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For Immediate Release



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Notification of Management Performance Forecasts
for Fiscal Period Ending in November 2006

Nippon Residential Investment Corporation (NRIC) announces the following concerning the management performance outlook (forecast figures) for the fiscal period ending in November 2006 (June 1, 2006 – November 30, 2006).

1. Reason for Announcement

This announcement discloses the management performance outlook (forecast figures) for the fiscal period ending in November 2006 (Sixth Fiscal Period), reflecting the transfer of assets that NRIC announced in today's "Notification on Transfer of Assets."

2. Details of Management Performance Forecasts for the Sixth Fiscal Period

	Operating Revenues (million yen)	Net Income (million yen)	Distribution per Unit (yen)	Distribution in Excess of Earnings per Unit (yen)
Fiscal period ending in November 2006 (Sixth Fiscal Period)	6,427	2,615	14,000	–
(Reference) Fiscal period ending in May 2006 (Fifth Fiscal Period)	5,934	2,624	14,050	–

- (Note 1) The forecast number of investment units outstanding as of the end of the Sixth Fiscal Period is 186,809 units.
- (Note 2) The above forecast figures were calculated as of today based on 1. above and the assumptions separately set forth in the attachment. The actual operating revenues, net income and distribution per unit may vary depending on future acquisition and sale of real estate, fluctuations in the real estate market and changes in other conditions surrounding NRIC. These forecasts are not intended as a guarantee of the distribution amount.
- (Note 3) NRIC may revise the forecasts if NRIC anticipates disparities of more than a certain level with the above forecasts.
- (Note 4) The Sixth Fiscal Period (fiscal period ending November 2006) of NRIC starts on June 1, 2006 and ends on November 30, 2006.
- (Note 5) Figures below the specified unit are rounded down.

- 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>

Assumptions for Sixth Fiscal Period Management Performance Forecasts

Item	Assumption
Period	Sixth Fiscal Period: June 1, 2006 – November 30, 2006 (183 days)
Assets Under Management	<ul style="list-style-type: none"> Forecasts are based on the assumption that assets under management comprises the 109 properties owned by NRIC as of June 22, 2006, minus the 4 properties that NRIC announced the transfer of today, plus the 3 properties for which acquisitions are scheduled to take place during the Sixth Fiscal Period as announced before June 22, 2006, to total 108 properties. Further, the number of properties may vary due to changes other than the above (acquisition of new properties, sale of existing properties, etc.).
No. of Investment Units Outstanding	<ul style="list-style-type: none"> Forecasts are based on the assumption that the number of investment units outstanding is 186,809 units, which is the number of investment units outstanding as of the end of May 2006, and that there will be no additional issue of investment units up to the end of November 2006.
Interest-Bearing Debt Ratio	<ul style="list-style-type: none"> Forecasts are based on the assumption that the interest-bearing debt ratio will be about 46% as of November 30, 2006. Factors that have been taken into account include increases in unitholders' capital resulting from an additional issuance of new investment units, etc., corresponding repayments of loans and new borrowings of funds to settle properties that are scheduled for acquisition, etc. The interest-bearing debt ratio is calculated based on the following formula: $\text{Interest-bearing debt ratio} = \frac{\text{Interest-bearing debt}}{(\text{Interest-bearing debt} + \text{Unitholders' capital})} \times 100$
Operating Expenses	<ul style="list-style-type: none"> Of rental business expenses, which are the principal operating expense, expenses except for depreciation are calculated based on historical data and reflect other elements that may affect expenses. Repair and maintenance fees for buildings are recorded as expenses in the amount deemed necessary for each fiscal period. However, the actual amounts may possibly differ substantially

	<p>from forecast amounts owing to the possibility of unforeseeable emergency situations arising.</p> <ul style="list-style-type: none"> • Depreciation is calculated based on the straight-line depreciation method inclusive of associated costs and is estimated to be 1,120 million yen.
Distribution per Unit	<ul style="list-style-type: none"> • The distribution per unit is calculated in accordance with the cash distribution policy outlined in NRIC's Articles of Incorporation. In principle, it is calculated based on the premise that all earnings will be distributed. • The distribution per unit may vary due to variations in rent income caused by changes in the portfolio, changes in tenants and such, unforeseen repairs and maintenance and various other factors.
Distribution in Excess of Earnings per Unit	<ul style="list-style-type: none"> • NRIC does not currently anticipate paying distributions in excess of earnings (distributions in excess of earnings per unit).
Other	<ul style="list-style-type: none"> • NRIC assumes that there will be no amendments in laws, ordinances, tax regulations, accounting standards, listing regulations, Investment Trusts Association rules and such that will affect the above forecasts. • NRIC assumes that there will be no unforeseen material changes in the environment including general economic trends and real estate market conditions.

This English language notice is a translation of the Japanese language notice dated June 22, 2006 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.