

July 29, 2005

For Immediate Release



**NIPPON
RESIDENTIAL
INVESTMENT
CORPORATION**

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Notification on Acquisition of Assets

Nippon Residential Investment Corporation (NRI) announces the decision to acquire the following assets as detailed below.

1. Overview of Acquisitions

(1) Assets Planned to be Acquired: Beneficiary interests in trust (real estate)

	Property Name	Acquisition Price (Note 1) (million yen)
Property 1	Pacific Livew Chojyamaru	3,338
Property 2	Pacific Livew Ginzahigashi	2,348
Property 3	Pacific Livew Tamagawa	1,514
Property 4	No. 6 Zelkova Mansion	609
Property 5	Maison Korakuen	710
Property 6	Relation Oji	1,027
	Total	9,548

(Note 1) Excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax. Also, the above amounts have been rounded down to the nearest million yen.

(Note 2) The present names of Properties 1, 2 and 3 are Telestal Ebisu, Avantique Ginzahigashi Nibankan and Toshin Phoenix Tamagawa respectively, but the names will be promptly changed to the names given above.

(2) Beneficiary Interest Transfer Agreement Date

July 29, 2005

(3) Planned Acquisition Date

August 12, 2005

(4) Seller

Mercury Properties Y.K.

*See “3. Seller Profile” for details

(5) Acquisition Funds

The acquisition will be funded with borrowed funds.

2. Details of Assets Planned to be Acquired

Property 1: Pacific Livew Chojoyamaru

(1) Overview of Acquisition

(1) Property Name	Pacific Livew Chojoyamaru (hereafter, the “Property”)
(2) Asset Type	Beneficiary interests in trust (real estate)
(3) Acquisition Value	3,338,700,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)

(2) Purpose of Acquisition

The Property will be acquired under the following objective based on NRI’s regulations and investment policy.

(1) Objective	In addition to heightening the portfolio share in the 23 wards of Tokyo (excluding the 5 central wards of Tokyo (Note)), this will reduce the average age of our portfolio and thereby enhance the diversification effects of the entire portfolio.
(2) Property Characteristics	The Property is a rental condominium that has a total of 71 units on 2 floors below ground and 3 above that is less than 1 year old and within an 8-minute walk from Meguro Station on the JR Yamanote Line. The building and facility specifications are equal to the standard or better and it boasts strong competitiveness among the properties in the same demand area. This Property is located in a semi-superior residential district with many apartments and ordinary housing, and is also within walking distance to Yebisu Garden Place, a renowned retail property. Thus the residence boasts strong comfort and convenience. This Property is expected to have strong demand among the single segment and DINKs, which place an emphasis on comfort of the surrounding environment.

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

(3) Details of Acquired Asset

Details of Trust Property		Real estate
Trustee		UFJ Trust Bank Ltd.
Name Identifying Concerned Trust		Pacific Livew Chojoyamaru
Trust Period		From: March 30, 2005 To: March 31, 2009
Location (Note 1)		Land: 2-270-104, 2-270-33, 2-270-34, 2-270-37, 2-270-42, 2-270-44, 2-270-49, 2-270-59, 2-270-80 and 2-270-105 Kami-Osaki, Shinagawa-ku, Tokyo (lot number) Building: 2-6-25 Kami Osaki, Shinagawa-ku, Tokyo (residential)
Access		8-minute walk from Meguro Station on the JR Yamanote Line
Land	Ownership	Proprietary ownership
	Zoning (Note 2)	Class 1 exclusive residential zone for low-rise buildings
	Lot Size (Note 1)	1,826.45m ²
	FAR/Building Coverage Ratio (Note 3)	150%/60%
Building	Ownership	Proprietary ownership
	Type (Note 2)	Apartment and parking lot
	Floor Space (Note 1)	3,720.52m ²
	Construction Completed (Note 1)	March 2005
	Structure (Note 1)	Reinforced concrete with flat roof; 3 floors above ground with 2 basement floors
Acquisition Value		3,338,700,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)
Appraisal Method	Method	Appraisal by K.I. Real Estate Appraisal Inc.
	Appraised Value	3,358,000,000 yen
	Appraised Date	July 1, 2005
Overview of Lease (Note 4)	No. of Tenants (Note 5)	1
	Leasable Units (Note 9)	71 units (1K: 1 unit; 1DK: 8 units; 1LDK: 48 units; 2LDK: 3 units; and 1R: 11 units)
	Leased Units	25 units
	Total Leasable Area	2,889.43m ²
	Total Leased Area	1,030.22m ²
	Monthly Rent (Note 6)	5,181 thousand yen
	Deposit, etc. (Note 7)	5,639 thousand yen (806 thousand yen)–
	Occupancy Rate (based on no. of units)	35.21% (Note 8)
	Occupancy Rate (based on area)	35.65% (Note 8)
Other Special Notations		None

(Note 1) Information that appears on the registry was used for the location (excluding residential indication), lot size, floor space, 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. Of all types that appear on the registry, the main type is indicated.
- (Note 3) The FAR uses the ratio of the floor area of the building versus the lot area as designated in the Building Standards Law Article 52 and the building coverage ratio uses the building area versus the lot area as designated in Article 53 of the Building Standards Law.
- (Note 4) The overview of the lease lists the figures as of June 30, 2005.
- (Note 5) The total number of tenants is entered as one tenant when a single tenant leases multiple rental units.
- (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 June 30, 2005. The amount has been rounded down to the nearest thousand yen and excludes consumption tax, etc.
- (Note 7) The deposit, etc. is the total sum of the deposits, etc. of each of the tenants with whom lease agreements have been concluded as of June 30, 2005. The amount has been rounded down to the nearest thousand yen. The figure in parentheses represents the balance for tenants whose lease agreements call for all or a set part of their deposit to be deducted when they cancel their lease agreements (hereafter, the “remainder”) and is the value when the total remainder is subtracted from the total deposit. NRI shall receive this balance from the seller.
- (Note 8) The occupancy rate is rounded to two decimal places.
- (Note 9) The following abbreviations have been used for leasable units.
- 1R: Single room with kitchen in the same room
 1K: Single room + Kitchen
 1DK: 1 bedroom + Dining room and kitchen
 1 (or 2) LDK: 1 (or 2) bedroom(s) + Living room, dining room and kitchen

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	7,130,000 yen
	Replacement Price	818,000,000 yen
	Date of Building Condition Report	July 11, 2005
Earthquake Risk Analysis	PML Value	10.4%
		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.
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Property 2: Pacific Livew Ginzahigashi

(1) Overview of Acquisition

(1) Property Name	Pacific Livew Ginzahigashi (hereafter, the "Property")
(2) Asset Type	Beneficiary interests in trust (real estate)
(3) Acquisition Value	2,348,200,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)

(2) Purpose of Acquisition

The Property will be acquired under the following objective based on NRI's regulations and investment policy.

(1) Objective	In addition to heightening the portfolio share in the 23 wards of Tokyo (excluding the 5 central wards of Tokyo (Note)), this will reduce the average age of our portfolio and thereby enhance the diversification effects of the entire portfolio.
(2) Property Characteristics	The Property is a rental condominium that has a total of 94 units on 1 floor below ground and 14 above that is less than 1 year old and within a 3-minute walk from Shintomicho Station on the Tokyo Metro Yurakucho Line and a 6-minute walk from Tsukiji Station on the Tokyo Metro Hibiya Line. The building and facility specifications are equal to the standard or better. This Property is located within walking distance of Tsukiji Station and Shintomicho Station, making it very convenient and it is expected to enjoy strong rental demand among small households centering on singles and DINKs desiring to reside near their work who place emphasis on these factors.

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

(3) Details of Acquired Asset

Details of Trust Property	Real estate
Trustee	UFJ Trust Bank Ltd.
Name Identifying Concerned Trust	Pacific Livew Ginzahigashi
Trust Period	From: October 29, 2004 To: March 31, 2009

Location (Note 1)		Land: 3-10-2 Minato, Chuo-ku, Tokyo (lot number) Building: 3-4-10 Minato, Chuo-ku, Tokyo (residential)
Access		3-minute walk from Shintomicho Station on the Tokyo Metro Yurakucho Station 6-minute walk from Tsukiji Station on the Tokyo Metro Hibiya Line
Land	Ownership	Proprietary ownership
	Zoning (Note 2)	Commercial
	Lot Size (Note 1)	422.41m ²
	FAR/Building Coverage Ratio (Note 3)	500%/80%
Building	Ownership	Proprietary ownership
	Type (Note 2)	Apartment and parking lot
	Floor Space (Note 1)	3,305.19m ²
	Construction Completed (Note 1)	September 2004
	Structure (Note 1)	Steel-framed reinforced concrete with flat roof; 14 floors above ground with 1 basement floor
Acquisition Value		2,348,200,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)
Appraisal Method	Method	Appraisal by K.I. Real Estate Appraisal Inc.
	Appraised Value	2,353,000,000 yen
	Appraised Date	July 1, 2005
Overview of Lease (Note 4)	No. of Tenants (Note 5)	1
	Leasable Units (Note 9)	94 units (1K: 73 units; 1SDK: 12 units; 2LDK: 7 units; and 3DK: 2 units)
	Leased Units	94 units
	Total Leasable Area	2,824.17m ²
	Total Leased Area	2,824.17m ²
	Monthly Rent (Note 6)	9,567 thousand yen
	Deposit, etc. (Note 7)	7,450 thousand yen
	Occupancy Rate (based on no. of units)	100% (Note 8)
	Occupancy Rate (based on area)	100% (Note 8)
Other Special Notations		None

(Note 1) Information that appears on the registry was used for the location (excluding residential indication), lot size, floor space, 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. Of all types that appear on the registry, the main type is indicated.

(Note 3) The FAR uses the ratio of the floor area of the building versus the lot area as designated in the Building Standards Law Article 52 and the building coverage ratio uses the building area versus the lot area as designated in Article 53 of the Building Standards Law.

(Note 4) The overview of the lease lists the figures as of June 30, 2005.

- (Note 5) The total number of tenants is entered as one tenant when a single tenant leases multiple rental units.
- (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 June 30, 2005. The amount has been rounded down to the nearest thousand yen and excludes consumption tax, etc.
- (Note 7) The deposit, etc. is the total sum of the deposits, etc. of each of the tenants with whom lease agreements have been concluded as of June 30, 2005. The amount has been rounded down to the nearest thousand yen. The figure in parentheses represents the balance for tenants whose lease agreements call for all or a set part of their deposit to be deducted when they cancel their lease agreements (hereafter, the “remainder”) and is the value when the total remainder is subtracted from the total deposit. NRI shall receive this balance from the seller.
- (Note 8) The occupancy rate is rounded to two decimal places.
- (Note 9) The following abbreviations have been used for leasable units.
- 1K: Single room + Kitchen
 1SDK: 1 bedroom + Service room (study) + Dining room and kitchen
 2LDK: 2 bedrooms + Living room, dining room and kitchen
 3DK: 3 bedrooms + Dining room and kitchen

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	7,380,000 yen
	Replacement Price	771,000,000 yen
	Date of Building Condition Report	July 11, 2005
Earthquake Risk Analysis	PML Value	13.8%
		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.

Property 3: Pacific Livew Tamagawa

(1) Overview of Acquisition

(1) Property Name	Pacific Livew Tamagawa (hereafter, the “Property”)
(2) Asset Type	Beneficiary interests in trust (real estate)
(3) Acquisition Value	1,514,950,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)

(2) Purpose of Acquisition

The Property will be acquired under the following objective based on NRI’s regulations and investment policy.

(1) Objective	In addition to heightening the portfolio share in the 23 wards of Tokyo (excluding the 5 central wards of Tokyo (Note)), this will reduce the average age of our portfolio and thereby enhance the diversification effects of the entire portfolio.
(2) Property Characteristics	The Property is a rental condominium that has a total of 98 units on 7 floors above ground that is less than 1 year old and within a 7-minute walk from Musashi-Nitta Station on the Tokyu Tamagawa Line. The building and facility specifications are equal to the standard or better. The area where the Property is situated is within walking distance of Musashi-Nitta Station and the shopping district near the station, and proximity to public facilities are also generally good. These factors make this Property highly convenient and it is expected to enjoy strong demand among white collar workers, students and other singles commuting downtown and to areas along the Keihin-Tohoku Line.

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

(3) Details of Acquired Asset

Details of Trust Property		Real estate
Trustee		UFJ Trust Bank Ltd.
Name Identifying Concerned Trust		Pacific Livew Tamagawa
Trust Period		From: October 29, 2004 To: March 31, 2009
Location (Note 1)		Land: 1-566 Yaguchi, Ota-ku, Tokyo (lot number) Building: 1-26-23 Yaguchi, Ota-ku, Tokyo (residential)
Access		7-minute walk from Musashi Nitta Station on the Tokyu Tamagawa Line
Land	Ownership	Proprietary ownership
	Zoning (Note 2)	Quasi industrial
	Lot Size (Note 1)	1,091.11m ²

	FAR/Building Coverage Ratio (Note 3)	200%/60%
Building	Ownership	Proprietary ownership
	Type (Note 2)	Apartment
	Floor Space (Note 1)	2,314.98m ²
	Construction Completed (Note 1)	September 2004
	Structure (Note 1)	Reinforced concrete with flat roof; 7 floors above ground
Acquisition Value		1,514,950,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)
Appraisal Method	Method	Appraisal by K.I. Real Estate Appraisal Inc.
	Appraised Value	1,533,000,000 yen
	Appraised Date	July 1, 2005
Overview of Lease (Note 4)	No. of Tenants (Note 5)	1
	Leasable Units (Note 9)	98 units (1K: 96 units and 2DK: 2 units)
	Leased Units	98 units
	Total Leasable Area	2,137.41m ²
	Total Leased Area	2,137.41m ²
	Monthly Rent (Note 6)	6,554 thousand yen
	Deposit, etc. (Note 7)	6,686 thousand yen
	Occupancy Rate (based on no. of units)	100% (Note 8)
	Occupancy Rate (based on area)	100% (Note 8)
Other Special Notations		None

(Note 1) Information that appears on the registry was used for the location (excluding residential indication), lot size, floor space, 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. Of all types that appear on the registry, the main type is indicated.

(Note 3) The FAR uses the ratio of the floor area of the building versus the lot area as designated in the Building Standards Law Article 52 and the building coverage ratio uses the building area versus the lot area as designated in Article 53 of the Building Standards Law.

(Note 4) The overview of the lease lists the figures as of June 30, 2005.

(Note 5) The total number of tenants is entered as one tenant when a single tenant leases multiple rental units.

(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 June 30, 2005. The amount has been rounded down to the nearest thousand yen and excludes consumption tax, etc.

(Note 7) The deposit, etc. is the total sum of the deposits, etc. of each of the tenants with whom lease agreements have been concluded as of June 30, 2005. The amount has been rounded down to the nearest thousand yen.

(Note 8) The occupancy rate is rounded to two decimal places.

(Note 9) The following abbreviations have been used for leasable units.

1K: Single room + Kitchen

2DK: 2 bedrooms + Dining room and kitchen

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	6,550,000 yen
	Replacement Price	606,000,000 yen
	Date of Building Condition Report	July 11, 2005
Earthquake Risk Analysis	PML Value	14.4%
		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.

Property 4: No. 6 Zelkova Mansion

(1) Overview of Acquisition

(1) Property Name	No. 6 Zelkova Mansion (hereafter, the "Property")
(2) Asset Type	Beneficiary interests in trust (real estate)
(3) Acquisition Value	609,100,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)

(2) Purpose of Acquisition

The Property will be acquired under the following objective based on NRI's regulations and investment policy.

(1) Objective	In addition to heightening the portfolio share in the Tokyo metropolitan (Note), this will reduce the average age of our
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	portfolio and thereby enhance the diversification effects of the entire portfolio.
(2) Property Characteristics	The Property is a rental condominium that has a total of 33 units on 9 floors above ground that is two years old and within a 2-minute walk from Kokubunji Station on the JR Chuo Line, Seibu Kokubunji Line and Seibu Tamako Line. The design, quality and such are good and the room facilities are either the standard level or better. The property is located near a rapid express station on the JR Chuo Line giving it good access to Shinjuku and other stations. It is also in the popular residential district of Kokubunji and Kunitachi. There are also many colleges nearby and the proximity to them is generally good. Due to these factors, the property is expected to enjoy strong rental demand among businessmen, students and others emphasizing transport convenience and the living environment, giving it strong competitiveness.

(Note) The Tokyo metropolitan area refers to the Tokyo, Kanagawa, Saitama and Chiba Prefectures excluding the 23 wards of Tokyo.

(3) Details of Acquired Asset

Details of Trust Property		Real estate
Trustee		UFJ Trust Bank Ltd.
Name Identifying Concerned Trust		No. 6 Zelkova Mansion
Trust Period		From: February 28, 2005 To: March 31, 2009
Location (Note 1)		Land: 4-2823-24, 4-2823-25 and 4-2823-26 Honcho, Kokubunji-shi, Tokyo (lot number) Building: 4-1-16 Honcho, Kokubunji-shi, Tokyo (residential)
Access		2-minute walk from Kokubunji Station on the JR Chuo Line, Seibu Kokubunji Line and Seibu Tamako Line
Land	Ownership	Proprietary ownership
	Zoning (Note 2)	Commercial
	Lot Size (Note 1)	241m ²
	FAR/Building Coverage Ratio (Note 3)	400%/80%
Building	Ownership	Proprietary ownership
	Type (Note 2)	Apartment
	Floor Space (Note 1)	967.85m ²
	Construction Completed (Note 1)	February 2003
	Structure (Note 1)	Reinforced concrete with flat roof; 9 floors above ground
Acquisition Value		609,100,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)

Appraisal Method	Method	Appraisal by Daiwa Real Estate Appraisal Co., Ltd.
	Appraised Value	613,000,000 yen
	Appraised Date	July 1, 2005
Overview of Lease (Note 4)	No. of Tenants (Note 5)	1
	Leasable Units (Note 9)	33 units (Office: 1 unit; and 1K: 32 units)
	Leased Units	28 units
	Total Leasable Area	879.44m ²
	Total Leased Area	749.31m ²
	Monthly Rent (Note 6)	2,822 thousand yen
	Deposit, etc. (Note 7)	5,642 thousand yen
	Occupancy Rate (based on no. of units)	84.85% (Note 8)
	Occupancy Rate (based on area)	85.20% (Note 8)
Other Special Notations	None	

(Note 1) Information that appears on the registry was used for the location (excluding residential indication), lot size, floor space, 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. Of all types that appear on the registry, the main type is indicated.

(Note 3) The FAR uses the ratio of the floor area of the building versus the lot area as designated in the Building Standards Law Article 52 and the building coverage ratio uses the building area versus the lot area as designated in Article 53 of the Building Standards Law.

(Note 4) The overview of the lease lists the figures as of June 30, 2005.

(Note 5) The total number of tenants is entered as one tenant when a single tenant leases multiple rental units.

(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 June 30, 2005. The amount has been rounded down to the nearest thousand yen and excludes consumption tax, etc.

(Note 7) The deposit, etc. is the total sum of the deposits, etc. of each of the tenants with whom lease agreements have been concluded as of June 30, 2005. The amount has been rounded down to the nearest thousand yen.

(Note 8) The occupancy rate is rounded to two decimal places.

(Note 9) The following abbreviations have been used for leasable units.
1K: Single room + Kitchen

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	3,110,000 yen
	Replacement Price	278,000,000 yen

	Date of Building Condition Report	July 11, 2005
Earthquake Risk Analysis	PML Value	12.9%
		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.

Property 5: Maison Korakuen

(1) Overview of Acquisition

(1) Property Name	Maison Korakuen (hereafter, the “Property”)
(2) Asset Type	Beneficiary interests in trust (real estate)
(3) Acquisition Value	710,350,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)

(2) Purpose of Acquisition

The Property will be acquired under the following objective based on NRI’s regulations and investment policy.

(1) Objective	In addition to heightening the portfolio share in the 23 wards of Tokyo (excluding the 5 central wards of Tokyo (Note)), this will reduce the average age of our portfolio and thereby enhance the diversification effects of the entire portfolio.
(2) Property Characteristics	The Property is a rental condominium that has a total of 31 units on 11 floors above ground that is less than one year old and within a 2-minute walk from Kasuga Station on the Toei Subway Mita Line and 4-minute walk from Korakuen Station on the Tokyo Metro Namboku Line. The interior and exterior finishing and room facilities are standard or better. The proximity to the nearest station (Kasuga Station) is also good and the living convenience is also generally good with many retail shops, restaurants and other retail properties along Hakusan Street. Due to these factors, strong demand is expected among singles demanding a certain level of living environment or better and emphasizing location such as

	proximity to the city center. Consequently, the competitiveness is high.
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(Note) The 5 central wards of Tokyo refer to the Minato, Shibuya, Shinjuku, Meguro and Chiyoda Wards.

(3) Details of Acquired Asset

Details of Trust Property		Real estate
Trustee		UFJ Trust Bank Ltd.
Name Identifying Concerned Trust		Maison Korakuen
Trust Period		From: November 5, 2004 To: March 31, 2009
Location (Note 1)		Land: 1-8-32 and 1-8-33 Koishikawa, Bunkyo-ku, Tokyo (lot number) Building: 1-10-12 Koishikawa, Bunkyo-ku, Tokyo (residential)
Access		2-minute walk from Kasuga Station on the Toei Subway Mita Line 4-minute walk from Korakuen Station on the Tokyo Metro Namboku Line
Land	Ownership	Proprietary ownership
	Zoning (Note 2)	Commercial
	Lot Size (Note 1)	178.03m ²
	FAR/Building Coverage Ratio (Note 3)	600%/80%
Building	Ownership	Proprietary ownership
	Type (Note 2)	Apartment and store
	Floor Space (Note 1)	991.93m ²
	Construction Completed (Note 1)	October 2004
	Structure (Note 1)	Steel-framed reinforced concrete with flat roof; 11 floors above ground
Acquisition Value		710,350,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)
Appraisal Method	Method	Appraisal by Daiwa Real Estate Appraisal Co., Ltd.
	Appraised Value	714,000,000 yen
	Appraised Date	July 1, 2005
Overview of Lease (Note 4)	No. of Tenants (Note 5)	1
	Leasable Units (Note 9)	31 units (1K: 30 units and Store: 1 unit)
	Leased Units	29 units
	Total Leasable Area	770.11m ²
	Total Leased Area	727.13m ²
	Monthly Rent (Note 6)	3,357 thousand yen
	Deposit, etc. (Note 7)	6,644 thousand yen
Occupancy Rate (based on no. of units)	93.55% (Note 8)	

	Occupancy Rate (based on area)	94.42% (Note 8)
Other Special Notations		None

(Note 1) Information that appears on the registry was used for the location (excluding residential indication), lot size, floor space, 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. Of all types that appear on the registry, the main type is indicated.

(Note 3) The FAR uses the ratio of the floor area of the building versus the lot area as designated in the Building Standards Law Article 52 and the building coverage ratio uses the building area versus the lot area as designated in Article 53 of the Building Standards Law.

(Note 4) The overview of the lease lists the figures as of June 30, 2005.

(Note 5) The total number of tenants is entered as one tenant when a single tenant leases multiple rental units.

(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 June 30, 2005. The amount has been rounded down to the nearest thousand yen and excludes consumption tax, etc.

(Note 7) The deposit, etc. is the total sum of the deposits, etc. of each of the tenants with whom lease agreements have been concluded as of June 30, 2005. The amount has been rounded down to the nearest thousand yen.

(Note 8) The occupancy rate is rounded to two decimal places.

(Note 9) The following abbreviations have been used for leasable units.

1K: Single room + Kitchen

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	2,830,000 yen
	Replacement Price	229,000,000 yen
	Date of Building Condition Report	July 11, 2005
Earthquake Risk Analysis	PML Value	14.4%
		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.
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Property 6: Relation Oji

(1) Overview of Acquisition

(1) Property Name	Relation Oji (hereafter, the “Property”)
(2) Asset Type	Beneficiary interests in trust (real estate)
(3) Acquisition Value	1,027,250,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)

(2) Purpose of Acquisition

The Property will be acquired under the following objective based on NRI’s regulations and investment policy.

(1) Objective	In addition to heightening the portfolio share in the 23 wards of Tokyo (excluding the 5 central wards of Tokyo (Note)), this will reduce the average age of our portfolio and thereby enhance the diversification effects of the entire portfolio.
(3) Property Characteristics	The Property is a rental condominium that has a total of 61 units on 11 floors above ground that is less than one year old and within a 4-minute walk from Oji Station on the JR Keihin-Tohoku Line and a 3-minute walk from Oji Station on the Tokyo Metro Namboku Line. The interior and exterior finishing and room facilities are the standard level or better. The Property is close to the nearest station (Oji Station) and enjoys generally good living convenience due to the retail shops, restaurants and other retail properties nearby. Therefore, strong demand is anticipated among singles emphasizing living convenience and location such as proximity to the city center. Consequently, the competitiveness is believed to be high.

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

(3) Details of Acquired Asset

Details of Trust Property	Real estate
Trustee	UFJ Trust Bank Ltd.
Name Identifying Concerned Trust	Relation Oji
Trust Period	From: March 18, 2005 To: March 31, 2009

Location (Note 1)		Land: 1-21-35 and 1-21-4 Oji, Kita-ku, Tokyo (lot number) Building: 1-21-3 Oji, Kita-ku, Tokyo (residential)
Access		4-minute walk from Oji Station on the JR Keihin-Tohoku Line 3-minute walk from Oji Station on the Tokyo Metro Namboku Line
Land	Ownership	Proprietary ownership
	Zoning (Note 2)	Commercial
	Lot Size (Note 1)	404.27m ²
	FAR/Building Coverage Ratio (Note 3)	600%/80%
Building	Ownership	Proprietary ownership
	Type (Note 2)	Apartment
	Floor Space (Note 1)	1,837.54m ²
	Construction Completed (Note 1)	February 2005
	Structure (Note 1)	Reinforced concrete with flat roof; 11 floors above ground
Acquisition Value		1,027,250,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)
Appraisal Method	Method	Appraisal by Daiwa Real Estate Appraisal Co., Ltd.
	Appraised Value	1,040,000,000 yen
	Appraised Date	July 1, 2005
Overview of Lease (Note 4)	No. of Tenants (Note 5)	1
	Leasable Units (Note 9)	61 units (Store: 1 unit and 1K: 60 units)
	Leased Units	61 units
	Total Leasable Area	1,659.09m ²
	Total Leased Area	1,659.09m ²
	Monthly Rent (Note 6)	5,700 thousand yen
	Deposit, etc. (Note 7)	6,420 thousand yen
	Occupancy Rate (based on no. of units)	100% (Note 8)
	Occupancy Rate (based on area)	100% (Note 8)
Other Special Notations		None

(Note 1) Information that appears on the registry was used for the location (excluding residential indication), lot size, floor space, 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. Of all types that appear on the registry, the main type is indicated.

(Note 3) The FAR uses the ratio of the floor area of the building versus the lot area as designated in the Building Standards Law Article 52 and the building coverage ratio uses the building area versus the lot area as designated in

Article 53 of the Building Standards Law.

- (Note 4) The overview of the lease lists the figures as of June 30, 2005.
- (Note 5) The total number of tenants is entered as one tenant when a single tenant leases multiple rental units.
- (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 June 30, 2005. The amount has been rounded down to the nearest thousand yen and excludes consumption tax, etc.
- (Note 7) The deposit, etc. is the total sum of the deposits, etc. of each of the tenants with whom lease agreements have been concluded as of June 30, 2005. The amount has been rounded down to the nearest thousand yen.
- (Note 8) The occupancy rate is rounded to two decimal places.
- (Note 9) The following abbreviations have been used for leasable units.
1K: Single room + Kitchen

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	4,330,000 yen
	Replacement Price	446,000,000 yen
	Date of Building Condition Report	July 11, 2005
Earthquake Risk Analysis	PML Value	14.5%
		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.

3. Seller Profile

Company Name	Mercury Properties Y.K.
Head Office Address	2-4-3 Nihombashi Muromachi, Chuo-ku, Tokyo
Representative	Shuji Kawai, Director
Paid-in Capital	3,000,000 yen

Line of Business	1. Acquiring, owning and selling real estate 2. Leasing and managing real estate 3. Acquiring, owning and selling real estate beneficiary interests in trust 4. All work incidental or related to the above
Relationship with NRI	None

4. Outlook

The management performance outlook for NRI for the fiscal period ending in November 2005 (June 1, 2005 – November 30, 2005) does not change as a result of acquisition of the Property.

- 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] NRI's Real Estate Portfolio Following Acquisitions

Property No. (Note 1)	Location	Property Name	(Planned) Acquisition Date	(Planned) Acquisition Price (million yen)	Portfolio Share (%) (Note 2)
S-1	23 wards of Tokyo	Glenpark Shinkawa	March 2, 2004	2,050	1.28
S-2	5 central wards of Tokyo	Maison de Ville Shiba Daimon II	March 30, 2004	1,900	1.18
S-3	5 central wards of Tokyo	Glenpark Sangubashi	March 2, 2004	1,040	0.65
S-4	5 central wards of Tokyo	Fresca Yoyogiuehara II	March 3, 2004	524	0.33
S-5	5 central wards of Tokyo	Leopalace Udagawacho Mansion	March 3, 2004	569	0.35
S-6	5 central wards of Tokyo	Veil Kikuicho	March 2, 2004	520	0.32
S-7	23 wards of Tokyo	Escort Kami-Ikebukuro	March 2, 2004	644	0.40
S-8	23 wards of Tokyo	Pacific Residence Shin-Nakano	March 3, 2004	448	0.28
S-9	Tokyo metropolitan area	Dormitory Haramachida	March 2, 2004	490	0.31
S-10	Tokyo metropolitan area	J Stage Minami-Urawa	March 2, 2004	700	0.44
S-11	Tokyo metropolitan area	City Forum Kami-Hongo	March 3, 2004	1,140	0.71
S-12	Ordinance designated city, etc.	Bonne Uji I and II	March 3, 2004	1,260	0.79
S-13	Ordinance designated city, etc.	Yoshizuka AG Building 6 and 7	March 3, 2004	428	0.27
S-14	23 wards of Tokyo	Apartments Shirokanedai	December 2, 2004	1,250	0.78
S-15	Ordinance designated city, etc.	Grand Blue Hakata	September 17, 2004	1,582	0.99
S-16	23 wards of Tokyo	J Stage Honancho	December 2, 2004	952	0.59
S-17	23 wards of Tokyo	Park Habio Kyobashi	December 2, 2004	2,725	1.70
S-18	Ordinance designated city, etc.	Crystate Tenjinbashi	December 3, 2004	970	0.60
S-19	23 wards of Tokyo	Pacific Residence Yushimasanhome	December 3, 2004	1,020	0.64
S-20	5 central wards of Tokyo	Pacific Residence Shinjuku East	December 3, 2004	1,397	0.87
S-21	5 central wards of Tokyo	Shu Shinjuku	December 3, 2004	854	0.53
S-22	5 central wards of Tokyo	Pacific Residence Kanda Iwamotocho	December 3, 2004	1,657	1.03
S-23	Ordinance designated city, etc.	Umeda Excelheights	January 31, 2005	5,250	3.27
S-24	23 wards of Tokyo	Pacific Residence Tsukiji (planned acquisition)	(Note 3)	1,320	0.82
S-25	23 wards of Tokyo	Pacific Residence Sasaduka	March 25, 2005	1,950	1.22
S-26	5 central wards of Tokyo	Pacific Residence Minamiazabu	March 25, 2005	1,060	0.66
S-27	5 central wards of Tokyo	Pacific Residence Ebisuhighashi	March 25, 2005	660	0.41
S-28	23 wards of Tokyo	Pacific Residence Meguronishi	March 25, 2005	800	0.50
S-29	5 central wards of Tokyo	Pacific Residence Hiroo Sanhome	March 25, 2005	850	0.53
S-30	5 central wards of Tokyo	Pacific Residence Akasaka II	March 15, 2005	1,567	0.98
S-31	23 wards of Tokyo	Pacific Livew Kyobashi	March 31, 2005	1,401	0.87
S-32	Ordinance designated city, etc.	Pacific Residence Sannomiya Higashi (planned acquisition)	(Note 4)	2,247	1.40

S-33	23 wards of Tokyo	Pacific Livew Tamagawa (planned acquisition)	August 12, 2005	1,514	0.94
S-34	23 wards of Tokyo	Maison Korakuen (planned acquisition)	August 12, 2005	710	0.44
S-35	23 wards of Tokyo	Pacific Livew Ginzahigashi (planned acquisition)	August 12, 2005	2,348	1.46
S-36	23 wards of Tokyo	Relation Oji (planned acquisition)	August 12, 2005	1,027	0.64
S-37	Tokyo metropolitan area	No. 6 Zelkova Mansion (planned acquisition)	August 12, 2005	609	0.38
C-1	23 wards of Tokyo	Pacific Residence Bunkyo Otowa	March 3, 2004	3,590	2.24
C-2	23 wards of Tokyo	Pacific Residence Sengoku	March 3, 2004	760	0.47
C-3	5 central wards of Tokyo	Joanna Jiyugaoka	March 3, 2004	1,080	0.67
C-4	23 wards of Tokyo	Pacific Residence Yushima	March 3, 2004	1,110	0.69
C-6	23 wards of Tokyo	Zesty Ikegami A and B	March 3, 2004	381	0.24
C-7	23 wards of Tokyo	Wakohre Higashi-Nippori II	March 2, 2004	972	0.61
C-8	Tokyo metropolitan area	Pacific Livew Hachioji	March 3, 2004	700	0.44
C-9	Ordinance designated city, etc.	Grand Heights Hibino	March 3, 2004	1,230	0.77
C-10	Ordinance designated city, etc.	Veil Koyo	March 2, 2004	454	0.28
C-11	5 central wards of Tokyo	J Park Nagatacho	June 24, 2004	1,000	0.62
C-12	5 central wards of Tokyo	Pacific Residence Suidobashi	February 25, 2005	2,330	1.45
C-13	5 central wards of Tokyo	Pacific Tower Nogizaka	September 30, 2004	3,900	2.43
C-14	5 central wards of Tokyo	Pacific Residence Akasaka I	June 30, 2004	1,300	0.81
C-15	5 central wards of Tokyo	Apartments Nishi-Azabu	December 2, 2004	7,920	4.94
C-16	Ordinance designated city, etc.	Sereno Tenjin Minami	December 3, 2004	1,200	0.75
C-17	Ordinance designated city, etc.	Common House Hakataeki-Minami	December 3, 2004	420	0.26
C-18	23 wards of Tokyo	Pacific Residence Ningyocho	December 3, 2004	572	0.36
C-19	5 central wards of Tokyo	Pacific Residence Daikanyama	December 3, 2004	2,180	1.36
C-20	5 central wards of Tokyo	Pacific Residence Ichigaya	December 3, 2004	2,580	1.61
C-21	Tokyo metropolitan area	Espacio Kichijoji	January 31, 2005	1,445	0.90
C-22	23 wards of Tokyo	Pacific Residence Bunkyo-sengoku	May 18, 2005	1,557	0.97
C-23	5 central wards of Tokyo	Pacific Residence Akasaka Hinokicho	March 25, 2005	4,710	2.94
C-24	5 central wards of Tokyo	Pacific Residence Takanawa	March 30, 2005	1,550	0.97
C-25	23 wards of Tokyo	Pacific Tower Meguroyamate (planned acquisition)	(Note 5)	14,507	9.05
C-26	23 wards of Tokyo	Storia SANGEN-JAYA	April 26, 2005	3,311	2.06
C-27	23 wards of Tokyo	Pacific Livew Chojyamaru (planned acquisition)	August 12, 2005	3,338	2.08
F-1	5 central wards of Tokyo	Glenpark Sakuragaoka	March 2, 2004	3,960	2.47
F-2	5 central wards of Tokyo	Mejiro Otomeyama Duplex R's	March 3, 2004	1,100	0.69
F-3	23 wards of Tokyo	Pacific Residence Shinkawa	March 3, 2004	1,420	0.89
F-4	23 wards of Tokyo	Setagaya Sun Heights	March 3, 2004	982	0.61

F-5	23 wards of Tokyo	Ars Shin-Otsuka	March 2, 2004	1,117	0.70
F-6	Tokyo metropolitan area	Crane Mansion Tsurumi	March 3, 2004	1,050	0.65
F-8	Tokyo metropolitan area	Maison Kashiwa	March 2, 2004	840	0.52
F-9	Ordinance designated city, etc.	Sky Heights Hirabari	March 3, 2004	554	0.35
F-10	23 wards of Tokyo	Solcher Mejiro	August 30, 2004	7,350	4.58
F-11	5 central wards of Tokyo	Pacific Residence Shibaura	December 3, 2004	4,900	3.06
L-1	23 wards of Tokyo	Manoa Okamoto	March 2, 2004	590	0.37
L-2	5 central wards of Tokyo	Bellwood	March 3, 2004	1,530	0.95
L-3	5 central wards of Tokyo	Grand Forme Ichigaya Haraikatamachi	March 3, 2004	970	0.60
L-4	5 central wards of Tokyo	Meguro Hillside Court	March 3, 2004	1,000	0.62
L-5	23 wards of Tokyo	Petit Cour Kinuta	March 2, 2004	684	0.43
L-6	23 wards of Tokyo	Nishi-Ogikubo Urbane Homes	March 2, 2004	1,050	0.65
L-7	5 central wards of Tokyo	Motoazabu Place	March 25, 2005	10,270	6.40
L-8	5 central wards of Tokyo	Pacific Tower Roppongi (planned acquisition)	(Note 6)	8,442	5.27
L-9	5 central wards of Tokyo	Pacific Residence Kamimeguro	June 20, 2005	1,000	0.62
Total	-	-	-	160,344	100.00

(Note 1) The properties managed by NRI are categorized into four property types – S (single type), C (compact type), F (family type) and L (large type) – and then assigned a number, which serves as the “Property No.” Further, properties that are comprised of several types are indicated by the type that comprises the greatest proportion of their area.

(Note 2) The “Portfolio Share” is the ratio of the acquisition price for each managed asset and each Property versus the total sum of the acquisition price of the entire portfolio and the Properties (rounded to two decimal places).

(Note 3) In principle, NRI plans to acquire this property by March 31, 2006 on a date separately agreed by NRI and the seller.

(Note 4) In principle, NRI plans to acquire this property by March 31, 2006 on a date separately agreed by NRI and the seller.

(Note 5) In principle, NRI plans to acquire this property by March 31, 2007 on a date separately agreed by NRI and the seller (planning to acquire around February 2007).

(Note 6) In principle, NRI plans to acquire this property by March 31, 2006 on a date separately agreed by NRI and the seller.

[Attachment 2] Outside View of the Properties
(1) Pacific Livew Chojyamaru



(2) Pacific Livew Ginzahigashi



(3) Pacific Livew Tamagawa



(4) No. 6 Zelkova Mansion



(5) Maison Korakuen



(6) Relation Oji

