

September 1, 2005

For Immediate Release



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Notification on Acquisition of Pacific Residence Oi and Completion of Acquisition of  
Windsor House Hiroo

Nippon Residential Investment Corporation (NRI) announces the decision to acquire the following asset as detailed below. NRI additionally notifies completion of the acquisition of the following asset announced in “Notification on Acquisition of Windsor House Hiroo (omission)” dated August 19, 2005.

I. Acquisition of Pacific Residence Oi

1. Overview of Acquisition

(1) Property Name	Pacific Residence Oi (hereafter, the “Property”) (Note)
(2) Asset Type	Beneficiary interests in trust (real estate)
(3) Acquisition Value	1,120,000,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption

	tax and local consumption tax)
(4) Beneficiary Interest Transfer Agreement Date	September 1, 2005
(5) Scheduled Acquisition Date	September 1, 2005 (same day as the beneficiary interest transfer agreement date)
(6) Seller	Pacific Growth Realty Y.K. (hereafter, the "Owner")
(7) Financing	Cash on hand and debt financing

(Note) The present name is Castle Oi, but the name will be changed promptly to the name given above after NRI acquires the Property.

## 2. Purpose of Acquisition

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

(1) Objective	To heighten the portfolio share in the 23 wards of Tokyo (excluding the 5 central wards of Tokyo (Note)) and thereby enhance the diversification effect of the entire portfolio.
(2) Property Characteristics	<p>The Property is a rental condominium that has a total of 22 units on 1 floor below ground and 5 floors above ground. It is situated within a 13-minute walk from Nishi-Oi Station on the JR Yokosuka Line and a 14-minute walk from Oimachi Station on the JR Keihin-Tohoku Line, Rinkai Line and Tokyu Oimachi Line. Tokyo Station and other major downtown stations are easily accessible from the Property's nearest stations of Nishi-Oi Station on the JR Yokosuka Line and Oimachi Station on the JR Keihin-Tohoku Line.</p> <p>In addition, aside from its convenience in terms of transport, the Property is in a quiet neighborhood with a relatively good living environment, has a high grade and the living room is even equipped with sufficient facilities. Thus, we anticipate demand from the white-collar worker group that are relatively high income earners such as those that work at foreign-affiliated corporations, sole proprietors and the like that place emphasis on comfort and convenience. We believe</p>

	the property to be competitive and that it will continue to have relatively stable leasing terms.
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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		Trust real estate
Trustee		Mizuho Trust & Banking Co., Ltd.
Name Identifying Concerned Trust		Pacific Residence Oi
Trust Period		From: December 9, 2004 To: December 31, 2012
Location (Note 1)		Land: 5-4384-1, 5-4380-1, 5-4381-3 and 5-4381-4 Oi, Shinagawa-ku, Tokyo (lot number) Building: 5-5-32 Oi, Shinagawa-ku, Tokyo (residential)
Access		13-minute walk from Nishi-Oi Station on the JR Yokosuka Line 14-minute walk from Oimachi Station on the JR Keihin-Tohoku Line, Rinkai Line and Tokyu Oimachi Line
Land	Ownership	Proprietary ownership
	Zoning (Note 2)	Class 1 exclusively residential zone for medium- and high-rise buildings
	Lot size (Note 1)	1,534.58m <sup>2</sup>
	FAR/Building coverage ratio (Note 3)	200%/60%
Structure	Ownership	Proprietary ownership
	Type (Note 1)	Apartment and parking lot
	Floor space (Note 1)	3,675.91m <sup>2</sup>
	Construction completed (Note 1)	October 1989
	Structure (Note 1)	1-story below ground and 5-stories above ground steel-framed reinforced concrete structure with roofing

Acquisition Price		1,120,000,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)
Appraisal Method	Method	Appraisal by Mori Appraisal & Investment Consulting, Inc.
	Appraised value	1,120,000,000 yen
	Appraised date	August 1, 2005
Overview of Lease (Note 4)	No. of Tenants (Note 5)	1
	Leasable Units (Note 9)	22 units (2LDK: 1 unit; 3LDK: 19 units; 4LDK: 2 units)
	Leased Units	17 units
	Total Leasable Area	2,315.58m <sup>2</sup>
	Total Leased Area	1,830.84m <sup>2</sup>
	Monthly Rent (Note 6)	5,368,000 yen
	Deposit, etc. (Note 7)	13,710,000 yen
	Occupancy Rate (based on no. of units)	77.3% (Note 8)
	Occupancy Rate (based on area)	79.1% (Note 8)
Other Special Notations		None

(Note 1) Information that appears on the registry was used for the location (excluding residential indication), lot size, type, floor space, construction completion 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) Concerning the overview of the lease, figures related to the Property as of September 1, 2005.

(Note 5) In the case a single tenant is leasing multiple rental units, the number of tenants is treated as one tenant. As for 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 (includes

common fees, monthly parking space usage fees, etc.) of each of the tenants with whom lease agreements have been concluded as of September 1, 2005. The amount has been rounded down to the nearest thousand yen and excludes consumption tax, etc.

(Note 7) The deposit, etc. indicates the total amount of deposits, etc. for each of the tenants with whom lease agreements have been concluded as of September 1, 2005. The amount has been rounded down to the nearest thousand yen.

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

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

2 (3 or 4) LDK: 2 (3 or 4) bedrooms + 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	65,030,000 yen
	Replacement Price	850,000,000 yen
	Date of Building Condition Report	August 1, 2005
	Earthquake	PML Value

Risk Analysis		<p>This PML value was calculated based on the earthquake risk analysis report issued by InterRisk Research Institute &amp; 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.</p>
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#### 4. Seller Profile

Company Name	Pacific Growth Realty Y.K.
Head Office Address	2-11-1 Nagata-cho, Chiyoda-ku, Tokyo
Representative	So Kanai, Director
Paid-In Capital	3,000,000 yen
Line of Business	<ol style="list-style-type: none"> <li>1. Real estate ownership, sale, purchase and brokering</li> <li>2. Work related to real estate leasing, maintenance and management</li> <li>3. Investment business for real estate, real-estate securitization products, investment securities and other financial assets</li> </ol>
Relationship with NRI	<p>Pacific Growth Realty Y.K. is a wholly-owned consolidated subsidiary of Pacific Management Corporation. Pacific Management is a shareholder of Pacific Investment Advisors Corporation (hereafter, the “Asset Manager”), the investment trust manager to</p>

	<p>which NRI entrusts work related to the management of NRI's assets. This makes Pacific Growth Realty a stakeholder of the Asset Manager as defined in the Law Concerning Investment Trusts and Investment Corporations (1951 Law No. 198, including revisions thereto). Furthermore, Pacific Management Corporation has a 78.2% stake in the Asset Manager.</p>
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## 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 Windsor House Hiroo

### Acquired Asset

Property Name	Windsor House Hiroo
Acquired Asset	Real estate and leasehold rights (Note 1)
Acquisition Value (Note 2)	2,000,000,000 yen

(Note 1) A building with leasehold rights comprised of the building under sectional ownership and the land lease.

(Note 2) Excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax.

Please refer to “Notification on Acquisition of Windsor House Hiroo and Completion of Acquisition of Pacific Residence Yoyogikoen” dated August 19, 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] 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	0.27
Core 1	S-19	23 wards of Tokyo	Pacific Residence Yushimasanchome	December 3, 2004	1,020	0.61
Core 1	S-20	5 central wards of Tokyo	Pacific Residence Shinjuku East	December 3, 2004	1,397	0.83
Core 1	S-22	5 central wards of Tokyo	Pacific Residence Kanda Iwamotocho	December 3, 2004	1,657	0.99
Core 1	S-24	23 wards of Tokyo	Pacific Residence Tsukiji (planned acquisition)	(Note 4)	1,320	0.79
Core 1	S-25	23 wards of Tokyo	Pacific Residence Sasaduka	March 25, 2005	1,950	1.16
Core 1	S-26	5 central wards of Tokyo	Pacific Residence Minamiazabu	March 25, 2005	1,060	0.63
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	0.48
Core 1	S-29	5 central wards of Tokyo	Pacific Residence Hiroo Sanchome	March 25, 2005	850	0.51
Core 1	S-30	5 central wards of Tokyo	Pacific Residence Akasaka II	March 15, 2005	1,567	0.93
Core 1	S-31	23 wards of Tokyo	Pacific Livew Kyobashi	March 31, 2005	1,401	0.83
Core 1	S-32	Ordinance designated city, etc.	Pacific Residence Sannomiya Higashi (planned acquisition)	(Note 5)	2,247	1.34
Core 1	S-33	23 wards of Tokyo	Pacific Livew Tamagawa	August 12, 2005	1,514	0.90
Core 1	S-35	23 wards of Tokyo	Pacific Livew Ginza Higashi	August 12, 2005	2,348	1.40
Core 1	C-1	23 wards of Tokyo	Pacific Residence Bunkyo Otowa	March 3, 2004	3,590	2.14
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	0.66
Core 1	C-8	Tokyo metropolitan area	Pacific Livew Hachioji	March 3, 2004	700	0.42
Core 1	C-12	5 central wards of Tokyo	Pacific Residence Suidobashi	February 25, 2005	2,330	1.39
Core 1	C-13	5 central wards of Tokyo	Pacific Tower Nogizaka	September 30, 2004	3,900	2.32
Core 1	C-14	5 central wards of Tokyo	Pacific Residence Akasaka I	June 30, 2004	1,300	0.77
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	1.30
Core 1	C-20	5 central wards of Tokyo	Pacific Residence Ichigaya	December 3, 2004	2,580	1.54
Core 1	C-22	23 wards of Tokyo	Pacific Residence Bunkyosengoku	May 18, 2005	1,557	0.93
Core 1	C-23	5 central wards of Tokyo	Pacific Residence Akasaka Hinokicho	March 25, 2005	4,710	2.80
Core 1	C-24	5 central wards of Tokyo	Pacific Residence Takanawa	March 30, 2005	1,550	0.92
Core 1	C-25	23 wards of Tokyo	Pacific Tower Meguroyamate (planned acquisition)	(Note 6)	14,507	8.63
Core 1	C-27	5 central wards of Tokyo	Pacific Livew Chojamaru	August 12, 2005	3,338	1.99
Core 1	F-3	23 wards of Tokyo	Pacific Residence Shinkawa	March 3, 2004	1,420	0.85
Core 1	F-11	5 central wards of Tokyo	Pacific Residence Shibaura	December 3, 2004	4,900	2.92



Core 1	F-12	Ordinance designated city, etc.	Pacific Residence Shirakabehigashi	August 5, 2005	1,070	0.64
Core 1	L-8	5 central wards of Tokyo	Pacific Tower Roppongi (planned acquisition)	(Note 7)	8,442	5.02
Core 1	L-9	5 central wards of Tokyo	Pacific Residence Kamimeguro	June 20, 2005	1,000	0.60
Core 1	L-10	5 central wards of Tokyo	Pacific Residence Yoyogikoen	August 19, 2005	1,310	0.78
Core 1	L-13	23 wards of Tokyo	Pacific Residence Oi	September 1, 2005	1,120	0.67
Core 2	S-1	23 wards of Tokyo	Glenpark Shinkawa	March 2, 2004	2,050	1.22
Core 2	S-2	5 central wards of Tokyo	Maison de Ville Shiba Daimon II	March 30, 2004	1,900	1.13
Core 2	S-14	23 wards of Tokyo	Apartments Shirokanedai	December 2, 2004	1,250	0.74
Core 2	S-15	Ordinance designated city, etc.	Grand Blue Hakata	September 17, 2004	1,582	0.94
Core 2	S-17	23 wards of Tokyo	Park Habio Kyobashi	December 2, 2004	2,725	1.62
Core 2	S-18	Ordinance designated city, etc.	Cristate Tenjinbashi	December 3, 2004	970	0.58
Core 2	S-21	5 central wards of Tokyo	Shu Shinjuku	December 3, 2004	854	0.51
Core 2	S-23	Ordinance designated city, etc.	Umeda Excelheights	January 31, 2005	5,250	3.12
Core 2	C-3	5 central wards of Tokyo	Joanna Jiyugaoka	March 3, 2004	1,080	0.64
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	0.60
Core 2	C-15	5 central wards of Tokyo	Apartments Nishi-Azabu	December 2, 2004	7,920	4.71
Core 2	C-16	Ordinance designated city, etc.	Sereno 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	0.86
Core 2	C-26	23 wards of Tokyo	Storia Sangen-Jaya	April 26, 2005	3,311	1.97
Core 2	F-1	5 central wards of Tokyo	Glenpark Sakuragaoka	March 2, 2004	3,960	2.36
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	4.37
Core 2	L-2	5 central wards of Tokyo	Bellwood	March 3, 2004	1,530	0.91
Core 2	L-3	5 central wards of Tokyo	Grand Forme Ichigaya Haraikatamachi	March 3, 2004	970	0.58
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	6.11
Core 2	L-11	5 central wards of Tokyo	Windsor House Hiroo	September 1, 2005	2,000	1.19
<b>Total acquisition price of core properties</b>					<b>145,880</b>	<b>86.79</b>
Sub-Core	S-3	5 central wards of Tokyo	Glenpark Sangubashi	March 2, 2004	1,040	0.62
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	0.34
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	0.42
Sub-Core	S-11	Tokyo metropolitan area	City Forum Kami-Hongo (planned sale) (Note 8)	March 3, 2004	1,140	0.68
Sub-Core	S-12	Ordinance designated city, etc.	Bonne Uji I and II	March 3, 2004	1,260	0.75
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	0.57
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	0.61
Sub-Core	S-37	23 wards of Tokyo	No. 6 Zekova Mansion	August 12, 2005	609	0.36
Sub-Core	C-6	23 wards of Tokyo	Zesty Ikegami A and B	March 3, 2004	381	0.23
Sub-Core	C-7	23 wards of Tokyo	Wakohre Higashi-Nippori II (planned sale) (Note 8)	March 2, 2004	972	0.58
Sub-Core	C-9	Ordinance designated city, etc.	Grand Heights Hibino	March 3, 2004	1,230	0.73
Sub-Core	C-28	5 central wards of Tokyo	L'air Minami Aoyama (planned acquisition)	(Note 9)	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	0.50
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	0.60
Sub-Core	L-5	23 wards of Tokyo	Petit Cour Kinuta	March 2, 2004	684	0.41
Sub-Core	L-12	5 central wards of Tokyo	SOHO Kita Aoyama (planned acquisition)	(Note 10)	1,160	0.69
<b>Total acquisition price of sub-core assets</b>					<b>22,203</b>	<b>13.21</b>
<b>Total acquisition price of entire portfolio</b>					<b>168,034</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 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 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) 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 9) In principle, NRI plans to acquire this property by September 30, 2005 on a date separately agreed by NRI and the seller.
- (Note 10) 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

