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For Immediate Release



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Notification of Revisions to Management Performance Forecasts for Fiscal Period
Ending November 2005

Nippon Residential Investment Corporation (NRIC) announces it has revised the performance outlook (forecast) released on May 19, 2005 for the fiscal period ending November 2005 (June 1, 2005 ~ November 30, 2005) as follows.

1. Reasons for Revisions

At the Board of Directors' Meeting held today, NRIC resolved to review rental revenues, operating expenses, non-operating expenses and other underlying assumptions of performance forecasts and revise performance forecasts as described below to reflect changes brought about by the acquisition and transfer of assets during the fiscal period ending November 2005 (Fourth Fiscal Period).

2. Details of Revisions to Performance Forecasts for the Fourth Fiscal Period

	Operating Revenues (million yen)	Net Income (million yen)	Distribution per Unit (yen)	Distribution in Excess of Earnings per Unit (yen)
Previous Forecast (A) (released May 19, 2005)	4,091	1,591	11,029	–
Revised Forecast (B)	4,631	2,020	14,000	–
Amount of Increase/(Decrease) (B – A)	540	429	2,971	–
Variation Rate	13.2%	27.0%	26.9%	–

[Reference]

Forecast number of investment units outstanding as of the Fourth Fiscal Period: 144,327 units (unchanged from previous forecast)

[Notes]

- (1) The above forecasts are 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 due to the acquisition and sale of real estate, changes in the real estate market and other factors affecting NRIC. These forecasts are not intended as a guarantee of the distribution amount.
- (2) NRIC may revise the forecasts if NRIC expects a large variation from the above forecasts.
- (3) NRIC's Fourth Fiscal Period (fiscal period ending November 2005) is the period starting June 1, 2005 and ending November 30, 2005.
- (4) Yen amounts below the specified unit are rounded off and percentages are rounded to one decimal place.

- 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>

Assumptions for Fourth Fiscal Period Performance Forecasts

Item	Assumption																																																								
Period	Fourth Fiscal Period: June 1, 2005 ~ November 30, 2005 (183 days)																																																								
Portfolio	<ul style="list-style-type: none"> Performance forecasts are based on the 71 properties held by NRIC as of the end of May 2005 and the properties given below that NRIC has announced it will acquire by September 1, 2005. Further, NRIC assumes that there will be no changes to properties (acquisition of new property, sale of existing property, etc.) up to the end of the Fourth Fiscal Period aside from the sale announced today of two properties (City Forum Kami-Hongo and Wakohre Higashi-Nippori II). <p align="center">Table 1: Properties Acquired (Scheduled) During Fourth Fiscal Period</p> <table border="1"> <thead> <tr> <th>Property No.</th> <th>(Scheduled) Acquisition Date</th> <th>Property Name</th> <th>(Scheduled) Acquisition Value (million yen)</th> </tr> </thead> <tbody> <tr> <td>Property 1</td> <td>June 20, 2005</td> <td>Pacific Residence Kamimeguro</td> <td>1,000</td> </tr> <tr> <td>Property 2</td> <td>August 5, 2005</td> <td>Pacific Residence Shirakabe Higashi</td> <td>1,070</td> </tr> <tr> <td>Property 3</td> <td>August 12, 2005</td> <td>Pacific Livew Chojamaru</td> <td>3,338</td> </tr> <tr> <td>Property 4</td> <td>August 12, 2005</td> <td>Pacific Livew Ginza Higashi</td> <td>2,348</td> </tr> <tr> <td>Property 5</td> <td>August 12, 2005</td> <td>Pacific Livew Tamagawa</td> <td>1,514</td> </tr> <tr> <td>Property 6</td> <td>August 12, 2005</td> <td>No. 6 Zerkova Mansion</td> <td>609</td> </tr> <tr> <td>Property 7</td> <td>August 12, 2005</td> <td>Maison Korakuen</td> <td>710</td> </tr> <tr> <td>Property 8</td> <td>August 12, 2005</td> <td>Relation Oji</td> <td>1,027</td> </tr> <tr> <td>Property 9</td> <td>August 19, 2005</td> <td>Pacific Residence Yoyogikoen</td> <td>1,310</td> </tr> <tr> <td>Property 10</td> <td>September 1, 2005</td> <td>Windsor House Hiroo</td> <td>2,000</td> </tr> <tr> <td>Property 11</td> <td>(Note 1)</td> <td>L'air Minami Aoyama</td> <td>1,030</td> </tr> <tr> <td>Property 12</td> <td>(Note 2)</td> <td>SOHO Kita Aoyama</td> <td>1,160</td> </tr> <tr> <td>Property 13</td> <td>September 1, 2005</td> <td>Pacific Residence Oi</td> <td>1,120</td> </tr> </tbody> </table> <p>(Note 1) In principle, NRIC plans to acquire this property by September 30, 2005 on a date separately agreed by NRIC and the seller.</p>	Property No.	(Scheduled) Acquisition Date	Property Name	(Scheduled) Acquisition Value (million yen)	Property 1	June 20, 2005	Pacific Residence Kamimeguro	1,000	Property 2	August 5, 2005	Pacific Residence Shirakabe Higashi	1,070	Property 3	August 12, 2005	Pacific Livew Chojamaru	3,338	Property 4	August 12, 2005	Pacific Livew Ginza Higashi	2,348	Property 5	August 12, 2005	Pacific Livew Tamagawa	1,514	Property 6	August 12, 2005	No. 6 Zerkova Mansion	609	Property 7	August 12, 2005	Maison Korakuen	710	Property 8	August 12, 2005	Relation Oji	1,027	Property 9	August 19, 2005	Pacific Residence Yoyogikoen	1,310	Property 10	September 1, 2005	Windsor House Hiroo	2,000	Property 11	(Note 1)	L'air Minami Aoyama	1,030	Property 12	(Note 2)	SOHO Kita Aoyama	1,160	Property 13	September 1, 2005	Pacific Residence Oi	1,120
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	(Note 2) In principle, NRIC plans to acquire this property by September 30, 2005 on a date separately agreed by NRIC and the seller.
Issuing of Investment Units	<ul style="list-style-type: none"> In addition to the 101,845 units as of the end of May 2005, new investment units additionally issued through a public offering on June 14, 2005 (41,000 units) and the units additionally issued through a third-party allotment in connection with the secondary offering by way of over-allotment on July 8, 2005 (1,482 units) will raise the total to 144,327 units. Furthermore, NRIC assumes there will be no additional issue of investment units up to the end of November 2005.
Operating Revenues	<ul style="list-style-type: none"> Rental revenue is calculated based on the 71 properties owned at the end of the previous fiscal period, operating revenues resulting from managing the 12 properties (scheduled to be) acquired during this fiscal period as given in Table 1 in the previous item "Portfolio," and gains from the sale of City Forum Kami-Hongo and Wakohre Higashi-Nippori II.
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. Generally real property and city planning taxes imposed on acquired assets in the year the assets are acquired are calculated on a pro rata basis divided with the previous owner and settled at the time of acquisition. However, in the case of properties acquired from January 2005 onwards, the amount equivalent to the concerned settlement amount is included in the acquisition cost and thus is not recorded as an expense in the Fourth Fiscal Period. 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 emergency repair and maintenance fees arising due to unforeseeable events. Depreciation is calculated based on the straight-line depreciation method inclusive of associated costs and is estimated to be 799 million yen.
Non-Operating Expenses	<ul style="list-style-type: none"> A one-off expense of 34 million yen has been estimated as an expense related to the issuing of investment units.

	<ul style="list-style-type: none"> • Of the expenses related to the issuance of investment corporation bonds, 10 million yen is estimated as the depreciation for the period.
Interest-Bearing Debt	<ul style="list-style-type: none"> • The amount of interest-bearing debt outstanding as of September 1, 2005 is 66,920 million yen (14,620 million yen in short-term loans, 42,300 million yen in long-term loans and 10,000 million yen in investment corporation bonds). A short-term loan and other borrowings are planned to procure funds for Property 11 and Property 12 mentioned in Table 1 of the previous "Portfolio" item. Forecasts are based on the assumption that there will be no changes in the loan amount and interest rates through to the end of November 2005.
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, calculations are premised on 100% distribution of net income. • The distribution per unit may vary due to changes in the portfolio, changes in tenants leading to changes in rental income, 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 legislation, taxation, accounting standards, listing rules, Investment Trusts Association rules and such that will affect the above forecasts. • NRIC assumes there will be no unforeseen material changes in the environment including general economic trends and real estate market conditions.