



NEWS RELEASE

No.2009-C-232
Mar 11, 2009

R&I Downgrades to (BB), Retains on Monitor: NCI

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

ISSUER: Nippon Commercial Investment Corp. (Sec. Code: 3229)
Issuer Rating

R&I RATING: (BB); Downgraded from (BBB-)
Remains on the Rating Monitor with a view to downgrading

Long-term Issue Rating

R&I RATING: (BB-); Downgraded from (BB+)
Remains on the Rating Monitor with a view to downgrading

RATIONALE:

Pacific Holdings, Inc., the sponsor of Nippon Commercial Investment Corp. (NCI) announced on March 10 that it had filed for bankruptcy protection.

Although the REIT exists independent of its sponsor, its management is closely linked with the sponsor. Consequently, the sponsor's bankruptcy may impact the management of the REIT, especially fund procurement. NCI intends to repay loans totaling 16.1 billion yen in March, and 42.7 billion yen in September.

It is anticipated that NCI will seek new sponsors. However, there are uncertainties whether it can find sponsors with high creditworthiness quickly in the current financial environment.

In light of the above, R&I has downgraded the Issuer Rating to BB and has maintained NCI on the Rating Monitor with a view to downgrading. The Long-term Issue Rating has been assigned a rating of BB-, a notch lower than the Issuer Rating, reflecting its subordinated status against the secured loans.

R&I RATINGS:

ISSUER: Nippon Commercial Investment Corp. (Sec. Code: 3229)
ISSUER RATING: (BB); Downgraded from (BBB-)
Remains on the Rating Monitor with a view to downgrading

LONG-TERM ISSUE RATING:

| Issue Date | Redemption | Issue Amount (mn) |
|-------------------------|--------------|-------------------------|
| Unsec. Str. Bonds No. 1 | Apr 13, 2007 | Apr 13, 2010 Yen 10,000 |
| Unsec. Str. Bonds No. 2 | Apr 13, 2007 | Apr 13, 2012 Yen 17,000 |

R&I RATING: (BB-); Downgraded from (BB+)
Remains on the Rating Monitor with a view to downgrading

Issuer Rating is an R&I's opinion regarding an issuer's overall capacity to repay its entire financial obligation, and it will be assigned to all issuers. The rating of individual obligations (i.e. bonds and loans etc.) includes the prospect of recovery and reflects the terms and conditions of the agreement and it may be lower or higher than Issuer Rating.

Rating and Investment Information, Inc. Nihonbashi 1-chome Bldg., 1-4-1, Nihonbashi, Chuo-ku, Tokyo 103-0027, Japan
Structured Finance Rating Division TEL. 03-3276-3406-3428 FAX. 03-3276-3429 EMAIL sfdept@r-i.co.jp Homepage <http://www.r-i.co.jp>

Ratings are statements of R&I's opinion shown in certain symbols regarding an Issuer's general capacity (credit quality) to repay its financial obligation and individual debts (bonds and loans, etc.) and it is not a statement of recommendations to buy, hold, or sell any securities. Information has been obtained by R&I from sources believed to be reliable, however, its accuracy, adequacy, or completeness is not guaranteed. Therefore, R&I is not responsible for any errors or omissions or the result obtained from the use of the rating. As a general rule, R&I provides the rating services for a rating fee paid by the Issuer.

©Rating and Investment Information, Inc.