

September 28, 2005

For Immediate Release



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### Notification on Acquisition of Mare

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

#### 1. Overview of Acquisition

(1) Property Name	Mare (hereafter, the "Property")
(2) Asset Type	Real estate
(3) Acquisition Value	963,900,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax) [Payment Schedule] Upon sales agreement: 50,000,000 yen (down payment) Upon transfer execution: Pay remaining amount
(4) Sales Agreement Date	September 28, 2005
(5) Scheduled Acquisition Date	In principle, NRI plans to acquire this property

	between November 1, 2005 and November 11, 2005 on a date separately agreed by NRI and the seller.
(6) Seller	(Refer to 4. Seller Profile)
(7) Acquisition Funding	Cash on hand and debt financing

## 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 ordinance designated cities, etc. (Note) outside of the Tokyo metropolitan area, this will reduce the average age of our portfolio and enhance the portfolio.
(2) Property Characteristics	<p>The Property is a rental condominium that has a total of 38 units on 12 floors and is situated within a 5-minute walk from Hisaya-odori Station on the Nagoya City Subway Sakura-dori and Meijo Lines. In addition, being within walking distance from the major business district and commercial center of Sakae, placing it in a location convenient for living.</p> <p>The Property exceeds the standard of similar rental condominiums in terms of the size of rental units and facilities within the rental units, and we anticipate strong demand from single-person households that place importance on location such as the convenience of living in the city. These factors make the Property highly competitive.</p>

(Note) Ordinance-designated city, etc. means an area that is within commuting distance of the downtown of an ordinance-designated city.

## 3. Details of Acquired Asset

### (1) Overview of Real Estate

Property Name	Mare
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Location (Note 1)		3-416 and 3-415 Marunouchi, Naka-ku, Nagoya City (lot number) 3-4-22 Marunouchi, Naka-ku, Nagoya City, Aichi Prefecture (residence indication)
Access		5-minute walk from Hisaya-odori Station on the Nagoya Subway Sakura-dori and Meijo Lines
Land	Ownership	Proprietary ownership
	Zoning (Note 2)	Commercial
	Lot size (Note 1)	383.14m <sup>2</sup>
	FAR/Building coverage ratio (Note 3)	800%/80%, 600%/80% (Note 9)
Structure	Ownership	Proprietary ownership
	Type (Note 1)	Apartment
	Floor space (Note 1)	2,417.72m <sup>2</sup>
	Construction completed (Note 1)	February 2005
	Structure (Note 1)	12-story steel-framed reinforced concrete with flat roof
Acquisition Price		963,900,000 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	966,000,000 yen
	Appraised Date	August 20, 2005
Overview of Lease (Note 4)	No. of Tenants (Note 5)	1
	Leasable Units (Note 10)	36 units (1LDK: 36 units) (38 units (1LDK: 37 units; 2SLDK: 1 unit))
	Leased Units	36 units (38 units)
	Total Leasable Area	1,663.74m <sup>2</sup> (1,931.75m <sup>2</sup> )
	Total Leased Area	1,663.74m <sup>2</sup> (1,931.75m <sup>2</sup> )
	Monthly Rent (Note 6)	3,551 thousand yen
	Deposit, etc. (Note 7)	–

	Occupancy Rate (based on no. of units)	100.0% (Note 8)
	Occupancy Rate (based on area)	100.0% (Note 8)
Other Special Notations		As of the day this sales agreement was concluded, a fixed mortgage is taken out and registered on this land and building with the owner as the debtor. Based on this sales agreement, the owner is obligated to terminate the arranged fixed mortgage setting and registration under its responsibility and burden by the time the ownership of the property is transferred.

(Note 1) Information that appears on the registry was used for the location (excluding residential), lot size, type, floor space, construction completion date and structure.

(Note 2) The entered type for the zoning is from the zoning type indicated in Article 8-1-1 of the City Planning Law.

(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 uses, the figures (excludes the portion used by the owner, etc.) as of the conclusion of the concerned sales agreement are shown. The figures inclusive of the portion used by the owner, etc. are those in the parentheses. Further, after NRI acquires the Property, the portion used by the owner, etc. that is not presently leased will become subject to lease.

(Note 5) In the case a single tenant is leasing multiple rental units, the number of tenants is treated as one tenant. Concerning 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 (excludes the portion used by the owner, etc., common fees and monthly parking space usage fees) as prescribed in the master lease agreement (excludes the portion used by the owner, etc.) concluded with the current owner as of

the conclusion of the concerned sales agreement. The amount has been rounded down to the nearest thousand yen and excludes consumption tax, etc.

(Note 7) The deposit, etc. is zero according to the master lease agreement (excludes the portion used by the owner, etc.) signed by the owner as of the conclusion of the concerned sales agreement.

(Note 8) The occupancy rate is rounded to one decimal place.

(Note 9) The standard building coverage ratio for the concerned building has been deregulated to 100% as the concerned building is located in a commercial district and is a fire-resistant building in a fire preventative district. In addition, the designated FAR for this land is 600% up to 30 meters from the boundary with the road to the west and 800% for parts of the land more than 30 meters away. As a result, the standard FAR applicable to this land based on a proportional weighting of this is 731.60%.

(Note 10) The following abbreviations have been used for leasable units.

1LDK: 1 bedroom + Living room, dining room and kitchen  
 2SLDK: 2 bedrooms + Service room (study) + 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	3,670,000 yen
	Replacement Price	559,000,000 yen
	Date of Building Condition Report	September 8, 2005
Earthquake	PML Value	10.4%

Risk Analysis		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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#### 4. Seller Profile

The seller is an individual.

Further, the seller is not a stakeholder as defined in Article 15-2-1 of the Law Concerning Investment Trusts and Investment Corporations and Article 20 of the Enforcement Order of said Law of the asset manager and is not a stakeholder as stipulated in the asset manager's self-imposed rules (rules established as a measure against conflict of interest).

#### 5. 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 Acquisition of the Property

Asset Type (Note 1)	Property No. (Note 2)	Location	Property Name	(Planned) Acquisition Date	(Planned) Acquisition Price (million yen)	Portfolio Share (%) (Note 3)
Core 1	S-8	23 wards of Tokyo	Pacific Residence Shin-Nakano	March 3, 2004	448	0.26
Core 1	S-19	23 wards of Tokyo	Pacific Residence Yushimasanchome	December 3, 2004	1,020	0.60
Core 1	S-20	5 central wards of Tokyo	Pacific Residence Shinjuku East	December 3, 2004	1,397	0.82
Core 1	S-22	5 central wards of Tokyo	Pacific Residence Kanda Iwamotocho	December 3, 2004	1,657	0.97
Core 1	S-24	23 wards of Tokyo	Pacific Residence Tsukiji (planned acquisition)	(Note 4)	1,320	0.78
Core 1	S-25	23 wards of Tokyo	Pacific Residence Sasaduka	March 25, 2005	1,950	1.15
Core 1	S-26	5 central wards of Tokyo	Pacific Residence Minamiazabu	March 25, 2005	1,060	0.62
Core 1	S-27	5 central wards of Tokyo	Pacific Residence Ebisuhighashi	March 25, 2005	660	0.39
Core 1	S-28	23 wards of Tokyo	Pacific Residence Meguronishi	March 25, 2005	800	0.47
Core 1	S-29	5 central wards of Tokyo	Pacific Residence Hiroo Sanchome	March 25, 2005	850	0.50
Core 1	S-30	5 central wards of Tokyo	Pacific Residence Akasaka II	March 15, 2005	1,567	0.92
Core 1	S-31	23 wards of Tokyo	Pacific Livew Kyobashi	March 31, 2005	1,401	0.82
Core 1	S-32	Ordinance designated city, etc.	Pacific Residence Sannomiya Higashi (planned acquisition)	(Note 5)	2,247	1.32
Core 1	S-33	23 wards of Tokyo	Pacific Livew Tamagawa	August 12, 2005	1,514	0.89
Core 1	S-35	23 wards of Tokyo	Pacific Livew Ginza Higashi	August 12, 2005	2,348	1.38
Core 1	S-38	23 wards of Tokyo	Pacific Livew Wasedanishi	September 7, 2005	1,100	0.65
Core 1	C-1	23 wards of Tokyo	Pacific Residence Bunkyo Otowa	March 3, 2004	3,590	2.11
Core 1	C-2	23 wards of Tokyo	Pacific Residence Sengoku	March 3, 2004	760	0.45
Core 1	C-4	23 wards of Tokyo	Pacific Residence Yushima	March 3, 2004	1,110	0.65
Core 1	C-8	Tokyo metropolitan area	Pacific Livew Hachioji	March 3, 2004	700	0.41
Core 1	C-12	5 central wards of Tokyo	Pacific Residence Suidobashi	February 25, 2005	2,330	1.37
Core 1	C-13	5 central wards of Tokyo	Pacific Tower Nogizaka	September 30, 2004	3,900	2.29
Core 1	C-14	5 central wards of Tokyo	Pacific Residence Akasaka I	June 30, 2004	1,300	0.76
Core 1	C-18	23 wards of Tokyo	Pacific Residence Ningyoucho	December 3, 2004	572	0.34
Core 1	C-19	5 central wards of Tokyo	Pacific Residence Daikanyama	December 3, 2004	2,180	1.28
Core 1	C-20	5 central wards of Tokyo	Pacific Residence Ichigaya	December 3, 2004	2,580	1.52
Core 1	C-22	23 wards of Tokyo	Pacific Residence Bunkyo Sengoku	May 18, 2005	1,557	0.92
Core 1	C-23	5 central wards of Tokyo	Pacific Residence Akasaka Hinokicho	March 25, 2005	4,710	2.77
Core 1	C-24	5 central wards of Tokyo	Pacific Residence Takanawa	March 30, 2005	1,550	0.91
Core 1	C-25	23 wards of Tokyo	Pacific Tower Meguro Yamate (planned acquisition)	(Note 6)	14,507	8.53
Core 1	C-27	5 central wards of Tokyo	Pacific Livew Chojamaru	August 12, 2005	3,338	1.96
Core 1	F-3	23 wards of Tokyo	Pacific Residence Shinkawa	March 3, 2004	1,420	0.83



Core 1	F-11	5 central wards of Tokyo	Pacific Residence Shibaura	December 3, 2004	4,900	2.88
Core 1	F-12	Ordinance designated city, etc.	Pacific Residence Shirakabehigashi	August 5, 2005	1,070	0.63
Core 1	L-8	5 central wards of Tokyo	Pacific Tower Roppongi (planned acquisition)	(Note 7)	8,442	4.96
Core 1	L-9	5 central wards of Tokyo	Pacific Residence Kamimeguro	June 20, 2005	1,000	0.59
Core 1	L-10	5 central wards of Tokyo	Pacific Residence Yoyogikoen	August 19, 2005	1,310	0.77
Core 1	L-13	23 wards of Tokyo	Pacific Residence Oi	September 1, 2005	1,120	0.66
Core 2	S-1	23 wards of Tokyo	Glenpark Shinkawa	March 2, 2004	2,050	1.21
Core 2	S-2	5 central wards of Tokyo	Maison de Ville Shiba Daimon II	March 30, 2004	1,900	1.12
Core 2	S-14	23 wards of Tokyo	Apartments Shirokanedai	December 2, 2004	1,250	0.73
Core 2	S-15	Ordinance designated city, etc.	Grand Blue Hakata	September 17, 2004	1,582	0.93
Core 2	S-17	23 wards of Tokyo	Park Habio Kyobashi	December 2, 2004	2,725	1.60
Core 2	S-18	Ordinance designated city, etc.	Cristate Tenjinbashi	December 3, 2004	970	0.57
Core 2	S-21	5 central wards of Tokyo	Shu Shinjuku	December 3, 2004	854	0.50
Core 2	S-23	Ordinance designated city, etc.	Umeda Excelheights	January 31, 2005	5,250	3.09
Core 2	C-3	5 central wards of Tokyo	Joanna Jiyugaoka	March 3, 2004	1,080	0.63
Core 2	C-10	Ordinance designated city, etc.	Veil Koyo	March 2, 2004	454	0.27
Core 2	C-11	5 central wards of Tokyo	J Park Nagatacho	June 24, 2004	1,000	0.59
Core 2	C-15	5 central wards of Tokyo	Apartments Nishi-Azabu	December 2, 2004	7,920	4.66
Core 2	C-16	Ordinance designated city, etc.	Serenio Tenjin Minami	December 3, 2004	1,200	0.71
Core 2	C-17	Ordinance designated city, etc.	Common House Hakataeki-Minami	December 3, 2004	420	0.25
Core 2	C-21	Tokyo metropolitan area	Espacio Kichijoji	January 31, 2005	1,445	0.85
Core 2	C-26	23 wards of Tokyo	Storia Sangen-Jaya	April 26, 2005	3,311	1.95
Core 2	C-29	Ordinance designated city, etc.	Mare (planned acquisition)	(Note 8)	963	0.57
Core 2	F-1	5 central wards of Tokyo	Glenpark Sakuragaoka	March 2, 2004	3,960	2.33
Core 2	F-2	5 central wards of Tokyo	Mejiro Otomeyama Duplex R's	March 3, 2004	1,100	0.65
Core 2	F-10	23 wards of Tokyo	Solcher Mejiro	August 30, 2004	7,350	4.32
Core 2	L-2	5 central wards of Tokyo	Bellwood	March 3, 2004	1,530	0.90
Core 2	L-3	5 central wards of Tokyo	Grand Forme Ichigaya Haraikatamachi	March 3, 2004	970	0.57
Core 2	L-6	23 wards of Tokyo	Nishi-Ogikubo Urbane Homes	March 2, 2004	1,050	0.62
Core 2	L-7	5 central wards of Tokyo	Motoazabu Place	March 25, 2005	10,270	6.04
Core 2	L-11	5 central wards of Tokyo	Windsor House Hiroo	September 1, 2005	2,000	1.18
<b>Total acquisition price of core properties</b>					<b>147,894</b>	<b>86.95</b>
Sub-Core	S-3	5 central wards of Tokyo	Glenpark Sangubashi	March 2, 2004	1,040	0.61
Sub-Core	S-4	5 central wards of Tokyo	Fresca Yoyogiuehara II	March 3, 2004	524	0.31
Sub-Core	S-5	5 central wards of Tokyo	Leopalace Udagawacho Mansion	March 3, 2004	569	0.33

Sub-Core	S-6	5 central wards of Tokyo	Veil Kikuicho	March 2, 2004	520	0.31
Sub-Core	S-7	23 wards of Tokyo	Escort Kami-Ikebukuro	March 2, 2004	644	0.38
Sub-Core	S-9	Tokyo metropolitan area	Dormitory Haramachida	March 2, 2004	490	0.29
Sub-Core	S-10	Tokyo metropolitan area	J Stage Minami-Urawa	March 2, 2004	700	0.41
Sub-Core	S-11	Tokyo metropolitan area	City Forum Kami-Hongo (planned sale) (Note 9)	March 3, 2004	1,140	0.67
Sub-Core	S-12	Ordinance designated city, etc.	Bonne Uji I and II	March 3, 2004	1,260	0.74
Sub-Core	S-13	Ordinance designated city, etc.	Yoshizuka AG Building 6 and 7	March 3, 2004	428	0.25
Sub-Core	S-16	23 wards of Tokyo	J Stage Honancho	December 2, 2004	952	0.56
Sub-Core	S-34	23 wards of Tokyo	Maison Korakuen	August 12, 2005	710	0.42
Sub-Core	S-36	23 wards of Tokyo	Relation Oji	August 12, 2005	1,027	0.60
Sub-Core	S-37	23 wards of Tokyo	No. 6 Zelvova Mansion	August 12, 2005	609	0.36
Sub-Core	C-6	23 wards of Tokyo	Zesty Ikegami A and B	March 3, 2004	381	0.22
Sub-Core	C-7	23 wards of Tokyo	Wakohre Higashi-Nippori II (planned sale) (Note 9)	March 2, 2004	972	0.57
Sub-Core	C-9	Ordinance designated city, etc.	Grand Heights Hibino	March 3, 2004	1,230	0.72
Sub-Core	C-28	5 central wards of Tokyo	L'air Minami Aoyama (planned acquisition)	(Note 10)	1,030	0.61
Sub-Core	F-4	23 wards of Tokyo	Setagaya Sun Heights	March 3, 2004	982	0.58
Sub-Core	F-5	23 wards of Tokyo	Ars Shin-Otsuka	March 2, 2004	1,117	0.66
Sub-Core	F-6	Tokyo metropolitan area	Crane Mansion Tsurumi	March 3, 2004	1,050	0.62
Sub-Core	F-8	Tokyo metropolitan area	Maison Kashiwa	March 2, 2004	840	0.49
Sub-Core	F-9	Ordinance designated city, etc.	Sky Heights Hirabari	March 3, 2004	554	0.33
Sub-Core	L-1	23 wards of Tokyo	Manoa Okamoto	March 2, 2004	590	0.35
Sub-Core	L-4	5 central wards of Tokyo	Meguro Hillside Court	March 3, 2004	1,000	0.59
Sub-Core	L-5	23 wards of Tokyo	Petit Cour Kinuta	March 2, 2004	684	0.40
Sub-Core	L-12	5 central wards of Tokyo	SOHO Kita Aoyama (planned acquisition)	(Note 11)	1,160	0.68
<b>Total acquisition price of sub-core assets</b>					<b>22,203</b>	<b>13.05</b>
<b>Total acquisition price of entire portfolio</b>					<b>170,097</b>	<b>100.00</b>

(Note 1) Asset Type (Core/Sub-Core)

Based on the asset management property targets and policy designated in the bylaws of NRI, the respective properties are indicated as “Core (assets)” when they are appropriate for long-term ownership of ten years or more and “Sub-Core (assets)” in other cases.

In addition, “Core (assets)” are further broken down into “Core 1,” which are properties named “Pacific,” and other properties as “Core 2.”

(Note 2) Each property managed by NRI is 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 3) The “Portfolio Share” is the ratio of the acquisition price for each managed asset versus the acquisition price of the entire portfolio (rounded to two decimal places).
- (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, 2006 on a date separately agreed by NRI and the seller.
- (Note 6) 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 by around February 2007).
- (Note 7) In principle, NRI plans to acquire this property by March 31, 2006 on a date separately agreed by NRI and the seller.
- (Note 8) In principle, NRI plans to acquire this property between November 1, 2005 and November 11, 2005 on a date separately agreed by NRI.
- (Note 9) The beneficiary interests in trust for this property will be transferred on a date agreed to between the buyer and NRI by no later than November 25, 2005.
- (Note 10) In principle, NRI plans to acquire this property by September 30, 2005 on a date separately agreed by NRI and the seller.
- (Note 11) In principle, NRI plans to acquire this property by September 30, 2005 on a date separately agreed by NRI and the seller.

[Attachment 2] Outside View of the Property

