

May 31, 2007

For Immediate Release



**NIPPON
RESIDENTIAL
INVESTMENT
CORPORATION**

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Notification of Management Performance Forecasts
for Fiscal Period Ending in November 2007

Nippon Residential Investment Corporation (NRIC) announces the following concerning the management performance forecasts for the fiscal period ending in November 2007 (June 1, 2007 – November 30, 2007).

1. Reason for Announcement

NRIC ratified the additional issuance of investment units at a meeting of the board of directors held today. This announcement is being made to disclose the management performance forecasts for the fiscal period ending in November 2007 (Eighth Fiscal Period) in correlation with this decision. Further, this decision does not change the performance forecasts for the fiscal period ending in May 2007 (December 1, 2006 – May 31, 2007) announced in the “Semiannual Report for the 6th Fiscal Period from June 1, 2006 to November 30, 2006” dated January 24, 2007.

Note: This document is a press release for general disclosure of management performance forecasts for NRIC's fiscal period ending in November 2007 and was not prepared with the objective of soliciting investment. Before initiating investments, we caution investors to refer to the prospectus for the issue of new investment units and secondary offering of investment units (and notices of amendments thereto) prepared by NRIC and to undertake investment decisions at the discretion and responsibility of the investor.

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

	Operating Revenues	Ordinary Profit	Net Income	Distribution per Unit (excluding excess of earnings)	Distribution in Excess of Earnings per Unit
Fiscal period ending in November 2007 (Eighth Fiscal Period)	¥8,250 million	¥3,253 million	¥3,252 million	¥13,100	¥ –

(Note 1) The forecast number of investment units outstanding as of the end of the Eighth Fiscal Period is 248,291 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 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>

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Assumptions for Eighth Fiscal Period Management Performance Forecasts

Item	Assumption
Period	Eighth Fiscal Period: June 1, 2007 – November 30, 2007 (183 days)
Assets Under Management	<ul style="list-style-type: none"> Forecasts are based on the assumption that assets under management comprises the 116 properties owned by NRIC as at May 31, 2007 and taking into account the 13 properties scheduled for acquisition during the Eighth Fiscal Period to total 129 properties. In addition, the premise is that there will be no changes in assets under management other than the 3 properties scheduled to be transferred by the end of the Eighth Fiscal Period (November 30, 2007). Further, assets under management 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 248,291 units, which is the sum total of the 186,809 units outstanding as of May 31, 2007 and the planned number of units to be newly issued by way of an additional issuance of new investment units through public offering (60,000 units) and by way of a third-party allotment in correlation with a secondary offering via over-allotment (ceiling of 1,482 units) that were resolved at a meeting of the NRIC board of directors on May 31, 2007. The figure is also based on the premise that there will be no additional issue of investment units up to the end of November 2007.
Interest-Bearing Debt Ratio	<ul style="list-style-type: none"> The interest-bearing debt ratio as of May 31, 2007 is about 56.2%. The interest-bearing debt ratio as of November 30, 2007 is expected to fall to about 44.0% due to an increase in unitholders' capital resulting from an additional issuance of new investment units, etc. and because some of the corresponding income as well as the proceeds from the 3 properties scheduled to be transferred during the Eighth Fiscal Period will be allocated to the repayment of borrowings. The interest-bearing debt ratio in this table is calculated based

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	<p>on the following formula:</p> $\text{Interest-bearing debt ratio} = \frac{\text{Interest-bearing debt}}{\text{Interest-bearing debt} + \text{Unitholders' capital}} \times 100$ <ul style="list-style-type: none"> • However, the above interest-bearing debt ratio may change as a result of the offer price for the new investment units to be issued this time.
Operating Revenues	<ul style="list-style-type: none"> • Rental revenue is calculated by taking into account rental conditions using historical data as a basis in the case of acquired assets and is calculated in consideration of market environment, property competitiveness, etc. based on the lease agreements that are valid as of the nearest preceding date and information from the current titleholder (leasing conditions, etc.) in the case of assets that are scheduled to be acquired. • Rental revenue includes 412 million yen as gains from the sale of real estate attributable to the 3 properties scheduled to be transferred during the Eighth Fiscal Period.
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 from forecast amounts owing to the possibility of unforeseeable emergency situations arising. • Depreciation is calculated based on the straight-line depreciation method inclusive of associated costs. Depreciation is recorded as an expense in line with the period that the subject assets are held and is estimated to be 1,502 million yen. • Taxes and dues are assumed to be 190 million yen. The adjusted amount of real property tax and city planning tax for the 10 properties acquired in and after January 2007 and the 13 properties scheduled to be acquired during the Eighth Fiscal

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	Period are included in the acquisition cost and thus is not an operating expense.
Non-Operating Expenses	<ul style="list-style-type: none"> • A one-off expense of 50 million yen is expected as an expense related to the issuance of investment units, etc.
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 May 31, 2007 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.

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