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For Immediate Release



**NIPPON
RESIDENTIAL
INVESTMENT
CORPORATION**

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Notification of Completion of Acquisition and Change to Details (Parallel Establishment
of Serviced Apartments) of Pacific Tower Roppongi

Nippon Residential Investment Corporation (NRIC) announces that it has completed the acquisition and change to certain details (parallel establishment of serviced apartments) today of the following asset announced in “Notification on Acquisition of Pacific Tower Roppongi” dated April 12, 2005.

1. Overview of Property

(1) Property Name	Pacific Tower Roppongi (hereafter, the “Property”)
(2) Acquired Asset	Real estate
(3) Acquisition Value (Note 1)	8,456,729,350 yen

(Note 1) Excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax. Further, additional construction costs (14,000,000 yen) have been added onto the previously disclosed figure.

Please refer to “Notification on Acquisition of Pacific Tower Roppongi” dated April 12, 2005 for details on the abovementioned acquired asset and other information.

2. Parallel Establishment of Serviced Apartments

(1) Overview	The initial plans for the Property called for all units to be rented out under an ordinary rental system but additional construction was conducted to manage a part of the Property as serviced apartments.
(2) Description of Additional Construction	In correlation with the parallel establishment of serviced apartments, modifications were made to

	create a fitness room, tenant lounge, open terrace, linen storage and other facilities. Additional construction costs: 14,000,000 yen (tax excluded)
(3) Significance of This Change	<p>(i) Enhancement of Rental Business Revenues Providing high value-added services for the serviced apartment units will raise rent. In addition, an increase in rent can also be anticipated with the provision of the same services to the general rental units for a fee. Due to these factors, we anticipate enhancement of rental business revenues.</p> <p>(ii) Accommodating Diversifying Lifestyles Serviced apartments, which are short-term rental properties that are furnished and equipped with furniture, home appliances, fixtures, kitchen, bathroom and toiletry essentials, etc., are garnering popularity as a space where residents can feel like they are spending time at their “home.” By accommodating diversifying lifestyles, primarily as a place to stay for those on long-term business trips, as a provisional residence for those who have been assigned to a new post and as a second house, NRIC can anticipate demand for the space.</p>
(4) Leasing Conditions	NRIC concluded a pass-through master lease agreement with SBA Management Co., Ltd. as the lessee along with a rental business and building management agreement for the Property that both take effect today.
(5) Serviced Apartment Manager	Enplus Inc. The abovementioned lessee (SBA Management Co., Ltd.) today signed an agreement to the effect that, from among the leasing activities for the Property, the management for the serviced apartment will be outsourced to Enplus Inc.
(6) Leasable Units	<p>83 units (1K: 20 units; 1LDK: 31 units; 1LDK+S: 14 units; 2LDK: 18 units) Of which...</p> <p>General rental units: 50 units (1LDK: 20 units; 1LDK+S: 12 units; 2LDK: 18 units)</p> <p>Serviced apartment units: 33 units (1K: 20 units; 1LDK: 11 units; 1LDK+S: 2 units) (Note 2)</p>
(7) Estimated Annual NOI (Note 1)	435 million yen

(Note 1) About Estimated Annual NOI

Net operating income (NOI) is the amount arrived at when total rental business expenses are subtracted from total rental business revenues associated with the concerned property. Estimated annual NOI is an annual estimate that does not take into account special factors affecting the initial fiscal year of the acquisition and is calculated based on the following premises. Further, it is not a forecast for the fiscal period ending in May 2006 nor for other

specific periods.

(i) The premise used for rental business income and expenditures balance is that the occupancy rate for the general rental portion is 95% and serviced apartment portion is 85%.

(ii) The premise used for rental business expenses is that the ratio of expenses to rental business revenues is 24%.

(Note 2) The following abbreviations have been used for leasable units.

1K: Single room + Kitchen
 1 (or 2) LDK: 1 (or 2) bedroom(s) + Living room, dining room and kitchen
 1LDK+S: 1 bedroom + Living room, dining room and kitchen + Service room (study)

3. Vendor Profile

Company Name	SBA Management Co., Ltd.
Head Office Address	2-7-2 Hirakawa-cho, Chiyoda-ku, Tokyo
Representative	Tatsumi Minoshima, Representative Director
Paid-in Capital	250,000,000 yen
Line of Business	<ol style="list-style-type: none"> 1. Leasing, selling, buying, mediating exchanges for and brokering real estate 2. General insurance agency 3. Diagnosing, guiding, training, investigating and researching real estate rental management 4. Owning, operating, managing and maintaining apartments and condominiums 5. Providing information and consulting on real estate operations 6. Construction work for interior finishes and fittings and related planning, design, building and repairs 7. Agency work related to the type 1 telecommunications business based on the Telecommunications Business Law 8. Planning, designing, supervising and consulting for building construction 9. Information delivery service and information processing service work related to real estate rental properties via information networks utilizing computer systems 10. Planning, investigating and designing related to effective utilization of land and buildings 11. Planning, proposing and holding events, seminars and workshops related to real estate leasing, and publishing magazines and books 12. All work incidental to or related to the above
Relationship with NRIC	None

Company Name	Enplus Inc.
Head Office Address	4-8 Yonbancho, Chiyoda-ku, Tokyo
Representative	Takashi Saito, Representative Director
Paid-in Capital	41,000,000 yen
Line of Business	<ol style="list-style-type: none"> 1. Selling, buying, leasing, managing and brokering real estate 2. Renovating real estate

	3. Appraising and assessing real estate 4. Advertising 5. Travel agency 6. Investment advisory 7. Importing, exporting, selling, leasing and renting furniture, home appliances and sundry goods 8. Publishing 9. Cleaning 10. Work related to soliciting life insurance policies and as a general insurance agency 11. Importing, exporting and selling electronic devices 12. All work incidental to the above
Relationship with NRIC	None

4. 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>

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