

March 17, 2006

For Immediate Release



**NIPPON
RESIDENTIAL
INVESTMENT
CORPORATION**

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Notification on Acquisition of CYNTHIA Oimachi

Nippon Residential Investment Corporation (NRIC) announces the decision made today to acquire the following asset as detailed below.

1. Overview of Acquisition

(1) Property Name	CYNTHIA Oimachi (hereafter, the "Property")
(2) Asset Type	Real estate
(3) Acquisition Value	1,100,000,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax) [Payment Schedule] Pay all sales proceeds upon transfer
(4) Sale and Purchase Agreement Date	March 17, 2006
(5) Scheduled Acquisition Date	On a date separately agreed to by NRIC and the seller. However, it shall be no later than March 30, 2006. ...Execute transfer based on the concerned real estate sale and purchase agreement when the terms for payment of sales proceeds specified in the concerned agreement are fulfilled.
(6) Seller	FLEG International Co., Ltd. (hereafter, the "Seller")
(7) Financing	Cash on hand or debt financing

2. Purpose of Acquisition

The Property will be acquired with the following reason based on NRIC's Articles of

Incorporation and investment policy.

(1) Reason	In addition to heightening the portfolio share in the 23 wards of Tokyo (excluding the 5 central wards of Tokyo (Note)), this will reduce the average age of our portfolio and enhance the portfolio.
(2) Property Characteristics	<p>(i) Location and Convenience The Property enjoys favorable access to the city center by being within a 3-minute walk from Oimachi Station on the JR Keihin-Tohoku Line, Tokyu Oimachi Line and Tokyo Waterfront Area Rapid Transit Rinkai Line. While large supermarkets, department stores, financial institutions, restaurants, etc. can be found in the area surrounding Oimachi Station, the streets to the north of the Property are lined with trees. These factors combined mean the Property offers not just good lifestyle convenience but also a generally good dwelling environment.</p> <p>(ii) Architectural Plan for the Property The Property is a relatively new property that was completed in December 2005. The finish including the interior and exterior, facilities within the rental units, etc. equal or exceed the standard level. Thus, we anticipate demand from primarily singles who emphasize dwelling comfort and traffic convenience and businesspeople who have a preference for easy access to Haneda Airport.</p>

(Note) The 5 central wards of Tokyo refer to the Minato, Shibuya, Shinjuku, Meguro and Chiyoda Wards.

3. Description of Asset to be Acquired

(1) Overview of Real Estate

Property Name		CYNTHIA Oimachi
Location (Note 1)		1-22-12 and 1-22-19 Oi, Shinagawa-ku, Tokyo (lot number) 1-22-3 Oi, Shinagawa-ku, Tokyo (residential)
Access		3-minute walk from Oimachi Station on the JR Keihin-Tohoku Line, Tokyu Oimachi Line and Tokyo Waterfront Area Rapid Transit Rinkai Line
Land	Ownership	Proprietary ownership
	Zoning (Note 2)	Commercial
	Lot Size (Note 1)	237.87m ²
	FAR/Building Coverage Ratio (Note 3)	600%/80%, 500%/80% (Note 9)
Building	Ownership	Proprietary ownership
	Type (Note 1)	Apartment
	Floor Space (Note 1)	1,681.96m ²
	Construction Completion (Note 1)	December 2005
	Structure (Note 1)	Reinforced concrete structure with flat roof; 13 floors above ground

Acquisition Value		1,100,000,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)
Appraisal Method	Method	Appraisal by Daiwa Real Estate Appraisal Co., Ltd.
	Appraised Value	1,100,000,000 yen
	Appraised Date	February 24, 2006
Overview of Leases (Note 4)	No. of Tenants (Note 5)	18
	Leasable Units (Note 10)	48 units (1K: 48 units)
	Leased Units	18 units
	Total Leasable Area	1,249.56m ²
	Total Leased Area	493.94m ²
	Monthly Rent (Note 6)	2,190 thousand yen
	Deposit, etc. (Note 7)	3,034 thousand yen
	Occupancy Rate (based on no. of units)	37.50% (Note 8)
	Occupancy Rate (based on area)	39.53% (Note 8)
Special Notations		<ol style="list-style-type: none"> 1. As of the day this sale and purchase agreement was concluded, there is a mortgage taken out and registered on the land of the Property with the Seller as the debtor. Based on this sale and purchase agreement, the Seller has the obligation to furnish all documents necessary to remove the arranged mortgage setting and registration. 2. The position of the lessor presently held by the Seller in leases with end tenants is scheduled to remain with the Seller regardless of execution of the transfer and the Seller will continue to maintain leasing relationships with end tenants even after the transfer is executed. In conjunction, on the same date as said sale and purchase agreement date, NRIC is scheduled to conclude a master lease agreement that guarantees NRIC receive a fixed amount of rent irrespective of the actual payments received by the Seller from end tenants (monthly rent of 2,100,000 yen) for the portion of the Property from the 2nd floor to the 6th floor (20 units in total) and a pass-through master lease agreement for the portion from the 7th floor to the 13th floor (28 units in total), both with the Seller as the lessee.

(Note 1) Information that appears on the registry was used for the location (excluding residential indication), lot size, type, floor space, construction

- completion date and structure.
- (Note 2) The entry for the zoning is from the zoning type indicated in Article 8-1-1 of the City Planning Law.
- (Note 3) The FAR uses the ratio of the floor area of the building versus the lot area as designated in Article 52 of the Building Standards Law and the building coverage ratio uses the building area versus the lot area as designated in Article 53 of the Building Standards Law.
- (Note 4) The overview of the lease lists the figures as of March 10, 2006.
- (Note 5) The total number of tenants is entered as one tenant when a single tenant leases multiple rental units. As for sub-leased properties where a single sublessor subleases the property to multiple subtenants, the number of tenants is treated as one tenant.
- (Note 6) The monthly rent indicated is the total sum of the monthly rent (includes common expenses, but excludes monthly parking space usage fees) of each of the tenants with whom lease agreements have been concluded as of March 10, 2006. The amount has been rounded down to the nearest thousand yen and excludes consumption tax, etc.
- (Note 7) The deposit, etc. indicates the total sum of the deposits, etc. of each of the tenants with whom lease agreements have been concluded as of March 10, 2006. The amount has been rounded down to the nearest thousand yen.
- (Note 8) The occupancy rate is rounded to two decimal places.
- (Note 9) The standard building coverage ratio for this land has been deregulated to 100% based on Article 53-5-1 and 53-6 of the Building Standards Law. The designated FAR for this land is 600% up to 20 meters from the boundary with the road to the south and 500% for parts of the land more than 20 meters away. As a result, the standard FAR applicable to this land based on proportional weighting of this area is 570.96%.
- (Note 10) The following abbreviations have been used for leasable units.
 1K: Single room + Kitchen

Investigation of Building Conditions	Investigator	Tokyo Bldg-Tech Center Co., Ltd.
	Emergency Repairs	No (urgent repairs)
	Near-term Repairs	No (repairs needed within a year)
	Repairs and Upkeep Thought to be Needed Over Next 12 Years	4,310,000 yen
	Replacement Price	401,000,000 yen
	Date of Building Condition Report	February 27, 2006
Earthquake	PML Value	16.7%

Risk Analysis		This PML value was calculated based on the earthquake risk analysis report issued by InterRisk Research Institute & Consulting, Inc. However, this report is no more than the viewpoint of InterRisk and the content is not guaranteed. PML, or probable maximum loss, refers to the probability of the maximum loss from an earthquake and in this case the level of damage that may result from the assumed maximum earthquake size (large earthquake that occurs once every 475 years = large earthquake with 10% or greater probability of occurring within 50 years) assumed for the assumed scheduled use period expressed as a percentage (%) of the replacement cost of the expenses expected to be required to restore the damages.
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4. Seller Profile

Company Name	FLEG International Co., Ltd.
Head Office Address	Ebisu Garden Place Tower 4-20-3 Ebisu, Shibuya-ku, Tokyo
Representative	Yasumasa Fujimoto, Representative Director
Paid-in Capital	570 million yen
Line of Business	1. Asset management 2. Property management 3. Planning 4. Funding
Relationship with NRIC	None

5. Matters concerning Design, etc. of Asset to be Acquired

NRIC has verified the Property's architect, building contractor, architectural designer, structural designer (engineer) and building inspection agency. The details are given in the following tables.

Neither of the Property's architect, building contractor or designers is a company announced by the Ministry of Land, Infrastructure and Transport as of March 16, 2006, but it was Bureau Veritas Japan Co., Ltd. that conducted the building inspection. However, NRIC asked a specialized third party investigation agency (Kozo Keikaku Engineering Inc.) to conduct a reinvestigation and has received investigation results reporting that no willful falsification, fabrication or other illegal act was found with the structural calculation and other documents and that it deemed the structural calculations to be compliant with legal requirements.

In the due diligence conducted when properties are purchased, NRIC also has earthquake risk analyses conducted without fail from a different perspective to the building inspection agency's building inspection investigation. NRIC makes acquisition decisions only after appropriate earthquake risk analyses have been conducted on the property that is to be purchased, independently taking into account the structural resistance of the building that is to be purchased based on examinations of drawings and site studies using the structural drawings, structural design outline and other documents. In the case of this Property as well, NRIC will ensure analyses are conducted by the date of acquisition and will make acquisition decisions based on those results.

(Reference 1) Businesses Associated with Designing the Asset to be Acquired

Property Name	CYNTHIA Oimachi
Architect	Dynacel Co., Ltd.
Building Contractor	Nankai Tatsumura Construction Co., Ltd.
Architectural Designer	AXS Satow Inc.
Structural Designer	AXS Satow Inc.
Building Inspection Agency	Bureau Veritas Japan Co., Ltd.

(Reference 2) Profile of Third Party Investigation Agency (Reinvestigation of Structural Calculation Documents)

Company Name	Kozo Keikaku Engineering Inc.
Head Office Address	Within Japan Holstein Center 4-38-13 Hon-cho, Nakano-ku, Tokyo
Representative	Shota Hattori, Representative Director
Paid-in Capital	1,010.2 million yen
Line of Business	1. Technical consulting by technicians 2. Designing and supervising building construction by architects 3. Software development related to information processing 4. Developing, selling and researching computers and other systems 5. Surveying work 6. Publishing technical documents 7. Training through technical training seminars 8. Leasing real estate 9. All work incidental to the above
Relationship with NRIC	None

(Reference 3) Profile of Third Party Investigation Agency (Earthquake Risk Analysis)

Company Name	InterRisk Research Institute & Consulting, Inc.
Head Office Address	3-9 Kanda-Surugadai, Chiyoda-ku, Tokyo
Representative	Tadashi Yasuda, President and Representative Director

Paid-in Capital	330 million yen
Line of Business	<ol style="list-style-type: none"> 1. Accepting orders for and consulting on investigative studies concerning risks faced by individuals, corporations, organizations, etc. and risk management 2. Accepting orders for and consulting on investigative studies concerning the economy, finance, society, lifestyle and culture, science and technology, natural science, etc. 3. Gathering and providing information, training and consulting related to the above two items 4. Holding various workshops and seminars and publishing publications, etc. related to the above items 5. Other work incidental or related to the above items
Relationship with NRIC	None

6. Outlook

The management performance outlook for NRIC for the fiscal period ending in May 2006 (December 1, 2005 – May 31, 2006) does not change as a result of acquisition of the Property.

- This document was distributed to the press clubs within the Tokyo Stock Exchange, Ministry of Land, Infrastructure and Transport and construction trade newspaper of the Ministry of Land, Infrastructure and Transport.
- Nippon Residential Investment Corporation's website is <http://www.nric.co.jp>

This English language notice is a translation of the Japanese language notice dated March 17, 2006 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.