to Planning Group of Real Estate Planning Department Assigned to Planning Group of Real Estate Business Department Joined Citibank, N.A. Assigned to Investment Finance Division Joined Pacific Management Corporation (now, Pacific Holdings, Inc.) Appointed General Manager of Fund Investment Department Seconded to Pacific Commercial Investment Corporation (now, Pacific Commercial Corporation) Appointed Director Transferred to Pacific Commercial Investment Corporation (now, Pacific Commercial Corporation) Appointed Director (current position) Appointed Chief Executive Officer and President of Pacific Commercial Corporation (current position) Appointed Director (part-time) of Pacific Holdings, Inc. (current position) (Note)	Please refer to left.

Title, and Whether a Full-Time or Part-Time Director	Name	Bio		Status of Concurrently Holding Another Position at the Asset Manager / Another Party or Secondment
Director of Asset Management Division 1 and Asset Management Division 2, and Director of Investment Structuring Division (full-time)	Fumihiko Shimodoumae	April 1991 January 1993 April 1994 April 1998 April 2001 September 2004 July 2005 June 2007 September 2008	Joined Otsuka Corporation Joined M.F. Building Management Co., Ltd. (now, Mitsui Fudosan Building Management Co., Ltd.) Assigned to Shinjuku Area Office Assigned to Business Support Department Assigned to Sales Section, Sales Department Joined Pacific Management Corporation (now, Pacific Holdings, Inc.) Appointed Senior Manager of Asset Management Division 2 Seconded to Pacific Commercial Investment Corporation (now, Pacific Commercial Corporation) Appointed General Manager of Asset Management Division Transferred to Pacific Commercial Investment Corporation (now, Pacific Commercial Corporation) Appointed Director of Asset Management Division 1 and Asset Management Division 2 Appointed Director of Asset Management Division 1 and Asset Management Division 2, and Director of Investment Structuring Division (current position)	Not applicable.

Title, and Whether a Full-Time or Part-Time Director	Name	Bio		Status of Concurrently Holding Another Position at the Asset Manager / Another Party or Secondment
Director of Corporate Administration Department (full-time)	Masashi Oshimo	<p>April 1981</p> <p>January 1994</p> <p>December 1995</p> <p>March 1996</p> <p>March 1999</p> <p>June 1999</p> <p>July 2001</p> <p>April 2005</p> <p>June 2006</p> <p>June 2007</p> <p>February 2009</p>	<p>Joined The Kyowa Bank, Ltd. (now, Resona Bank, Limited)</p> <p>Appointed Sub Branch Manager of Tenroku Branch</p> <p>Appointed Assistant Manager of International Department</p> <p>Appointed Chief of Bombay Representative Office</p> <p>Appointed Internal Auditor of Internal Auditing Department</p> <p>Appointed Branch Manager of Hikone Branch</p> <p>Seconded to Resona Research Institute Co., Ltd.</p> <p>Appointed Manager of Tokyo Consulting Department</p> <p>Seconded to Sumida Corporation</p> <p>Appointed Manager of Public Relations Department</p> <p>Seconded to Pacific Commercial Investment Corporation (now, Pacific Commercial Corporation)</p> <p>Appointed Corporate Auditor of Pacific Commercial Investment Corporation (now, Pacific Commercial Corporation)</p> <p>Appointed Director of Compliance & Risk Management Department (now, Corporate Administration Department) of Pacific Commercial Corporation (current position)</p>	Not applicable.
Corporate Auditor (part-time)	Yoshihiko Terada	<p>April 1993</p> <p>November 2001</p> <p>September 2002</p> <p>January 2004</p> <p>April 2006</p> <p>February 2009</p>	<p>Joined The Mitsubishi Trust and Banking Corporation (now, Mitsubishi UFJ Trust and Banking Corporation)</p> <p>Joined KPMG Peat Marwick K.K.</p> <p>Joined Masters Trust Inc.</p> <p>Appointed Director of United Partners Inc.</p> <p>Appointed Certified Public Accountant and Licensed Tax Accountant of Trustees Terada Matsuzaki Kaikei Jimusho (current position)</p> <p>Appointed Representative Director of Trustees Advisory K.K. (current position)</p> <p>Appointed Corporate Auditor of Pacific Commercial Corporation (current position)</p>	Please refer to left.

(Note) A letter of resignation from his position as part-time director was submitted on March 10, 2009, but acceptance of such is pending.

② Status of Employees of the Asset Manager (as of the filing date of this Report)

Party Seconding Employees	Number of Employees	Status of Concurrent Duties with the Party Seconding Employees (if any)
Total Number of Seconded Employees	0 employees	–
Total Number of Employees of the Asset Manager	30 employees	–

(Note) The employees of the Asset Manager are each employed with the Asset Manager.

The directors of the Asset Manager engage in their duties as officers who concurrently engage in the duties of an employee, but the number of employees given above does not include such persons who are concurrently engaging in employee and officer duties and positions.

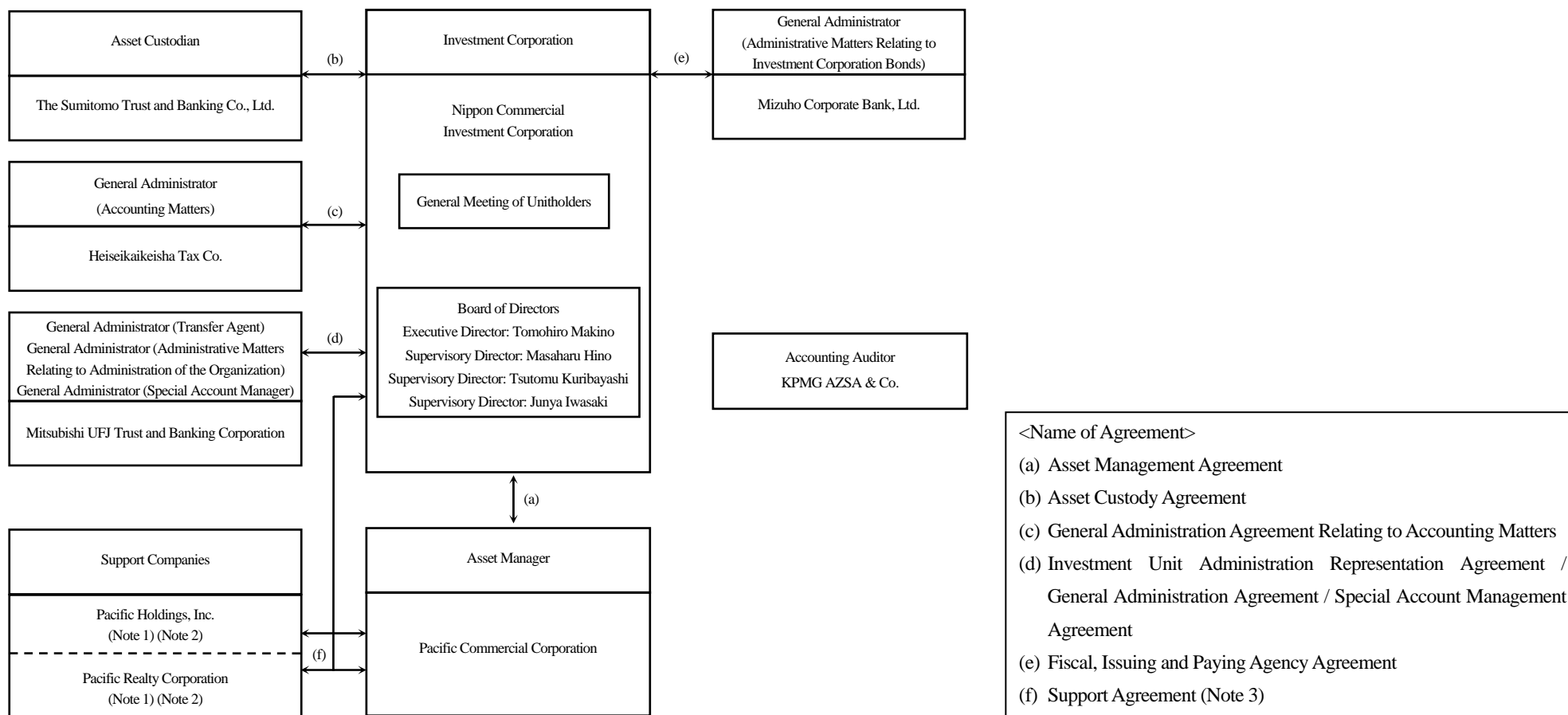
	Number of Employees	Status of Concurrent Duties (if any)
	3 employees	<ul style="list-style-type: none"> • The Chief Executive Officer and President concurrently engages in the duties of Director of Financial Planning Division and General Manager of Financial Planning Division. • The Director of Asset Management Division 1 and Asset Management Division 2 and Director of Investment Structuring Division concurrently engages in the duties of General Manager of Asset Management Division 1, General Manager of Asset Management Division 2 and General Manager of Investment Structuring Division. • The Director of Corporate Administration Department concurrently engages in the duties of General Manager of Corporate Administration Department
Total Number of Employees of the Asset Manager	30 employees	–

(Note) Concerning the above number of employees under the status of concurrent duties, in each case, the duties are performed by directors as officers who concurrently engage in the duties of an employee. Consequently, the total number of employees of the Asset Manager does not include the number of such persons.

③ Investment Management Structure of the Investment Corporation and the Asset Manager

(A) Investment Management Structure of the Investment Corporation

The Investment Corporation entrusts asset management to the Asset Manager. The structure of the Investment Corporation is as illustrated in the following figure. Concerning the role in operations and content of affiliated businesses of the affiliated corporations of the Investment Corporation, as well as the description of the organizations of the Investment Corporation, matters concerning governance and status of improvement of structure for governing affiliated corporations at the Investment Corporation and other details, please refer to “1. [Overview of the Investment Corporation]; (3) [Structure of the Investment Corporation]” and “1. [Overview of the Investment Corporation]; (4) [Organizations of the Investment Corporation]” of the periodic securities report (*Yuuka Shouken Houkokusho*) for the seventh fiscal period (from March 1, 2009 to August 31, 2009).



(Note 1) Pacific Holdings, Inc. implemented an absorption-type company split of Pacific Realty Corporation on June 1, 2008. In correlation with the absorption-type company split, Pacific Realty Corporation has taken over part of Pacific Holdings, Inc.'s status as a party to the support agreement in accordance with the provisions set forth in the absorption-type company split agreement, dated April 24, 2008, entered into between the two parties.

(Note 2) Pacific Holdings, Inc. and Pacific Realty Corporation filed a petition for commencement of corporate reorganization proceedings with the Tokyo District Court on March 10, 2009 and received an order of commencement of corporate reorganization proceedings from said Court on March 31, 2009.

(Note 3) The Investment Corporation and the Asset Manager made a request to Pacific Holdings, Inc. and Pacific Realty Corporation to cancel the support agreement on March 24,

2009. The matter is under discussion as of the filing date of this Report. Furthermore, as of the filing date of this Report, corporate reorganization proceedings are underway at Pacific Holdings, Inc. and Pacific Realty Corporation and, in effect, the support agreement between the two companies is not in function.

(Note 4) The Asset Manager cancelled its Advisory Agreement on System Architecture, dated August 9, 2006, with support company Smart Asset Management Systems Corporation on May 31, 2009. In correlation, the Asset Manager ended its management utilizing the portfolio management system developed by Smart Asset Management Systems Corporation and commenced management utilizing a new versatile real estate information management support system on June 1, 2009.

(B) Investment Management Structure of the Asset Manager

The following are the organizational structure, segregation of businesses of the respective divisions and decision-making bodies of the Asset Manager.

a. Organizational Structure of the Asset Manager

Organization	Outline of Primary Businesses
Investment Structuring Division	<ul style="list-style-type: none"> a. Businesses of organizing and forming the Investment Corporation b. Businesses of selecting and evaluating the assets under management that are to be incorporated into the Investment Corporation's portfolio c. Businesses concerning acquisition of assets under management that are to be incorporated into the Investment Corporation's portfolio d. Businesses concerning sale of assets under management owned by the Investment Corporation e. Other incidental businesses
Asset Management Division 1 and Asset Management Division 2	<ul style="list-style-type: none"> a. Businesses pertaining to asset management for assets under management owned by the Investment Corporation <ul style="list-style-type: none"> • Compiling of business plans for the respective assets under management owned by the Investment Corporation • Selection, instruction and supervision of the lease manager for the respective assets under management owned by the Investment Corporation • Selection, instruction and supervision of the building manager for the respective assets under management owned by the Investment Corporation • Grasping and confirmation of status of management pertaining to assets under management owned by the Investment Corporation b. Businesses concerning strategy planning for and all aspects of operating and managing the Investment Corporation's portfolio c. Businesses of reporting operating activities and compiling reports for the Investment Corporation d. Businesses of managing claims and obligations for assets under management owned by the Investment Corporation e. Businesses concerning development and maintenance of the Asset Manager's asset management system f. Customer desk function for handling of customer support, etc. concerning asset management g. Other incidental businesses
Financial Planning	<ul style="list-style-type: none"> a. Businesses concerning the Investment Corporation's accounting businesses b. Management of the Investment Corporation's budget

Organization	Outline of Primary Businesses
Division	<ul style="list-style-type: none"> c. Businesses of providing information required in the portfolio strategy planning and management for the Investment Corporation d. Businesses concerning settling of accounts, distributions and taxes of the Investment Corporation e. Businesses concerning disclosure of information to unitholders, etc. of the Investment Corporation f. Responding to unitholders of the Investment Corporation g. Businesses concerning all aspects of the Investment Corporation's financing <ul style="list-style-type: none"> • Businesses concerning issuance of investment units • Businesses concerning borrowings of the Investment Corporation • Businesses concerning issuance and redemption of the Investment Corporation's bonds h. Businesses of providing information required in developing and executing the Investment Corporation's surplus funds investment management policy and plan i. Businesses concerning the Asset Manager's accounting and financials j. Planning of the Asset Manager's medium-term management plan (budget) k. Planning concerning development of the Asset Manager's business plan l. Customer desk function for handling of customer support, etc. (excluding those concerning asset management) m. Other incidental businesses
Corporate Administration Department	<ul style="list-style-type: none"> a. Businesses concerning the Investment Corporation's filings with, reporting to, applying for permission/confirmation/approval/registration, etc. with relevant public agencies b. Businesses concerning support of administration for the running of General Meetings of Unitholders and meetings of the Board of Directors of the Investment Corporation c. Businesses concerning the Asset Manager's filings with, reporting to, applying for permission/confirmation/approval/registration with, etc. relevant public agencies d. Businesses concerning running of General Meetings of Shareholders and meetings of the Board of Directors of the Asset Manager e. Businesses concerning all aspects of management of the general affairs, human resources, etc. of the Asset Manager f. Businesses concerning development and maintenance of the Asset Manager's system (excluding the asset management system) g. Development and overseeing of basic points concerning risk management for all aspects of businesses h. Development of policies on proposals to establish, revise or scrap the Asset Manager's internal rules, regulations, etc. i. Checking of status of compliance of all aspects of businesses with laws, ordinances and regulations j. Businesses concerning management of corporate affairs information

Organization	Outline of Primary Businesses
	<ul style="list-style-type: none"> k. Support of the Compliance Officer’s businesses l. Other incidental businesses
Compliance Officer	<ul style="list-style-type: none"> a. Review of proposals to establish, revise or scrap internal rules, regulations, etc., and checking of status of compliance with those internal rules, regulations, etc. b. Preliminary review of agenda items submitted for deliberation by organizations/boards c. Compiling and planning revision of the Compliance Rules or Compliance Manual d. Development of Compliance Program proposals, and management of the progress of the Program e. Development and execution of plans concerning education and raising of awareness of compliance f. Review and judgment concerning compliance g. Collection of information concerning the status of compliance and consideration of corresponding measures, and reporting to relevant divisions h. Investigation into and consideration of ex-post measures for violations of compliance, and instruction of improvements to relevant divisions i. Responding to relevant authorities and outside experts (attorneys, accounting auditors, etc.) concerning compliance j. Monitoring of status of compliance of all aspects of businesses with laws, ordinances and regulations k. Overseeing of handling of customer support, etc. l. Development of plans on implementation of self-assessments m. Planning and development of policy proposals and implementation plans on internal audits n. Monitoring of internal audits o. Other incidental businesses

b. Committees

The following lists and outlines the committees that are installed at the Asset Manager.

i. Investment Committee

Committee Members	Chief Executive Officer and President (committee chairman), full-time directors, Compliance Officer, and the general managers of the respective divisions
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Deliberation Content	<ul style="list-style-type: none"> • Deliberation and resolution on investment management policies pertaining to the financial instruments business • Deliberation and resolution on acquisition, disposition and management of investment management of assets pertaining to the financial instruments business • Deliberation and resolution on asset management plans pertaining to the financial instruments business • Deliberation and resolution on revisions of the Investment Committee Rules • Other incidental businesses
Deliberation Method, etc.	<p>Deliberations of the Investment Committee are valid so long as a quorum of two-thirds of the total number of committee members (if a committee member holds more than one position, only one such position may be counted towards the quorum) is present with the mandatory attendance of the Compliance Officer. The committee chairman obtains and communicates the opinions of each of the absent committee members to the committee members in attendance and reflects such opinions in the deliberations of the Investment Committee. If the committee chairman cannot obtain the opinions of the absent committee members, as a general rule, a meeting of the Investment Committee will not be convened. However, when the committee chairman determines that a meeting must be held due to extenuating circumstances, the committee chairman may hold a meeting of the Investment Committee provided that one or more outside experts (Note) attend such meeting.</p> <p>Resolutions of the Investment Committee require the consent of a majority of the voting rights of the committee members of the Investment Committee in attendance.</p> <p>In addition, the Corporate Auditor may attend a meeting of the Investment Committee to express his/her opinion.</p>

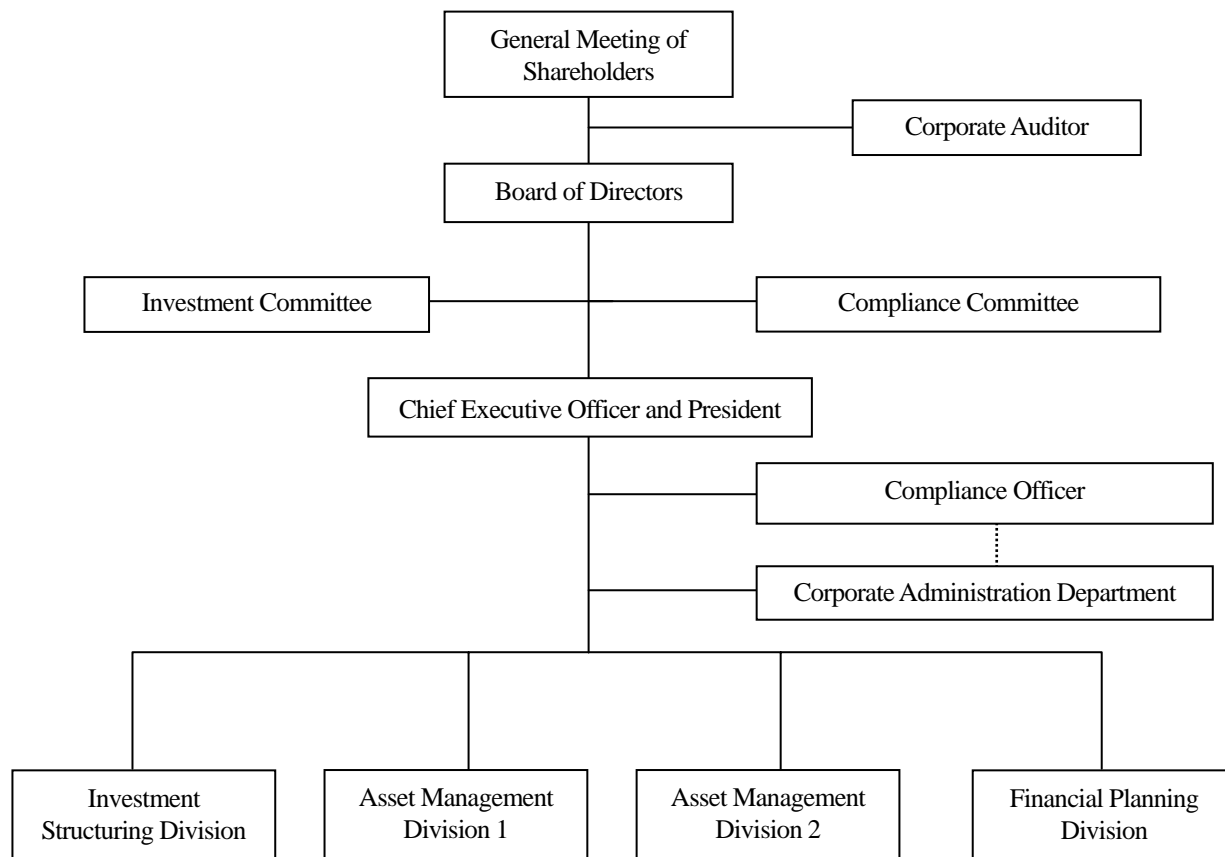
(Note) One person (a real estate appraiser) has been appointed as an outside expert to the Investment Committee.

ii. Compliance Committee

Committee Members	Compliance Officer (committee chairman), full-time directors who are not responsible for the agenda under deliberation, and outside committee members (appointed by the Chief Executive Officer and President subject to approval of the committee chairman) (Note)
Deliberation Content	<ul style="list-style-type: none"> • Deliberation and resolution on financial instruments business transactions that are with Related Parties • Aside from the above, deliberation and resolution on compliance pertaining to agenda items submitted for deliberation at meetings of the Investment Committee or Board of Directors that the Compliance Officer requires the deliberation and resolution of the Compliance Committee • Deliberation and resolution on compliance of other matters that the Compliance Officer requires the deliberation and resolution of the Compliance Committee • Verification of risks and status of risk management on asset management pertaining to the financial instruments business • Deliberation and resolution on improvements or abolitions of the Compliance Rules and Compliance Committee Rules • Other incidental businesses
Deliberation	As a general rule, a meeting of the Compliance Committee requires the attendance of all its committee members.

Method, etc.	<p>If there is a committee member who cannot attend for some reason, deliberations of the Compliance Committee are valid so long as a quorum of two-thirds of the total number of committee members for the agenda under deliberation is present. In the event of such, however, the committee chairman shall obtain and communicate the opinions of each of the absent committee members to the committee members in attendance and reflect such opinions in the deliberations of the Compliance Committee. If the committee chairman cannot obtain the opinions of the absent committee members, as a general rule, a meeting of the Compliance Committee will not be convened. However, when the committee chairman determines that a meeting must be held due to extenuating circumstances, the committee chairman may hold a meeting of the Compliance Committee provided that one or more outside committee members attend such meeting.</p> <p>The committee chairman may, as necessary, request the attendance of persons other than committee members, including outside experts, and may obtain the opinions of such persons. The committee chairman may also obtain outside written opinions, etc. to assist in the deliberations.</p> <p>Resolutions of the Compliance Committee require the unanimous consent of the committee members of the Compliance Committee in attendance.</p> <p>In addition, full-time directors who are responsible for the agenda under deliberation, part-time directors, the Corporate Auditor and the General Manager of Corporate Administration Department may attend a meeting of the Compliance Committee to express his/her opinion.</p>
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(Note) One person (a real estate appraiser) has been appointed as an outside committee member of the Compliance Committee.



The Asset Manager engages in investment management businesses entrusted to it by the Investment Corporation under the above organizational structure. The various businesses of the Asset Manager are segregated into its divisions and department – the Investment Structuring Division, Asset Management Division 1, Asset Management Division 2, Financial Planning Division and Corporate Administration Department – and are each overseen by the director or general manager placed in charge thereof. In addition, the Asset Manager has installed the Compliance Officer as the person responsible for overseeing compliance, the Investment Committee as the organization that deliberates, decides, etc. on matters concerning asset management, and the Compliance Committee as the organization that deliberates on matters concerning compliance.

(3) Undertakings, etc. for Transactions Involving Conflicts of Interest

① Policy on Dealing with and Investment Management Structure for Transactions Involving Conflicts of Interest

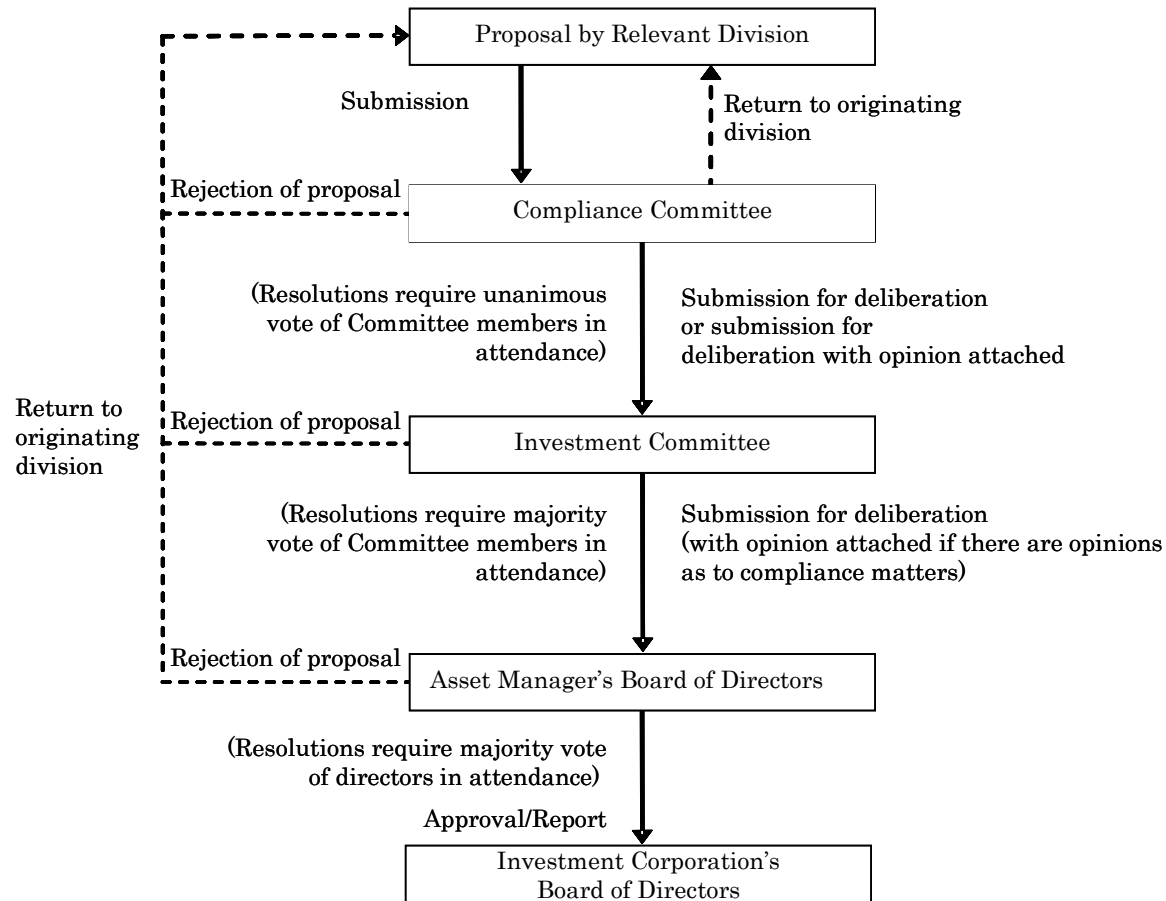
The Asset Manager specifies a related party, etc. as defined in the ITL, as well as a special purpose company (SPC) that may be significantly influenced by such parties, as “Related Parties” in its Policies Regarding Related Party Transactions, and has established the following voluntary rules for the Investment Corporation regarding transactions with such Related Parties.

(A) Acquisition of Properties from Related Parties

- i. When the Asset Manager is to have the Investment Corporation acquire real estate, real estate leasehold, surface rights or trust beneficiary interests in real estate from Related Parties, the acquisition price of such shall not exceed the price appraised by real estate appraisers (including juridical persons; the same hereafter) that are not Related Parties. However, such amounts as the consumption taxes, local consumption taxes, acquisition costs, costs required in setting up the trust, reserves within trust accounts, trust revenue, pro rata reimbursement of fixed property taxes, etc. shall be separately considered.
- ii. Notwithstanding i. above, when premised on disposition to the Investment Corporation and there are expenses earlier borne by Related Parties from forming an SPC, etc. and other activities, the Asset Manager shall be able to have the Investment Corporation acquire with the amount equivalent to the expenses incurred from forming an SPC, etc. added to the appraised price.
- iii. When the Asset Manager is to have the Investment Corporation acquire specified assets other than the specified assets given in i. above from Related Parties, the Asset Manager shall have the Investment Corporation acquire such at the market value if the market value is available and in accordance with i. and ii. above if otherwise.
- iv. When the Asset Manager has decided on instructions concerning acquisition of specified assets from Related Parties pursuant to i. through iii. above, the Asset Manager shall report to the first meeting of the Investment Corporation’s Board of Directors that is held following that decision.

(B) Disposition of Properties to Related Parties

- i. When the Asset Manager is to have the Investment Corporation sell real estate, real estate leasehold, surface rights or trust beneficiary interests in real estate to Related Parties, such shall not be sold at a price below the price appraised by real estate appraisers who are not Related Parties. However, the appraised price shall be the price of the property itself and shall be exclusive of such amounts as the taxes, disposition costs, costs required in setting up the trust, reserves within trust accounts, trust revenue, pro rata reimbursement of fixed property taxes, etc.
- ii. When the Asset Manager is to have the Investment Corporation sell specified assets other than the specified assets given in i. above to Related Parties, the Asset Manager shall have the Investment Corporation sell such at the market value if the market value is available and in accordance with the preceding paragraph if otherwise.
- iii. When the Asset Manager has decided on instructions concerning sale of specified assets to Related Parties pursuant to i. and ii. above, the Asset Manager shall report to the first meeting of the Investment Corporation’s Board of Directors that is held following that decision.



(C) Leasing of Properties to Related Parties

- i. When the Asset Manager is to have the Investment Corporation lease assets under management to Related Parties (including when trust properties are to be leased by trustees of trust beneficiary interests in real estate held by the Investment Corporation), such shall be leased under terms and conditions deemed appropriate based on a survey of the market price, going rate in surrounding areas, etc.
- ii. When a lease agreement already exists with Related Parties for specified assets that the Investment Corporation is to acquire, such lease agreement shall be assumed after the acquisition, provided that the rental rates are determined in accordance with the preceding paragraph.