

October 24, 2008

For Immediate Release



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

Asset Management Company:
Pacific Residential Corporation
2-11-1 Nagata-cho, Chiyoda-ku, Tokyo
Takeshi Takano
President and Chairman of the Board

Inquiries:
Shigeki Hirayama
Director
Phone: +81-(0)3-5251-8528

Notification on Review of NRIC's Rating

1. Review of Rating

Today, the credit rating agency of Nippon Residential Investment Corporation (NRIC), Moody's Japan K.K. (hereafter, "Moody's"), released an announcement stating that it has downgraded NRIC's rating to Baa3 and that the rating will remain under review for possible further downgrade. These reflect Moody's view that the performance and credit quality of Pacific Holdings, Inc. (hereafter, "Pacific Holdings"), the principal shareholder of the asset management company to which NRIC entrusts the management of its assets, Pacific Residential Corporation (hereafter, the "Asset Management Company"), may put downward incremental pressure on NRIC's financial management.

2. Independence of Management

The Asset Management Company believes that the performance of Pacific Holdings will not have a major impact on NRIC's management or its agreements.

As of today, no relationship of monetary debts or credits exists between Pacific Holdings

and NRIC, and problems specific to Pacific Holdings do not have any direct negative affect on NRIC's operations.

Furthermore, as indicated in Moody's written announcement, NRIC's portfolio consists of 140 properties comprising about 9,400 rentable units, most of which are relatively new. The portfolio is well diversified throughout Tokyo and neighboring areas. The occupancy rate for the entire portfolio maintains high levels as indicated below, and the fundamentals of NRIC's rental business are also robust.

(Occupancy Rate)	June 2008	July 2008	August 2008	September 2008
Rate under plan at start of fiscal period	94.0%	93.9%	93.7%	93.9%
Actual rate	95.6%	95.1%	94.7%	94.4%

3. Maintaining and Strengthening of the Financial Management Base

The Asset Management Company takes the maintaining and strengthening of the financial management base as a task of top priority for NRIC and is currently in talks with financial institutions in view of the smooth raising of funds. Moody's written announcement mentioned above also recognizes that NRIC maintains good relationships with its main banks.

Moreover, plans are to lower the ratio of interest-bearing debt to total assets at NRIC to around a 50% level and strive to also reduce the total amount of interest-bearing debt through the selling of assets.

The specific details of these measures will be announced, as soon as they are finalized.

- This document was distributed to the press clubs within the Tokyo Stock Exchange, Ministry of Land, Infrastructure, Transport and Tourism and construction trade newspaper of the Ministry of Land, Infrastructure, Transport and Tourism.
- 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 October 24, 2008 and was prepared solely for the convenience of, and reference by, overseas investors. NRIC makes no warranties as to its accuracy or completeness.