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For Immediate Release



**NIPPON
RESIDENTIAL
INVESTMENT
CORPORATION**

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Notification on Change to Acquisition Date Scheduled for and Other Matters concerning
Pacific Residence Kamiochiai

Nippon Residential Investment Corporation (NRIC) announces the decisions made today as outlined below concerning the acquisition of the asset indicated below, which was notified in the “Notification on Acquisition of Pacific Residence Kamiochiai and Completion of Asset Acquisitions” dated March 27, 2006.

1. Details of Changes

	Before Change	After Change
Acquisition Value	1,310,000,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)	1,332,000,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)
Scheduled Acquisition Date	On a date separately agreed to by NRIC and the seller. However, it shall be no later than November 30, 2006.	On a date separately agreed to by NRIC and the seller. However, it shall be no later than March 30, 2007.

Building Leasable Units	75 units (planned) (1K: 67 units; 1LDK: 8 units)	70 units (planned) (1K: 57 units; 1LDK: 13 units)
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Summary of Real Estate Valuation Survey

	Before Change	After Change
Appraisal Method	Valuation survey by Daiwa Real Estate Appraisal Co., Ltd. (Note)	Valuation survey by Daiwa Real Estate Appraisal Co., Ltd.
Estimated Value	1,310,000,000 yen	1,340,000,000 yen
Survey Date	March 1, 2006	November 1, 2006

(Note) A valuation survey differs from the appraised value found by the appraisal of real estate prescribed in Article 2-1 of the Law concerning Real-Estate Appraisal. As construction on the subject building is not complete and thus confirmation of the subject real estate is difficult, the value is one that was found by the appraiser by applying the appraisal method under the assumption that construction on the to-be-constructed building was completed as planned at the time of reference of the survey

2. Reasons for Changes

NRIC decided to increase 1LDK units through design and specification alterations to some of the units of the asset to be acquired (hereafter, the “Property”) and also change the acquisition value and acquisition timing.

NRIC sees that, as the trend in the rental housing market of the area surrounding the Property, demand for 1LDK units can be anticipated primarily from double-income households. In addition, NRIC expects that the impact of changes in acquisition timing on lease-up plans will only be limited. In consideration of these factors, NRIC deemed that these changes will stabilize rent levels and occupancy as well as enhance asset value.

Please refer to “Notification on Acquisition of Pacific Residence Kamiochiai and Completion of Asset Acquisitions” dated March 27, 2006 for details on the abovementioned asset that is scheduled to be acquired and other information.

- 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>

[Attachment 1] Summary of Survey Report on Price of the Property (Pacific Residence Kamiochiai)

(Unit: thousand yen)

	Description	Appraisal Reasoning
Estimated value (specified price)	1,340,000	
Total income	86,672	
Rental income	82,115	Appraised the assumed rent after considering such factors as the medium-to long-term competitiveness based on new rent levels and trends of similar buildings in the same supply/demand area.
Parking lot income	720	
Key money income	2,925	Appraised based on the tenant replacement rate and vacancy rate.
Renewal fee income	650	After considering the fee at time of renewal, recorded as 0.5 months worth of new rent. Further, appraised the average renewal rate for each year as 20%.
Operating profit from deposits	261	Appraised based on a 2.0% return for the guarantees at full occupancy minus the amounts corresponding to the vacancies.
Total expenses	21,075	
Building maintenance fee	4,737	Appraised as 750 yen a month per tsubo of leasable area.
Utilities	884	Appraised as 140 yen a month per tsubo of leasable area.
Property management fee	2,361	Appraised as the amount equivalent to 3.0% of the rental income, etc.
Tenant soliciting fee	1,967	Recorded as the amount equivalent to 1 month worth of rent of a new tenant.
Tenant replacement cost	600	Appraised with the replacement rate considered and an assumption of 4,000 yen per tsubo in maintenance costs when tenants move out of their units.

	Taxes, etc.	4,303	Land: Appraised based on the appraised values of real property for fiscal 2006. Building: Assumed.
	Liability insurance premium	112	Recorded having deemed the estimated amount to be reasonable.
	Losses from vacancies, etc.	4,142	Appraised vacancy rate as 5% for rental units after considering such factors as the current vacancy rates and rent levels in the concerned area, the future supply/demand balance and unique qualities of the property.
	Capital expenditures	1,968	Appraised as 0.4% of the building replacement cost.
	Net profit	65,597	
	Cap rate	4.8%	
	Capitalized value from the direct capitalization method	1,370,000	
	Price from the DCF method	1,310,000	
	Discount rate	4.7%	
	Terminal cap rate	5.0%	
	Price from the cost approach	943,000	The appraisal firm decided on the concerned price after combining the land and building prices and then rounding to the nearest 100,000 yen.
	Land price	450,666	
	Building price	492,000	

(Note 1) In the above survey report, construction on the subject building was complete but construction related to the changes was yet to be completed, making confirmation of the subject real estate difficult. Therefore, the figures are no more than an appraisal of the price expressing an estimated investment value for the sake of investors. Thus, when construction is actually completed, the respective values may differ from the above amounts.

(Note 2) The reason that the value for total income listed above does not match the sum total of itemized income is because the value for individual itemized income is taken from the survey report and each rounded to the nearest thousand yen. The above total income is the value arrived at when the values for itemized income as indicated in the survey report are summed up and then that sum total rounded to the nearest thousand yen.

(Note 3) The reason that the value for total expenses listed above does not match the sum total of itemized expenses is because the value for individual itemized expenses is taken from the survey report and each rounded to the nearest thousand yen. The above total expenses are the value arrived at when the values for itemized expenses as indicated in the survey report are summed up and then that sum total rounded to the nearest thousand yen.

This English language notice is a translation of the Japanese language notice dated November 30, 2006 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.