

January 16, 2008

For Immediate Release



**NIPPON
RESIDENTIAL
INVESTMENT
CORPORATION**

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Notification on Acquisition of Park Tower Shibaura Bayward Urban Wing

Nippon Residential Investment Corporation (NRIC) announces the decision made today to acquire the following asset as detailed below.

1. Overview of Acquisition

(1) Property Name	F-25 Park Tower Shibaura Bayward Urban Wing (hereafter, the "Property")
(2) Asset Type	Beneficiary interests in trust for real estate
(3) Acquisition Value	14,510,000,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax) [Payment Schedule] Pay 50 million yen (down payment) upon conclusion of sale and purchase agreement Pay remainder upon transfer
(4) Sale and Purchase Agreement Date	January 16, 2008
(5) Scheduled Acquisition Date	February 29, 2008. However, the date shall be able to be changed to a date separately agreed to by NRIC and the seller (see (6) below).
(6) Seller	Acacia Properties, Inc. (hereafter, the "Seller")
(7) Financing	Cash on hand or debt financing

2. Purpose of Acquisition

The Property will be acquired with the following reason based on NRIC's Articles of Incorporation and investment policy.

(1) Reason	In addition to heightening the portfolio share in the Tokyo central 5 wards (Note) and Family Type properties, this will reduce the average age of our portfolio and enhance the portfolio.
(2) Property Characteristics	The Property is situated an 8-minute walk from Tamachi Station on the JR Yamanote Line and Keihin Tohoku Line, from which Tokyo Station is about a 10-minute train ride. Consequently, the Property is situated close to downtown Tokyo and boasts excellent convenience in terms of transportation. Even within the immense popularity of super high-rise condominiums, the Property is believed to be highly competitive as a condominium offering an enriched range of services and security features.
(3) Significance, etc. of Acquiring the Property	<p>Since listing, NRIC has been acquiring properties of a scale that considered the asset size as at the respective points in time and the impact on the entire portfolio. Now, however, NRIC's asset size has grown to almost reach some 300 billion yen (sum total of acquisition prices). As a result, the impact that an acquisition of a large property has on the entire portfolio has decreased. Rather, NRIC deems that acquiring large properties will contribute to enhanced stable growth of portfolio assets.</p> <p>As described herein, Park Tower Shibaura Bayward Urban Wing is a large property and highly competitive in such terms as location and convenience as well as the architectural quality. NRIC perceives future opportunities to acquire prime properties like this to be extremely limited in NRIC's investment areas. Consequently, NRIC deemed the Property to be highly rare and thus decided to acquire the Property.</p>

(Note) The Tokyo central 5 wards refer to the Minato, Shibuya, Shinjuku, Meguro and Chiyoda Wards.

3. Description of Asset to be Acquired

Details of Trust Property		Real estate placed in trust
Trustee		Mizuho Trust & Banking Co., Ltd.
Name Identifying Concerned Trust		Park Tower Shibaura Bayward Urban Wing
Trust Period		From: July 28, 2005 To: July 31, 2015
Location (Note 1)		2-1-31 Shibaura, Minato-ku, Tokyo (lot number) 2-6-11 Shibaura, Minato-ku, Tokyo (residential)
Access		8-minute walk from Tamachi Station on the JR Yamanote Line
Land	Ownership	Proprietary ownership
	Zoning (Note 2)	Quasi industrial zone

	Lot Size (Note 1)	2,011.81m ²
	FAR/Building Coverage Ratio (Note 3)	Quasi industrial zone: 400%/60%
Building	Ownership	Proprietary ownership
	Type (Note 1)	Apartment, store and parking lot
	Floor Area (Note 1)	19,562.07m ²
	Construction Completion (Note 1)	May 2005
	Structure (Note 1)	Steel-framed reinforced concrete structure with flat roof; 29 floors above ground and 1 floor below ground
Acquisition Value		14,510,000,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)
Special Notations (collateral, etc.)		None
Appraisal Method	Appraisal Method	Appraisal by Japan Real Estate Institute
	Appraised Value	13,700,000,000 yen
	Appraised Date	December 1, 2007
Overview of Lease (Note 4)	No. of Tenants (Note 5)	1
	Leasable Units	191 units in total [Store: 1 unit; 1LDK: 45 units; 2LDK: 115 units; 2LDK+S: 3 units; 3LDK: 27 units]
	Leased Units	178 units
	Total Leasable Area	13,490.67m ²
	Total Leased Area	12,530.59m ²
	Monthly Rent (Note 6)	52,169 thousand yen
	Deposit, etc. (Note 7)	123,682 thousand yen
	Occupancy (based on no. of units)	93.2% (Note 8)
	Occupancy (based on area)	92.9% (Note 8)

- (Note 1) Information that appears on the registry was used for the location (excluding residential indication), lot size, type, floor area, construction completion date and structure.
- (Note 2) The entry for the zoning is from the zoning type indicated in Article 8-1-1 of the City Planning Law.
- (Note 3) However, along with Park Tower Shibaura Bayward Ocean Wing that stands on a lot across the public road to the east of the Property, the Property has been constructed with approval of an “integrated housing complex based on a comprehensive design” pursuant to Article 86-1 of the Building Standards Law and, accordingly, the FAR has been deregulated (the ratio of the total floor area versus the lot area: 749.56%).
- (Note 4) The overview of the lease lists figures as of December 15, 2007.
- (Note 5) The total number of tenants is entered as one tenant when a single tenant leases multiple rental units. As for sub-leased properties where a single sublessor subleases the property to multiple subtenants, the number of tenants is treated as one tenant.
- (Note 6) The monthly rent indicated is the total sum of the monthly rent (includes common expenses but excludes monthly parking space usage fees) of each of the tenants with whom lease agreements have been concluded as of December 15, 2007. The amount has been rounded down to the nearest thousand yen and excludes consumption tax, etc.
- (Note 7) The deposit, etc. indicates the total sum of the deposits, etc. (excludes the parking space portion) of each of the tenants with whom lease agreements have been concluded as of December 15, 2007. The amount has been rounded down to the nearest thousand yen.
- (Note 8) The occupancy rate is rounded to one decimal place.

Investigation of Building Conditions	Investigator	Tokyo Bldg-Tech Center Co., Ltd.
	Emergency Repairs	No (urgent repairs)
	Near-term Repairs	No (repairs needed within a year)
	Repairs and Upkeep Thought to be Needed Over Next 12 Years	26,860,000 yen
	Replacement Price	4,976,000,000 yen
	Date of Building Condition Report	December 27, 2007
Earthquake Risk Analysis	PML Value	8.1%
		This PML value was calculated based on the earthquake risk analysis report issued by InterRisk Research Institute & Consulting, Inc. However, this report is no more than the viewpoint of InterRisk and the content is not guaranteed. PML, or probable maximum loss, refers to the probability of the maximum loss from an earthquake and in this case the level of damage that may result from the assumed maximum earthquake size (large earthquake that occurs once every 475 years = large earthquake with 10% or greater probability of occurring within 50 years) assumed for the assumed scheduled use period expressed as a percentage (%) of the replacement cost of the expenses expected to be required to restore the damages.

4. Seller Profile

Company Name	Acacia Properties, Inc.
Head Office Address	2711 Centerville Road, Suite 400, Wilmington, New Castle, Delaware, U.S.A.
Representative	Representative in Japan: Hidetsugu Kawasaki
Paid-in Capital	50 U.S. dollars in cash
Major Shareholder	Not disclosed due to the absence of the Seller's consent.
Line of Business	1. Owning, managing and renting real estate 2. All work related to the above
Relationship with NRIC and Asset Management Company	None

5. Broker Profile

Company Name	Pacific Management Corporation
Head Office Address	2-11-1 Nagata-cho, Chiyoda-ku, Tokyo
Representative	Masaru Takatsuka, Representative Director
Commission	145,100,000 yen (excluding consumption tax and local consumption tax)
Relationship with NRIC and Asset Management Company	Pacific Management Corporation is a shareholder of NRIC's asset management company and constitutes an interested party, etc. of the asset management company

	as defined in the Law concerning Investment Trusts and Investment Corporations. Pacific Management Corporation has a 93.8% stake in the asset management company.
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6. Matters concerning Design, etc. of Asset to be Acquired

NRIC has verified the architect, building contractor, building designer, structural designer, building verification agency and inspection agency for the Property. The details are given in the following tables.

As at January 15, 2008, none of the Properties' architects, building contractors or designers are a company announced by the Ministry of Land, Infrastructure and Transport to have been involved in properties with fabricated structural calculation documents.

The Property is a super high-rise architectural structure with a building height that exceeds 60m. The Building Standards Law and other laws require ministerial authorization concerning the safety of such structures. Accordingly, a performance evaluation committee comprised of experts was established at Japan ERI Co., Ltd. Upon a careful evaluation, the committee evaluated there to be no problems in terms of structural strength. Based on this evaluation, ministerial authorization was obtained stating that safety in terms of structural strength can be ascertained.

In the due diligence conducted when properties are purchased, NRIC also has earthquake risk analyses conducted without fail from a different perspective to the verification and inspection agencies' investigation of building verification. NRIC makes acquisition decisions only after appropriate earthquake risk analyses have been conducted on the property that is to be purchased, independently taking into account the structural resistance of the building that is to be purchased based on examinations of drawings using structural drawings, structural design overviews and other documents and based on site inspections.

(Reference 1) Businesses Associated with Designing the Asset to be Acquired

Property Name	Park Tower Shibaura Bayward Urban Wing
Architect	Mitsui Fudosan Co., Ltd.
Building Contractor	Shimizu Corporation
Building Designer	Shimizu Corporation Ikkyu Kenchikushi Jimusho
Structural Designer	Shimizu Corporation Ikkyu Kenchikushi Jimusho
Building Verification Agency	Japan ERI Co., Ltd.

(Reference 2) Summary of Authorization and Performance Evaluation Report

Summary of Authorization	No.	Ministry of Land, Infrastructure and Transport / Housing Bureau / Building Guidance Division No. 160
	Date	May 21, 2003
	Issuer	Hiroko Hayashi, Minister of Land, Infrastructure and Transport
Summary of Performance Evaluation Report	No.	ERI-H03002
	Date	April 16, 2003
	Issuer	Japan ERI Co., Ltd. Yoshiki Nakazawa, Representative Director

(Reference 3) Profile of Third Party Investigation Agency (Earthquake Risk Analysis)

Company Name	InterRisk Research Institute & Consulting, Inc.
Head Office Address	3-9 Kanda-Surugadai, Chiyoda-ku, Tokyo
Representative	Kenichi Enami, President and Representative Director
Paid-in Capital	330 million yen
Line of Business	<ol style="list-style-type: none">1. Accepting orders for and consulting on investigative studies concerning risks faced by individuals, corporations, organizations, etc. and risk management2. Accepting orders for and consulting on investigative studies concerning the economy, finance, society, lifestyle and culture, science and engineering, natural science, etc.3. Gathering and providing information, training and consulting related to the above two items4. Holding various workshops and seminars and publishing publications, etc. related to the above items5. Other work incidental or related to the above items
Relationship with NRIC	None

7. Outlook of Management Performance After Acquisition of Concerned Asset

The management performance outlook for the fiscal period ending in May 2008 (December 1, 2007 – May 31, 2008) will be announced when NRIC announces the financial results for the fiscal period ending in November 2007 (June 1, 2007 – November 30, 2007).

- 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 Appraisal on the Property's Price

(Unit: thousand yen)

Appraisal Item	Description	Appraisal Reasoning
Appraised value (specified price)	13,700,000	
Operating profit		
(a) Rental income including common expenses	706,824	Appraised the rent, etc. that can potentially be collected on a stable basis over the medium and long term based on the current rent, the level of rent and common expenses in the case that new renting is assumed to take place, and other factors.
(b) Utilities income	0	None.
(c) Parking lot income	31,488	Appraised the usage fee that can potentially be collected on a stable basis over the medium and long term based on the level of case examples in the surrounding area.
(d) Other income	40,826	Recorded key money at 1.5 months of rent and renewal fee at 1 month of rent as income based on appraisal of the number of months that collections will be individually received from tenants as well as the average annual tenant replacement rate and average agreement period. Also recorded usage fees for bike parking space, etc. as other income.
Key money income	17,296	
Renewal fee income	23,061	
Other income	469	
①[(a)+(b)+(c)+(d)]	779,138	
(e) Total losses from vacancies, etc.	30,861	Appraised the occupancy rate of a level that would be stable over the medium and long term based on the current occupancy status and supply/demand trends of similar real estate (alternative, competitive, etc. real estate) in similar areas of the same supply/demand area, and based on the past occupancy status and future trends of the real estate subject to the appraisal.
(f) Bad debts loss	0	In light of sublessor conditions, etc., no bad debts loss is recorded.
②Operating profit [①-(e)-(f)]	748,277	
Operating expenses		
(g) Maintenance and management fee	33,995	Appraised in reference to current expenses, and by taking into account the building maintenance fees of similar rental condominiums and the unique qualities of the real estate subject to the appraisal.
(h) Utilities	9,135	Appraised in reference to current expenses, and by taking into account the utilities of similar rental condominiums and the unique qualities of the real estate subject to the appraisal.
(i) Repair costs	9,043	Appraised by taking into account the restoration fee associated with tenant replacement, as well as the repair costs, etc.

			according to the engineering report.
	(j) Property management fee	20,107	Appraised in reference to the rate, etc. paid in return for such services based on agreement terms and conditions, and by taking into account the rate paid in return for such services at similar real estate, the unique qualities, and other factors.
	(k) Tenant soliciting fee, etc.	23,246	Recorded by appraising the rental fee as 1 month worth of rental income, and in consideration of the average annual tenant replacement rate and occupancy rate.
	(l) Taxes, etc.	44,862	In the case of the land and building, appraised the tax amount based on the fiscal 2007 standard tax amount. In the case of depreciable assets, recorded the actual fiscal 2007 amounts.
	(m) Liability insurance premium	2,036	Appraised by taking into account such factors as the current insurance premiums and the insurance premium rates of similar buildings.
	(n) Other expenses	967	Recorded the CATV contract cost and neighborhood association fee as other expenses.
	③ Operating expenses [(g)+(h)+(i)+(j)+(k)+(l)+(m)+(n)]	143,391	
	④ Net operating profit [②-③]	604,886	
	(o) Operating profit from deposits	2,625	Appraised based on a 2.0% return on asset management for the amount arrived at by assuming deposits as 2.1 months worth of rent and after additionally taking into account the occupancy rate.
	(p) Capital expenditures	11,223	Appraised in view of such factors as the age of the building and the average annual amount of upkeep according to the engineering report.
	⑤ Net profit [④+(o)-(p)]	596,288	
	⑥ Cap rate	4.3%	Appraised by setting the cap rate of apartments located in areas with the lowest investment risk as a reference, and taking into account rental demand trends, market trend spreads in the transaction market and other trends.
	Capitalized value from the direct capitalization method [⑤÷⑥]	13,900,000	
	Price from the DCF method	13,500,000	
	Discount rate	4.1%	Appraised in reference to the return on transaction of similar real estate, etc., and by comprehensively taking into account such factors as the unique qualities of the real estate subject to the appraisal.
	Terminal cap rate	4.5%	Appraised in reference to the return on transaction of similar real estate, etc., and by comprehensively taking into account such factors as the future trends of return on

			investment, risks as a subject of investment, general predictions of future economic growth rates, and real estate price and rent trends.
Price from the cost approach		13,100,000	
	Sum of land and building prices	10,070,000	
	Land price	5,490,000	
	Building price	4,580,000	
Upward price revision		+30%	In consideration of the marketability as the land and building combined of the real estate subject to the appraisal.

(Note 1) The above figures are the annual income and expenses assumed based on the capitalization method (direct capitalization method) that are indicated on the real estate appraisal, and are not the forecast figures for the current fiscal period.

(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 real estate appraisal 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 real estate appraisal are summed up and then that sum total rounded to the nearest thousand yen.

[Attachment 2] Portfolio Following Acquisition of the Property
(based on (planned) acquisition price)

(Unit: thousand yen)

Asset Category (Note 1)	Area (Note 2)				Total
	Tokyo central 5 wards	Tokyo 23 wards	Tokyo metropolitan area	Major regional cities	
Core 1	99,367,604	75,875,831	36,098,881	29,902,221	241,244,538
Core 2	40,645,000	5,987,000	1,950,000	7,795,900	56,377,900
Sub-core	7,832,000	7,201,600	4,074,600	4,978,900	24,087,100
Total	147,844,604	89,064,431	42,123,481	42,677,021	321,709,538

(Note 1) Asset Category (Core / Sub-core)

Core assets are properties that can provide a particularly favorable residential environment from the perspectives of convenience, surrounding environment, management conditions, state of upkeep, facility specifications, etc. that is sustainable over the long term. While exhibiting competitiveness equivalent to core assets, sub-core assets are properties that are relatively superior in terms of profitability and liquidity and are especially properties from which stable rental income can be anticipated over the medium and long term. Of core assets, properties bearing the “Pacific” brand are classified as “Core 1” while all other properties are classified as “Core 2.”

(Note 2) The Tokyo central 5 wards refer to the Minato, Shibuya, Shinjuku, Meguro and Chiyoda Wards. The Tokyo 23 wards refer to the remaining wards other than the Tokyo central 5 wards. The Tokyo metropolitan area refers to the Tokyo (excluding the Tokyo 23 wards), Kanagawa, Saitama and Chiba Prefectures. Major regional cities refer to areas that are within commuting distance of a central area of a government-designated city or other areas where an increased demand for rental housing, etc. is anticipated.

(Note 3) The above figures are each rounded down to the nearest specified unit.

[Attachment 3] Outside View of the Property



This English language notice is a translation of the Japanese language notice dated January 16, 2008 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.