NEWS RELEASE

Apr 23, 2010

R&I Places/Retains UUR/NCI on Rating Monitor

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

ISSUER: United Urban Investment Corp. (Sec. Code: 8960)
Issuer Rating

R&I RATING: (A+); Placed on the Rating Monitor with a view to downgrading

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

R&I RATING: (BB); Remains on the Rating Monitor with a view to upgrading

RATIONALE:

United Urban Investment Corp. (UUR) and Nippon Commercial Investment Corp. (NCI) announced on April 22 that they concluded a basic agreement on their merger. UUR will be the surviving company. The conclusion of a merger agreement is scheduled for May, and the merger is expected to become effective in December. Prior to the merger, Japan REIT Advisors Co., Ltd., Marubeni Corp. (Sec. Code: 8002, Issuer Rating: A-)'s group company to which UUR entrusts its asset management, plans to acquire all of the shares in NCI's asset manager.

With this merger, UUR will be able to acquire NCI's portfolio consisting primarily of office buildings and retail properties in Tokyo, Osaka and Nagoya. This will allow UUR to greatly expand its assets, which should contribute to more efficient operation and further asset diversification. Meanwhile, NCI's debt ratio is higher than that of UUR, and NCI has sizable unrealized losses as well. Therefore, UUR's financial profile will most likely deteriorate from the current level immediately after the merger. It is also necessary to take into consideration the burden of over 130 billion yen debt that UUR will take over from NCI. Furthermore, when compared to UUR's portfolio, there are concerns over NCI's portfolio as office occupancy rates at NCI fell to 90.8% as of the end of February 2010 and the future prospects for the operations of some retail properties look uncertain amid the intense competitive environment. In light of the factors mentioned above, R&I has placed UUR on the Rating Monitor with a view to downgrading.

Nevertheless, the conditions of the merger outlined in the press release include financial institutions' consent to release of collateral for NCI's loans, and the execution of refinancing or prepayments that will reasonably satisfy UUR. This partially mitigates the financial risks posed by the debt transfer. R&I will affirm the rating if it determines in the course of the merger procedures that the risk associated with the merger is adequately addressed.

Due to the deteriorating creditworthiness and bankruptcy of its sponsor Pacific Holdings, Inc., NCI's financing ability had declined significantly. As a result, R&I had placed NCI on the Rating Monitor with a view to downgrading. Since Marubeni, a company with strong creditworthiness, will become NCI's sponsor, the funding environment for NCI will most likely improve. R&I has therefore retained NCI on the Rating Monitor, with a view to upgrading.

R&I will examine the portfolio, operational structure and financial policy of the merged company, among others, while keeping a close eye on the progress in the merger procedures. The results will be incorporated in the ratings.

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The primary rating methodologies applied to this rating are provided at "R&I J-REIT Rating Methodology" and "Basic Methodologies for R&I's Credit Rating". The methodology is available at the web site listed below, together with other rating methodologies that are taken into consideration when assigning the rating.

http://www.r-i.co.jp/eng/sf/about/methodology/index.html

http://www.r-i.co.jp/eng/cfp/about/methodology/index.html

R&I RATINGS:

ISSUER:	United Urban Investment Corp. (Sec. Code: 8960)		
ISSUER RATING:	(A+); Placed on the Rating Monitor with a view to downgrading		

LONG-TERM ISSUE RATING:	Issue Date	Redemption	Issue Amount (mn)
Unsec. Str. Bonds No.1	Jul 12, 2005	Jul 12, 2010	Yen 15,000
Unsec. Str. Bonds No.2	Jul 12, 2005	Jul 10, 2015	Yen 10,000

R&I RATING: (A+); Placed on the Rating Monitor with a view to downgrading

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

LONG-TERM ISSUE RATING:	Issue Date	Redemption	Issue Amount (mn)
Unsec. Str. Bonds No. 2	Apr 13, 2007	Apr 13, 2012	Yen 17,000
R&I RATING:	(BB-); Remains on the Rating Monitor with a view to upgrading		

In principle, an Issuer Rating is R&I's opinion on an issuer's overall capacity to repay its financial obligations as agreed and is assigned to all issuers. The rating of individual obligations includes the prospect of recovery and reflects the terms and conditions of the agreement and it may be lower or higher than the Issuer Rating.

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