

February 22, 2007

For Immediate Release



**NIPPON
RESIDENTIAL
INVESTMENT
CORPORATION**

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Notification on Approval of Changes to the Method of Business
at the Investment Trust Manager

Nippon Residential Investment Corporation (NRIC) announces that the investment trust management company to which NRIC entrusts its assets, Pacific Investment Advisors Corporation (hereafter, the “Asset Management Company”), has been granted approval by the Financial Services Agency today concerning changes to its method of business pursuant to Article 10-2 of the Law concerning Investment Trusts and Investment Corporations as described below.

The application for the approval was notified in the “Notification on Application for Approval of Changes to the Method of Business at the Investment Trust Manager” dated August 28, 2006.

1. Details of Principal Changes to Asset Management Company’s Document on Method of Business

(1) Article 2: Type of Assets Under Management

The change involved adding and organizing part of the types of assets managed by the Asset Management Company concerning real estate, etc. and

mortgage-backed securities, which are investment targets of NRIC. Monetary claims, movables, trademark rights and other assets that are likely to be acquired in association with real estate, etc. invested into by NRIC were also added to the types of assets managed by the Asset Management Company.

(2) Article 22: Accounting Procedures

The Commercial Code was changed to the Company Law as laws and ordinances that the Asset Management Company shall comply with when conducting accounting procedures.

In addition to the above changes, the wording was also altered slightly.

2. Date of Submission of Application for Approval

August 28, 2006

3. Reasons for Changes

To comprehensively organize matters concerning NRIC's primary investment assets, and in correlation add assets managed by the Asset Management Company, in response to amendments (enforced on October 1, 2004) being made to some regulations stipulated by the Tokyo Stock Exchange, Inc., including the "Special Treatment of Security Listing Regulations Concerning Real Estate Investment Trust Certificates," and revisions being made to rules concerning real estate investment corporations, etc. regulated by The Investment Trust Association, Japan.

To also alter some of the wording and make other necessary changes in correlation with the enactment of the Company Law (effective May 1, 2006).

- 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 February 22, 2007 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.