

August 1, 2006

For Immediate Release



**NIPPON
RESIDENTIAL
INVESTMENT
CORPORATION**

Nippon Residential Investment Corporation
2-11-1 Nagata-cho
Chiyoda-ku, Tokyo
Akira Yamanouchi
Chief Executive Officer
(Securities Code: 8962)

Inquiries:
Pacific Investment Advisors Corporation
Takeshi Takano
Director
Phone: +81-(0)3-5251-8528

Notification on Water Heaters Installed in Properties Owned by NRIC

Nippon Residential Investment Corporation (NRIC) announces the following concerning water heaters installed in properties owned by NRIC.

NRIC has verified that none of the 105 properties owned by NRIC (as of August 1, 2006) have indoor-type water heaters that were announced by Paloma Industries, Ltd. and Paloma Co., Ltd. on July 29, 2006 that they manufactured between 1980 and 1989 (models PH-81F, PH-82F, PH-101F, PH-102F, PH-131F, PH-132F and PH-161F).

- 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 August 1, 2006 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.