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For Immediate Release



**NIPPON  
RESIDENTIAL  
INVESTMENT  
CORPORATION**

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

Inquiries:  
Pacific Investment Advisors Corporation  
Takeshi Takano  
Director  
TEL: +81-(0)3-5251-8528

Notification on Acquisition of Pacific Livew Hiroo  
and  
Completion of Acquisition of Mare

Nippon Residential Investment Corporation (NRI) announces the decision to acquire the following asset as detailed below. NRI additionally notifies it has completed the acquisition of the following asset announced in “Notification on Acquisition of Mare” dated September 28, 2005.

I. Acquisition of Pacific Livew Hiroo

1. Overview of Acquisition

(1) Property Name	Pacific Livew Hiroo (hereafter, the “Property”)
(2) Asset Type	Real estate
(3) Acquisition Value	1,741,500,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax) [Payment Schedule] Pay all sales proceeds upon transfer
(4) Sale and Purchase Agreement Date	November 1, 2005
(5) Scheduled Acquisition Date	November 30, 2005
(6) Seller	FJ Next Co., Ltd. (hereafter, the “Seller”)
(7) Financing	Cash on hand and debt financing

2. Purpose of Acquisition

The property will be acquired with the following objective based on NRI's Articles of Incorporation and investment policy.

(1) Objective	In addition to heightening the portfolio share in the 5 central wards of Tokyo (Note), this will reduce the average age of our portfolio and enhance the portfolio.
(2) Property Characteristics	<p>(i) Location and Convenience The property is situated in central Tokyo within a 7-minute walk from Hiroo Station on the Tokyo Metro Hibiya Line and enjoys favorable access to central business districts and commercial centers.</p> <p>(ii) Architectural Plan for the Property The property is a brand new property with construction scheduled for completion in November 2005. We anticipate demand from businesspeople and other individuals who emphasize geographical location such as transportation convenience. Furthermore, this is a rental condominium comprised of a total of 76 units that is highly competitive in terms of the quality of the building, size of the rental units, facilities within the rental units, etc.</p>
(3) Significance, etc. of Acquiring the Property	<p>(i) Expansion of Acquisition Method Generally, by concluding an agreement with set conditions including the sale and purchase price early on before construction on the building is complete enables acquisition of brand new properties that excel over properties acquired after construction is completed. The aim with this Property is also to secure such an excellent brand new property.</p> <p>(ii) Risks of Investing in Development Projects and How to Avoid Them The Property is real estate that is being developed primarily by the Seller and thus involves risks until construction on the building is complete such as construction completion and building delivery risks and risks related to fluctuations including real-estate prices and rents. These potential risks can be minimized in the following manner:</p> <p>(a) Construction completion and building delivery risks can be avoided by setting as conditions on payment of the sales proceeds terms like that the Seller will construct the building according to the design and specifications by the scheduled construction completion date and that the Seller will report to NRI on the progress of construction work and other information at regular meetings.</p> <p>(b) Market fluctuation risks through the scheduled construction completion date can be avoided by obtaining a survey report concerning the price of the Property as set forth in "3. Details of Acquired Asset (1) Overview of Real Estate Appraisal Method" below from Daiwa Real Estate Appraisal Co., Ltd.</p> <p>(iii) Other Significance of Acquiring the Property The acquisition of the Property will reduce the average age of</p>

	our portfolio and thus stable growth of managed assets can be anticipated.
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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

#### (1) Overview of Real Estate

Property Name		Pacific Livew Hiroo
Location (Note 1)		5-11-5, 5-45-1, 5-45-9, 5-45-11 and 5-45-18 Hiroo, Shibuya-ku, Tokyo (lot number) 5-19-17 Hiroo, Shibuya-ku, Tokyo (residential)
Access		7-minute walk from Hiroo Station on the Tokyo Metro Hibiya Line
Land	Ownership	Proprietary ownership
	Zoning (Note 2)	Commercial
	Lot Size (Note 1)	369.87m <sup>2</sup>
	FAR/Building Coverage Ratio (Note 3)	500%/80%
Building	Ownership	Proprietary ownership
	Type (Note 1)	Apartment (planned)
	Floor Space (Note 1)	2,286.91m <sup>2</sup> (planned)
	Construction Completion	November 2005 (planned)
	Structure (Note 1)	Steel-framed reinforced concrete structure; 12 floors above ground (planned)
	Leasable Units (Note 5)	76 units (1K: 68 units and 1LDK: 8 units) (planned)
	Leasable Area	1,733.63m <sup>2</sup> (planned)
Acquisition Value		1,741,500,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)
Special Notations (collateral, etc.)		None
Appraisal Method	Method	Valuation survey by Daiwa Real Estate Appraisal Co., Ltd. (Note 4)
	Estimated Value	1,750 million yen
	Survey Date	October 1, 2005
Other Special Notations		None

(Note 1) Information that appears on the registry was used for the location and lot size. In addition, information on the building is all from plans. Information for type, floor space and structure are as set forth in the confirmation certificate (Confirmation No. eHo.04.A-1420-02) dated June 11, 2004.

(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) A valuation survey differs from the appraised value found by the appraisal of real estate prescribed in Article 2-1 of the Law concerning Real-Estate Appraisal. As construction on the subject building is not complete and

thus confirmation of the subject real estate is difficult, the value is one that was found by the appraiser by applying the appraisal method under the assumption that construction on the to-be-constructed building was completed as planned at the time of reference of the survey. In addition, the estimated value is the unofficial price as of now.

(Note 5) The following abbreviations have been used for leasable units.

1K: Single room + Kitchen  
 1LDK: 1 bedroom + Living room, dining room and kitchen

#### 4. Seller Profile

Company Name	FJ Next Co., Ltd.
Head Office Address	6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Representative	Yukiharu Hida, President
Paid-in Capital	1,217,870,000 yen
Line of Business	1. Selling, purchasing, brokering, leasing and managing real estate 2. General insurance agency 3. Travel agency 4. All work incidental to the above
Relationship with NRI	None

#### 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.

## II. Completion of Acquisition of Mare

Property Name	Mare
Asset Type	Real estate
Acquisition Value (Note 1)	963,900,000 yen
Total Leasable Area (Note 2)	1,930.70m <sup>2</sup>
Total Leased Area (Note 2)	1,930.70m <sup>2</sup>

(Note 1) Excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax.

(Note 2) The figures for total leasable area and total leased area after the change are indicated.

Please refer to “Notification on Acquisition of Mare” dated September 28, 2005 for an overview of the acquisition of the abovementioned acquired asset, purpose of acquisition, details of the acquired asset, overview of the seller and outlook.

- 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 Survey Report on the Property's Price

(Unit: thousand yen)

	Description	Appraisal Reasoning
Estimated value (specified price)	1,750,000	
Total income	107,993	
Rental income	103,835	Appraised the assumed rent after considering such factors as the medium-to long-term competitiveness based on new rent levels and trends of similar buildings in the same supply/demand area.
Parking lot income	540	Assumed the appropriate rent taking into account rent levels in the surrounding area.
Key money income	2,466	Appraised based on the tenant replacement rate and vacancy rate.
Renewal fee income	822	After considering the fee at time of renewal, recorded as 0.5 months worth of new rent. Further, appraised the average renewal rate for each year as 30%.
Operating profit from deposits	330	Appraised based on a 2.0% return for the guarantees at full occupancy minus the amounts corresponding to the vacancies.
Total expenses	23,621	
Building maintenance fee	3,776	Appraised as 600 yen a month per tsubo of leasable area.
Utilities	1,259	Appraised as 200 yen a month per tsubo of leasable area.
Property management fee	2,975	Appraised as the amount equivalent to 3.0% of the rental income, etc.
Tenant soliciting fee	2,479	Recorded as the amount equivalent to 1 months worth of rent of a new tenant.
Tenant replacement cost	598	Appraised with the replacement rate considered and an assumption of 4,000

		yen per tsubo in maintenance costs when tenants move out of their units.
Taxes, etc.	4,887	Land: Appraised based on the appraised values of real property for fiscal 2005. Building: Assumed.
Liability insurance premium	270	Appraised as 0.05% of the building replacement cost.
Losses from vacancies, etc.	5,219	Appraised vacancy rate as 5% for rental units and 5% for the parking lot after considering such factors as the current vacancy rates and rent levels in the concerned area, the future supply/demand balance and unique qualities of the property.
Capital expenditures	2,160	Appraised as 0.4% of the building replacement cost.
Net profit	84,372	
Cap rate	4.7%	
Capitalized value from the direct capitalization method	1,800,000	
Price from the DCF method	1,700,000	
Discount rate	4.6%	
Terminal cap rate	4.9%	
Price from the cost approach	1,320,000	The appraisal firm decided on the concerned price after combining the land and building prices and then rounding to the nearest thousand yen.
Land price	777,147	
Building price	540,000	

(Note 1) In the above survey report, construction on the subject building was yet to be completed, making confirmation of the subject real estate difficult. Therefore, the figures are no more than an appraisal of the prices expressing estimated values for the sake of investors under the assumption that the building subject to this survey was completed according to the design and specifications at the time of reference of the survey. Thus, when construction on the property is actually completed, the respective values may differ from the above amounts.

(Note 2) The reason that the value for total expenses listed above does not match the sum total of itemized expenses is because the value for individual itemized expenses is taken from the survey report and each rounded to the nearest

thousand yen. The above total expenses are the value arrived at when the values for itemized expenses as indicated in the survey report are summed up and then that sum total rounded to the nearest thousand yen.



[Attachment 2] 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-1	23 wards of Tokyo	Pacific Livew Shinkawa	March 2, 2004	2,050	1.17
Core 1	S-2	5 central wards of Tokyo	Pacific Livew Shiba Daimon	March 30, 2004	1,900	1.08
Core 1	S-8	23 wards of Tokyo	Pacific Residence Shin-Nakano	March 3, 2004	448	0.25
Core 1	S-14	23 wards of Tokyo	Pacific Livew Shirokanedai	December 2, 2004	1,250	0.71
Core 1	S-18	Ordinance designated city, etc.	Pacific Livew Tenjinbashi	December 3, 2004	970	0.55
Core 1	S-19	23 wards of Tokyo	Pacific Residence Yushimasanchome	December 3, 2004	1,020	0.58
Core 1	S-20	5 central wards of Tokyo	Pacific Residence Shinjuku East	December 3, 2004	1,397	0.79
Core 1	S-21	5 central wards of Tokyo	Pacific Livew Shinjukuhashi	December 3, 2004	854	0.49
Core 1	S-22	5 central wards of Tokyo	Pacific Residence Kanda Iwamotocho	December 3, 2004	1,657	0.94
Core 1	S-24	23 wards of Tokyo	Pacific Residence Tsukiji (planned acquisition)	(Note 4)	1,320	0.75
Core 1	S-25	23 wards of Tokyo	Pacific Residence Sasaduka	March 25, 2005	1,950	1.11
Core 1	S-26	5 central wards of Tokyo	Pacific Residence Minamiazabu	March 25, 2005	1,060	0.60
Core 1	S-27	5 central wards of Tokyo	Pacific Residence Ebisuhashi	March 25, 2005	660	0.38
Core 1	S-28	23 wards of Tokyo	Pacific Residence Meguronishi	March 25, 2005	800	0.46
Core 1	S-29	5 central wards of Tokyo	Pacific Residence Hiroo Sanchome	March 25, 2005	850	0.48
Core 1	S-30	5 central wards of Tokyo	Pacific Residence Akasaka II	March 15, 2005	1,567	0.89
Core 1	S-31	23 wards of Tokyo	Pacific Livew Kyobashi	March 31, 2005	1,401	0.80
Core 1	S-32	Ordinance designated city, etc.	Pacific Residence Sannomiya Higashi (planned acquisition)	(Note 5)	2,247	1.28
Core 1	S-33	23 wards of Tokyo	Pacific Livew Tamagawa	August 12, 2005	1,514	0.86
Core 1	S-35	23 wards of Tokyo	Pacific Livew Ginza Hashi	August 12, 2005	2,348	1.34
Core 1	S-38	23 wards of Tokyo	Pacific Livew Wasedanishi	September 7, 2005	1,100	0.63
Core 1	S-40	5 central wards of Tokyo	Pacific Livew Hiroo	November 30, 2005	1,741	0.99
Core 1	C-1	23 wards of Tokyo	Pacific Residence Bunkyo Otowa	March 3, 2004	3,590	2.04
Core 1	C-2	23 wards of Tokyo	Pacific Residence Sengoku	March 3, 2004	760	0.43
Core 1	C-3	5 central wards of Tokyo	Pacific Livew Jiyugaoka	March 3, 2004	1,080	0.61
Core 1	C-4	23 wards of Tokyo	Pacific Residence Yushima	March 3, 2004	1,110	0.63
Core 1	C-8	Tokyo metropolitan area	Pacific Livew Hachioji	March 3, 2004	700	0.40
Core 1	C-10	Ordinance designated city, etc.	Pacific Residence Koyochi	March 2, 2004	454	0.26
Core 1	C-11	5 central wards of Tokyo	Pacific Livew Nagatacho	June 24, 2004	1,000	0.57
Core 1	C-12	5 central wards of Tokyo	Pacific Residence Suidobashi	February 25, 2005	2,330	1.33
Core 1	C-13	5 central wards of Tokyo	Pacific Tower Nogizaka	September 30, 2004	3,900	2.22
Core 1	C-14	5 central wards of Tokyo	Pacific Residence Akasaka I	June 30, 2004	1,300	0.74

Core 1	C-16	Ordinance designated city, etc.	Pacific Residence Tenjin Minami	December 3, 2004	1,200	0.68
Core 1	C-17	Ordinance designated city, etc.	Pacific Livew Hakataeki-Minami	December 3, 2004	420	0.24
Core 1	C-18	23 wards of Tokyo	Pacific Residence Ningyocho	December 3, 2004	572	0.33
Core 1	C-19	5 central wards of Tokyo	Pacific Residence Daikanyama	December 3, 2004	2,180	1.24
Core 1	C-20	5 central wards of Tokyo	Pacific Residence Ichigaya	December 3, 2004	2,580	1.47
Core 1	C-21	Tokyo metropolitan area	Pacific Residence Kichijoji	January 31, 2005	1,445	0.82
Core 1	C-22	23 wards of Tokyo	Pacific Residence Bunkyo-sengoku	May 18, 2005	1,557	0.89
Core 1	C-23	5 central wards of Tokyo	Pacific Residence Akasaka Hinokicho	March 25, 2005	4,710	2.68
Core 1	C-24	5 central wards of Tokyo	Pacific Residence Takanawa	March 30, 2005	1,550	0.88
Core 1	C-25	23 wards of Tokyo	Pacific Tower Meguroyamate (planned acquisition)	(Note 6)	14,507	8.25
Core 1	C-27	23 wards of Tokyo	Pacific Livew Chojyamaru	August 12, 2005	3,338	1.90
Core 1	C-30	5 central wards of Tokyo	Pacific Livew Kandahigashi	October 7, 2005	1,880	1.07
Core 1	F-1	5 central wards of Tokyo	Pacific Residence Sakuragaoka	March 2, 2004	3,960	2.25
Core 1	F-2	5 central wards of Tokyo	Pacific Residence Mejiro Otomeyama	March 3, 2004	1,100	0.63
Core 1	F-3	23 wards of Tokyo	Pacific Residence Shinkawa	March 3, 2004	1,420	0.81
Core 1	F-10	23 wards of Tokyo	Pacific Residence Mejiro	August 30, 2004	7,350	4.18
Core 1	F-11	5 central wards of Tokyo	Pacific Residence Shibaura	December 3, 2004	4,900	2.79
Core 1	F-12	Ordinance designated city, etc.	Pacific Residence Shirakabehigashi	August 5, 2005	1,070	0.61
Core 1	F-13	Ordinance designated city, etc.	Pacific Residence Sakaihigashi	October 5, 2005	890	0.51
Core 1	L-8	5 central wards of Tokyo	Pacific Tower Roppongi (planned acquisition)	(Note 7)	8,442	4.80
Core 1	L-9	5 central wards of Tokyo	Pacific Residence Kamimeguro	June 20, 2005	1,000	0.57
Core 1	L-10	5 central wards of Tokyo	Pacific Residence Yoyogikoen	August 19, 2005	1,310	0.75
Core 1	L-13	23 wards of Tokyo	Pacific Residence Oi	September 1, 2005	1,120	0.64
Core 2	S-15	Ordinance designated city, etc.	Grand Blue Hakata	September 17, 2004	1,582	0.90
Core 2	S-17	23 wards of Tokyo	Park Habio Kyobashi	December 2, 2004	2,725	1.55
Core 2	S-23	Ordinance designated city, etc.	Umeda Excelheights	January 31, 2005	5,250	2.99
Core 2	C-15	5 central wards of Tokyo	Apartments Nishi-Azabu	December 2, 2004	7,920	4.51
Core 2	C-26	23 wards of Tokyo	Storia SANGEN-JAYA	April 26, 2005	3,311	1.88
Core 2	C-29	Ordinance designated city, etc.	Mare	November 1, 2005	963	0.55
Core 2	L-2	5 central wards of Tokyo	Bellwood	March 3, 2004	1,530	0.87
Core 2	L-3	5 central wards of Tokyo	Grand Forme Ichigaya Haraikatamachi	March 3, 2004	970	0.55
Core 2	L-7	5 central wards of Tokyo	Motoazabu Place	March 25, 2005	10,270	5.84
Core 2	L-11	5 central wards of Tokyo	Windsor House Hiroo	September 1, 2005	2,000	1.14
<b>Total acquisition price of core properties</b>					<b>151,355</b>	<b>86.11</b>
Sub-Core	S-3	5 central wards of Tokyo	Glenpark Sangubashi	March 2, 2004	1,040	0.59

Sub-Core	S-4	5 central wards of Tokyo	Fresca Yoyogiuehara II	March 3, 2004	524	0.30
Sub-Core	S-5	5 central wards of Tokyo	Leopalace Udagawacho Mansion	March 3, 2004	569	0.32
Sub-Core	S-6	5 central wards of Tokyo	Veil Kikuicho	March 2, 2004	520	0.30
Sub-Core	S-7	23 wards of Tokyo	Escort Kami-Ikebukuro	March 2, 2004	644	0.37
Sub-Core	S-9	Tokyo metropolitan area	Dormitory Haramachida	March 2, 2004	490	0.28
Sub-Core	S-10	Tokyo metropolitan area	J Stage Minami-Urawa	March 2, 2004	700	0.40
Sub-Core	S-11	Tokyo metropolitan area	City Forum Kami-Hongo (planned sale) (Note 8)	March 3, 2004	1,140	0.65
Sub-Core	S-12	Ordinance designated city, etc.	Bonne Uji I and II	March 3, 2004	1,260	0.72
Sub-Core	S-13	Ordinance designated city, etc.	Yoshizuka AG Building 6 and 7	March 3, 2004	428	0.24
Sub-Core	S-16	23 wards of Tokyo	J Stage Honancho	December 2, 2004	952	0.54
Sub-Core	S-34	23 wards of Tokyo	Maison Korakuen	August 12, 2005	710	0.40
Sub-Core	S-36	23 wards of Tokyo	Relation Oji	August 12, 2005	1,027	0.58
Sub-Core	S-37	Tokyo metropolitan area	No. 6 Zelvova Mansion	August 12, 2005	609	0.35
Sub-Core	S-39	Ordinance designated city, etc.	KC 21 Building	October 31, 2005	1,167	0.66
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 8)	March 2, 2004	972	0.55
Sub-Core	C-9	Ordinance designated city, etc.	Grand Heights Hibino	March 3, 2004	1,230	0.70
Sub-Core	C-28	5 central wards of Tokyo	L'air Minami Aoyama	September 29, 2005	1,030	0.59
Sub-Core	F-4	23 wards of Tokyo	Setagaya Sun Heights	March 3, 2004	982	0.56
Sub-Core	F-5	23 wards of Tokyo	Ars Shin-Otsuka	March 2, 2004	1,117	0.64
Sub-Core	F-6	Tokyo metropolitan area	Crane Mansion Tsurumi	March 3, 2004	1,050	0.60
Sub-Core	F-8	Tokyo metropolitan area	Maison Kashiwa	March 2, 2004	840	0.48
Sub-Core	F-9	Ordinance designated city, etc.	Sky Heights Hirabari	March 3, 2004	554	0.32
Sub-Core	L-1	23 wards of Tokyo	Manoa Okamoto	March 2, 2004	590	0.34
Sub-Core	L-4	5 central wards of Tokyo	Meguro Hillside Court	March 3, 2004	1,000	0.57
Sub-Core	L-5	23 wards of Tokyo	Petit Cour Kinuta	March 2, 2004	684	0.39
Sub-Core	L-6	23 wards of Tokyo	Nishi-Ogikubo Urbane Homes (Note 9)	March 2, 2004	1,050	0.60
Sub-Core	L-12	5 central wards of Tokyo	SOHO Kita Aoyama	September 29, 2005	1,160	0.66
<b>Total acquisition price of sub-core assets</b>					<b>24,421</b>	<b>13.89</b>
<b>Total acquisition price of entire portfolio</b>					<b>175,776</b>	<b>100.00</b>

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

Core assets are properties that can provide a particularly strong living environment continuously over the long term from the perspectives of convenience, surrounding environment, management conditions, state of upkeep, facility specifications, etc. While exhibiting competitiveness pursuant to core assets, sub-core assets are properties that are relatively superior in terms of profitability and liquidity and especially properties from which stable rental income can be anticipated over the medium and long

term. Furthermore, core assets are further broken down into “Core 1,” which are properties named “Pacific,” and the other properties are categorized as “Core 2.”

- (Note 2) The assets managed by NRI are categorized into five types – S (single type), C (compact type), F (family type), L (large type) and SE (senior type) – and then each property is 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 total sum of 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 to by NRI and the seller.
- (Note 5) In principle, NRI plans to acquire this property by March 31, 2006 on a date separately agreed to by NRI and the seller.
- (Note 6) In principle, NRI plans to acquire this property by March 31, 2007 on a date separately agreed to by NRI and the seller (planning to acquire this property around February 2007).
- (Note 7) In principle, NRI plans to acquire this property by March 31, 2006 on a date separately agreed to by NRI and the seller.
- (Note 8) NRI plans to transfer the beneficiary interests in trust for this property by November 25, 2005 on a date agreed to by NRI and the transferee.
- (Note 9) Classified this property as a sub-core asset after a review and study of asset classifications in accordance with changes in the investment policy.

[Attachment 3] Outside View of the Property

