

November 16, 2005

For Immediate Release



**NIPPON  
RESIDENTIAL  
INVESTMENT  
CORPORATION**

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Notification on Acquisition of Pacific Livew Utsubokoen and Pacific Residence Izumi  
and

Change to Details of Acquisition of Pacific Residence Oi

Nippon Residential Investment Corporation (NRI) announces the decision to acquire the following assets as detailed below. NRI additionally notifies of changes to details announced in “Notification on Acquisition of Pacific Residence Oi and Completion of Acquisition of Windsor House Hiroo” dated September 1, 2005.

I. Acquisition of Pacific Livew Utsubokoen and Pacific Residence Izumi

1. Overview of Acquisition

(1) Pacific Livew Utsubokoen

(1) Property Name	Pacific Livew Utsubokoen
(2) Asset Type	Real estate
(3) Acquisition Value	1,200,000,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax) [Payment Schedule] Pay all sale proceeds upon transfer
(4) Sale and Purchase Agreement Date	November 16, 2005
(5) Scheduled Acquisition Date	On a date separately agreed by NRI and the seller (however, must be no later than March 31, 2006) ...Execute transfer based on the above real estate sale and purchase agreement (when the terms for payment

	of sale proceeds are fulfilled)
(6) Seller	Tokyu Land Corporation (hereafter, the “Seller”)
(7) Financing	Cash on hand and debt financing

(2) Pacific Residence Izumi

(1) Property Name	Pacific Residence Izumi
(2) Asset Type	Real estate
(3) Acquisition Value	4,400,000,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax) [Payment Schedule] Pay 220 million yen (down payment) upon sale and purchase agreement Pay remainder upon transfer
(4) Sale and Purchase Agreement Date	November 16, 2005
(5) Scheduled Acquisition Date	In principle, December 16, 2005, or by December 31, 2005 on a date separately agreed by NRI and the seller ...Execute transfer based on the above real estate sale and purchase agreement (when the terms for payment of sale proceeds are fulfilled)
(6) Seller	Daikyo Incorporated (hereafter, the “Seller”)
(7) Financing	Cash on hand and debt financing

2. Purpose of Acquisition

The properties will be acquired for the following objective based on NRI’s Articles of Incorporation and investment policy.

(1) Pacific Livew Utsubokoen

(1) Objective	In addition to heightening the portfolio share in ordinance designated cities, etc. (Note) (excluding the Tokyo metropolitan area), this will reduce the average age of our portfolio and enhance the portfolio.
(2) Property Characteristics	(i) Location and Convenience The property is situated within a 5-minute walk from Honmachi Station on the Osaka Municipal Subway Yotsubashi, Midouji and Chuo Lines, and is in close proximity to the nearest station. It also enjoys favorable access to the central business districts and commercial centers of Osaka City.  In addition, the property is near Utsubo Park, a large park famous for its rose garden, etc., and has many facilities convenient for daily living nearby such as a supermarket, restaurants and financial institutions. Moreover, the property is close to the commercial centers of Kita and Minami, facilitating easy access to department stores and other large retail facilities, adding to it “living” convenience.

	<p>(ii) Architectural Plan for the Property The property is brand new with construction scheduled for completion in January 2006. We anticipate demand from businesspeople and other individuals who emphasize geographical location such as transport convenience.</p>
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(Note) Ordinance designated city, etc. refers to an area that is within commuting distance of a central area of an ordinance-designated city and where an increasing demand for rental housing, etc. is anticipated.

## (2) Pacific Residence Izumi

(1) Objective	In addition to heightening the portfolio share in ordinance designated cities, etc. (Note) (excluding the Tokyo metropolitan area), 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 within a 7-minute walk from Hisaya-odori Station on the Nagoya City Subway Meijo and Sakura-dori Lines, and is in close vicinity to Nagoya City's central business districts and the commercial centers of Sakae, Fushimi and Marunouchi.</p> <p>While the area surrounding the property has a concentration of small- and medium-sized office buildings, etc., the area has recently seen an increase in construction of apartments that target singles and families with a preference for the conveniences of living in the city.</p> <p>(ii) Architectural Plan for the Property The property is a large, tall luxury condominium targeting families that has a total of 122 units on 15 floors with most being 3~4LDKs. The middle and top floors, in particular, provide a favorable living environment such as good ventilation and natural lighting.</p> <p>The interior and exterior finish, size of rental units, facilities within the rental units, etc. are equal to or exceed the standard level and thus demand can be anticipated from families and other segments that focus on lifestyle conveniences of living in the city. Therefore, we believe the property to be highly competitive.</p>

(Note) Ordinance designated city, etc. refers to an area that is within commuting distance of a central area of an ordinance-designated city and where an increasing demand for rental housing, etc. is anticipated.

## (3) Significance, etc. of Pacific Livew Utsubokoen and Pacific Residence Izumi

### (i) Enhancement of entire portfolio and diversification effects

Pacific Livew Utsubokoen is situated in Utsubo-Honmachi in central Osaka City and Pacific Residence Izumi is situated in Izumi in central Nagoya City. They are both new condominiums, which are scarce in those areas. NRI deems the properties to be highly

competitive in terms of location, convenience and architectural plan as well. The decision to acquire the concerned properties was made as acquisition of the concerned properties would further enhance and diversify the overall portfolio.

(ii) Expansion of method for acquiring brand new prime properties

Generally, concluding an agreement with set conditions including the sale and purchase price and securing the property early on before construction on the building is complete enables NRI to work towards specifications, designs and other elements in accordance with NRI's preferences in collaboration with the seller. Consequently, NRI believes that this enables a property that reflects the wealth of experience the asset manager has obtained to date through operating the properties owned by NRI and to create an even more highly competitive property.

(iii) Risks of investing in development projects and how to avoid them

Both properties are real estate that is being developed and thus involve development risks (risks related to completion of the building, risks of delays in the schedule, risks of increases in construction cost, etc.), risks related to fluctuations in the rental market, and other risks arising from future uncertainty. NRI, however, has established an appropriate risk management method, valuation method and investment criteria through our track record in the acquisition of development properties such as Pacific Tower Nogizaka and Pacific Residence Suidobashi. This acquisition has been subject to the same investment judgment and, as a result, meets the conditions below. Moreover, after completion of construction, the brand new properties are anticipated to provide stable growth in our managed assets by demonstrating competitiveness in the real-estate rental market and maintaining the average age of our portfolio. These factors led to the decision to acquire the properties.

(a) Construction completion and building delivery risks can be avoided by concluding a sale and purchase agreement subject to the condition that the Seller delivers the building to NRI having constructed the building according to design and specifications.

(b) A survey and analysis of the real-estate rental market in the area where the concerned property is located finds that stable demand can be anticipated; it is highly competitive in terms of the quality of the building, size of rental units, facilities within the rental units, etc.; and it has substantial potential in securing tenants after construction on the building is complete.

### 3. Details of Acquired Assets

#### (1) Pacific Livew Utsubokoan

Property Name		Pacific Livew Utsobokoan
Location (Note 1)		1-138 Utsobo-Honmachi, Nishi-ku, Osaka-shi, Osaka (lot number)
Access		3-minute walk from Honmachi Station on the Osaka Municipal Subway Yotsubashi Line 5-minute walk from Honmachi Station on the Osaka Municipal Subway Midosuji and Chuo Lines
Land	Ownership	Proprietary ownership
	Zoning (Note 2)	Commercial
	Lot Size (Note 1)	467.41m <sup>2</sup>
	FAR/Building Coverage Ratio (Note 3)	800%/80% (Note 3)
Building	Ownership	Proprietary ownership
	Type (Note 1)	Apartment (planned)
	Floor Space (Note 1)	4,062.30m <sup>2</sup> (planned)
	Construction Completion (Note 1)	January 2006 (planned)
	Structure (Note 1)	Reinforced concrete structure; 15 floors above ground (planned)
	Leasable Units (Note 5)	94 units (planned) (1R: 52 units; 1K: 24 units; 1DK: 14 units; 1LDK: 4 units)
	Leasable Area	2,741.46m <sup>2</sup> (planned)
Acquisition Value		1,200,000,000 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 Mori Appraisal & Investment Consulting, Inc. (Note 4)
	Estimated Value	1,200,000,000 yen
	Survey Date	October 15, 2005

(Note 1) Information that appears on the registry was used for the location and lot size. In addition, information on the building are all what is planned. Information for type, floor space, construction completion date and structure are as set forth in the confirmation certificate (No. KKK00405885) dated October 25, 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. In addition, the standard building coverage ratio for the concerned building has been deregulated to 100% as the concerned building is a fire-resistant building in a fire zone. As a result, the standard FAR applicable based on road frontage, etc. is 707%.

(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.

(Note 5) 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  
 1LDK: 1 bedroom + Living room, dining room and kitchen

(2) Pacific Residence Izumi

Property Name		Pacific Residence Izumi
Location (Note 1)		1-301-1, 1-325 and 1-326 Izumi, Higashi-ku, Nagoya-shi, Aichi (lot number)
Access		7-minute walk from Hisaya-odori Station on the Nagoya City Subway Meijo and Sakura-dori Lines
Land	Ownership	Proprietary ownership
	Zoning (Note 2)	Commercial
	Lot Size (Note 1)	2,575.53m <sup>2</sup>
	FAR/Building Coverage Ratio (Note 3)	500%/80% and 600%/80% (Note 3)
Building	Ownership	Proprietary ownership
	Type (Note 1)	Apartment (planned)
	Floor Space (Note 1)	12,872.19m <sup>2</sup> (planned)
	Construction Completion (Note 1)	December 2005 (planned)
	Structure (Note 1)	Reinforced concrete structure; 15 floors above ground (planned)
	Leasable Units (Note 5)	122 units (planned) (3LDK: 79 units; 3SLDK: 26 units; 4LDK: 17 units)
	Leasable Area	9,715.22m <sup>2</sup> (planned)
Acquisition Value		4,400,000,000 yen (excluding acquisition costs, real property tax, city planning tax, consumption tax and local consumption tax)
Special Notations (collateral, etc.)		As of the day this sale and purchase agreement was concluded, there is a fixed mortgage taken out and registered on this land with the seller as the debtor. Based on this sale and purchase agreement, the seller has the obligation to furnish all documents necessary to remove the arranged fixed mortgage setting and registration.
Appraisal Method	Method	Valuation survey by Daiwa Real Estate Appraisal Co., Ltd. (Note 4)
	Estimated Value	4,400,000,000 yen
	Survey Date	October 20, 2005

(Note 1) Information that appears on the registry was used for the location and lot size. In addition, information on the building are all what is planned. Information for type, floor space, construction completion date and

structure are as set forth in the confirmation certificate (Chubu Jyutaku Hoshō No. 517) dated June 14, 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. In addition, the building coverage ratio for this land is 90% since it is a corner lot, and the standard FAR is 558.72% as a result of a proportional weighting of the land versus the respectively designated FARs.
- (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.
- (Note 5) 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              |
| 1LDK: | 1 bedroom + Living room, dining room and kitchen |

#### 4. Seller Profile

##### (1) Pacific Livew Utsubokoen

Company Name	Tokyu Land Corporation
Head Office Address	1-21-2 Dogenzaka, Shibuya-ku, Tokyo
Representative	Masatake Ueki, Representative Director
Paid-in Capital	55,512,540,000 yen
Line of Business	1. Managing, leasing, selling, purchasing, brokering and appraising land and real estate 2. Developing housing subdivisions, etc. 3. Manufacturing, selling, importing and exporting building materials
Relationship with NRI	None

##### (2) Pacific Residence Izumi

Company Name	Daikyo Incorporated
Head Office Address	4-24-13 Sendagaya, Shibuya-ku, Tokyo
Representative	Masaaki Tashiro, Representative Director
Paid-in Capital	26,999,920,000 yen
Line of Business	1. Selling, purchasing, brokering, leasing, managing and appraising real estate 2. Developing housing subdivisions, etc. 3. Designing, constructing, supervising and contracting building construction and civil engineering work
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 properties.

## II. Change to Details of Acquisition of Pacific Residence Oi

Total Leasable Area	2,322.37m <sup>2</sup>
Occupancy Rate (based on area)	79.3%

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

Please refer to “Notification on Acquisition of Pacific Residence Oi and Completion of Acquisition of Windsor House Hiroo” dated September 1, 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 concerning the Property's Price

(1) Pacific Livew Utsubokoen

(Note) (Unit: thousand yen)

	Description	Appraisal Reasoning
Estimated value (specified price)	1,200,000	
Total income	99,325	
Rental income (including common expenses)	92,344	Appraised based on market levels, etc.
Operating profit from guarantees, etc.	308	Assumed guarantees as 2.0 months of the tenant rent and appraised return as 2.0%.
Operating profit from and amortization of key money, etc.	6,072	Assumed key money as 3.0 months of the tenant rent and appraised return as 2.0%.
Parking lot use fee	601	Appraised based on market levels, etc.
Total expenses	30,480	
Repair costs	781	Appraised as 200 yen/m <sup>2</sup> × floor area.
Housing restoration fee	1,393	Assumed as 2,151 yen/m <sup>2</sup> × vacant area.
Maintenance and management fee	4,478	Appraised as 1,633 yen/m <sup>2</sup> × leased area.
Utilities	1,393	Assumed as 508 yen/m <sup>2</sup> × leased area.
Taxes, etc.	6,870	Estimated amount for the land and building combined.
Liability insurance premium	391	Appraised with the assumption that it is a certain percentage of the replacement cost.
Losses from vacancies, etc. (housing portion)	5,469	Appraised vacancy rate as 5.5% after considering the standard vacancy rate and unique qualities of the subject real estate.
Reserves for demolition of building, etc.	781	Appraised as 0.1% of the replacement cost.
Tenant soliciting fee	2,384	Appraised as the average of the estimated amounts for 10 years.

Property management fee	2,635	Appraised as 3.0% of rental income + parking lot income.
Cost of major repairs	3,905	Appraised as 1,000 yen/m <sup>2</sup> × floor area.
Net profit	68,845	
Cap rate	5.7%	
Capitalized value from the direct capitalization method	1,210,000	
Price from the DCF method	1,200,000	
Discount rate	5.2%	
Terminal cap rate	6.0%	
Price from the cost approach	1,075,000	
Land price	294,000	
Building price	781,000	

(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 price expressing an estimated investment value for the sake of investors under the assumption that the building subject to this survey was completed according to 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.

## (2) Pacific Residence Izumi

(Note) (Unit: thousand yen)

	Description	Appraisal Reasoning
Estimated value (specified price)	4,400,000	
Total income	327,441	
Annual rents	282,131	Appraised 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	36,600	Assumed the appropriate rent taking into

		account rent levels in the surrounding area.
Key money income	4,467	Based on the assumed replacement rate of rental units and the parking lot and after considering the vacancy rate, appraised as 1 month of the assumed new rent from the new tenant.
Renewal fee income	3,350	After considering the fee at time of renewal, appraised as 0.5 months worth of new rent. Further, assumed the average renewal rate for each year to be 30%.
Operating profit from guarantees	893	Appraised based on a 2.0% return for the guarantees at full occupancy minus the amounts corresponding to the vacancies.
<b>Total expenses</b>	<b>90,142</b>	
Building maintenance fee	16,642	Appraised using the estimates submitted by the client as a reference.
Utilities	7,053	Appraised as 200 yen a month per tsubo of leasable area.
Property management fee	9,051	Appraised as the amount equivalent to 3.0% of the rental income, etc.
Tenant soliciting fee	5,028	Recorded as the amount equivalent to 1 months worth of the assumed rent for the new tenant.
Tenant replacement cost	2,234	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.	19,862	Assumed.
Liability insurance premium	1,557	Appraised as 400 yen per tsubo of floor area.
Losses from vacancies, etc.	17,035	Appraised vacancy rate as 5.0% for rental units and 8% 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.
	Capital expenditures	11,681	Estimated as an annual amount of 3,000 yen per tsubo of floor area.
	Net profit	237,299	
	Cap rate	5.3%	
	Capitalized value from the direct capitalization method	4,480,000	
	Price from the DCF method	4,320,000	
	Discount rate	5.2%	
	Terminal cap rate	5.5%	
	Price from the cost approach	3,780,000	The appraisal firm decided on the concerned price after combining the land and building prices and then rounding to the nearest million yen.
	Land price	935,044	
	Building price	2,840,000	

(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 price expressing an estimated investment value for the sake of investors under the assumption that the building subject to this survey was completed according to 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	1.04
Core 1	S-2	5 central wards of Tokyo	Pacific Livew Shiba Daimon	March 30, 2004	1,900	0.96
Core 1	S-8	23 wards of Tokyo	Pacific Residence Shin-Nakano	March 3, 2004	448	0.23
Core 1	S-14	23 wards of Tokyo	Pacific Livew Shirokanedai	December 2, 2004	1,250	0.63
Core 1	S-18	Ordinance designated city, etc.	Pacific Livew Tenjinbashi	December 3, 2004	970	0.49
Core 1	S-19	23 wards of Tokyo	Pacific Residence Yushimasanhome	December 3, 2004	1,020	0.52
Core 1	S-20	5 central wards of Tokyo	Pacific Residence Shinjuku East	December 3, 2004	1,397	0.71
Core 1	S-21	5 central wards of Tokyo	Pacific Livew Shinjukuhashi	December 3, 2004	854	0.43
Core 1	S-22	5 central wards of Tokyo	Pacific Residence Kanda Iwamotocho	December 3, 2004	1,657	0.84
Core 1	S-24	23 wards of Tokyo	Pacific Residence Tsukiji (planned acquisition)	(Note 4)	1,320	0.67
Core 1	S-25	23 wards of Tokyo	Pacific Residence Sasaduka	March 25, 2005	1,950	0.99
Core 1	S-26	5 central wards of Tokyo	Pacific Residence Minamiazabu	March 25, 2005	1,060	0.54
Core 1	S-27	5 central wards of Tokyo	Pacific Residence Ebisuhashi	March 25, 2005	660	0.33
Core 1	S-28	23 wards of Tokyo	Pacific Residence Meguronishi	March 25, 2005	800	0.40
Core 1	S-29	5 central wards of Tokyo	Pacific Residence Hiroo Sanhome	March 25, 2005	850	0.43
Core 1	S-30	5 central wards of Tokyo	Pacific Residence Akasaka II	March 15, 2005	1,567	0.79
Core 1	S-31	23 wards of Tokyo	Pacific Livew Kyobashi	March 31, 2005	1,401	0.71
Core 1	S-32	Ordinance designated city, etc.	Pacific Residence Sannomiya Higashi (planned acquisition)	(Note 5)	2,247	1.14
Core 1	S-33	23 wards of Tokyo	Pacific Livew Tamagawa	August 12, 2005	1,514	0.77
Core 1	S-35	23 wards of Tokyo	Pacific Livew Ginza Hashi	August 12, 2005	2,348	1.19
Core 1	S-38	23 wards of Tokyo	Pacific Livew Wasedanishi	September 7, 2005	1,100	0.56
Core 1	S-40	5 central wards of Tokyo	Pacific Livew Hiroo	November 30, 2005	1,741	0.88
Core 1	S-42	Tokyo metropolitan area	Pacific Livew Yokohama Kannai (planned acquisition)	(Note 6)	1,950	0.99
Core 1	S-50	Ordinance designated city, etc.	Pacific Livew Utsuboko (planned acquisition)	(Note 7)	1,200	0.61
Core 1	C-1	23 wards of Tokyo	Pacific Residence Bunkyo Otowa	March 3, 2004	3,590	1.81
Core 1	C-2	23 wards of Tokyo	Pacific Residence Sengoku	March 3, 2004	760	0.38
Core 1	C-3	5 central wards of Tokyo	Pacific Livew Jiyugaoka	March 3, 2004	1,080	0.55
Core 1	C-4	23 wards of Tokyo	Pacific Residence Yushima	March 3, 2004	1,110	0.56
Core 1	C-8	Tokyo metropolitan area	Pacific Livew Hachioji	March 3, 2004	700	0.35
Core 1	C-10	Ordinance designated city, etc.	Pacific Residence Koyochi	March 2, 2004	454	0.23
Core 1	C-11	5 central wards of Tokyo	Pacific Livew Nagatacho	June 24, 2004	1,000	0.51
Core 1	C-12	5 central wards of Tokyo	Pacific Residence Suidobashi	February 25, 2005	2,330	1.18

Core 1	C-13	5 central wards of Tokyo	Pacific Tower Nogizaka	September 30, 2004	3,900	1.97
Core 1	C-14	5 central wards of Tokyo	Pacific Residence Akasaka I	June 30, 2004	1,300	0.66
Core 1	C-16	Ordinance designated city, etc.	Pacific Residence Tenjin Minami	December 3, 2004	1,200	0.61
Core 1	C-17	Ordinance designated city, etc.	Pacific Livew Hakataeki-Minami	December 3, 2004	420	0.21
Core 1	C-18	23 wards of Tokyo	Pacific Residence Ningyocho	December 3, 2004	572	0.29
Core 1	C-19	5 central wards of Tokyo	Pacific Residence Daikanyama	December 3, 2004	2,180	1.10
Core 1	C-20	5 central wards of Tokyo	Pacific Residence Ichigaya	December 3, 2004	2,580	1.30
Core 1	C-21	Tokyo metropolitan area	Pacific Residence Kichijoji	January 31, 2005	1,445	0.73
Core 1	C-22	23 wards of Tokyo	Pacific Residence Bunkyoengoku	May 18, 2005	1,557	0.79
Core 1	C-23	5 central wards of Tokyo	Pacific Residence Akasaka Hinokicho	March 25, 2005	4,710	2.38
Core 1	C-24	5 central wards of Tokyo	Pacific Residence Takanawa	March 30, 2005	1,550	0.78
Core 1	C-25	23 wards of Tokyo	Pacific Tower Meguroyamate (planned acquisition)	(Note 8)	14,507	7.33
Core 1	C-27	23 wards of Tokyo	Pacific Livew Chojyamaru	August 12, 2005	3,338	1.69
Core 1	C-30	5 central wards of Tokyo	Pacific Livew Kandahigashi	October 7, 2005	1,880	0.95
Core 1	C-33	23 wards of Tokyo	Pacific Livew Iriya	(Note 6)	1,190	0.60
Core 1	F-1	5 central wards of Tokyo	Pacific Residence Sakuragaoka	March 2, 2004	3,960	2.00
Core 1	F-2	5 central wards of Tokyo	Pacific Residence Mejiro Otomeyama	March 3, 2004	1,100	0.56
Core 1	F-3	23 wards of Tokyo	Pacific Residence Shinkawa	March 3, 2004	1,420	0.72
Core 1	F-10	23 wards of Tokyo	Pacific Residence Mejiro	August 30, 2004	7,350	3.72
Core 1	F-11	5 central wards of Tokyo	Pacific Residence Shibaura	December 3, 2004	4,900	2.48
Core 1	F-12	Ordinance designated city, etc.	Pacific Residence Shirakabehigashi	August 5, 2005	1,070	0.54
Core 1	F-13	Ordinance designated city, etc.	Pacific Residence Sakaihigashi	October 5, 2005	890	0.45
Core 1	F-16	Ordinance designated city, etc.	Pacific Residence Uzumasa	November 11, 2005	958	0.48
Core 1	F-17	Ordinance designated city, etc.	Pacific Residence Izumi (planned acquisition)	(Note 9)	4,400	2.22
Core 1	L-8	5 central wards of Tokyo	Pacific Tower Roppongi (planned acquisition)	(Note 10)	8,442	4.27
Core 1	L-9	5 central wards of Tokyo	Pacific Residence Kamimeguro	June 20, 2005	1,000	0.51
Core 1	L-10	5 central wards of Tokyo	Pacific Residence Yoyogikoen	August 19, 2005	1,310	0.66
Core 1	L-13	23 wards of Tokyo	Pacific Residence Oi	September 1, 2005	1,120	0.57
Core 2	S-15	Ordinance designated city, etc.	Grand Blue Hakata	September 17, 2004	1,582	0.80
Core 2	S-17	23 wards of Tokyo	Park Habio Kyobashi	December 2, 2004	2,725	1.38
Core 2	S-23	Ordinance designated city, etc.	Umeda Excelheights	January 31, 2005	5,250	2.65
Core 2	S-45	5 central wards of Tokyo	Pianeta Shiodome (planned acquisition)	(Note 6)	2,782	1.41
Core 2	C-15	5 central wards of Tokyo	Apartments Nishi-Azabu	December 2, 2004	7,920	4.00
Core 2	C-26	23 wards of Tokyo	Storia SANGEN-JAYA	April 26, 2005	3,311	1.67
Core 2	C-29	Ordinance designated city, etc.	Mare	November 1, 2005	963	0.49

Core 2	L-2	5 central wards of Tokyo	Bellwood	March 3, 2004	1,530	0.77
Core 2	L-3	5 central wards of Tokyo	Grand Forme Ichigaya Haraikatamachi	March 3, 2004	970	0.49
Core 2	L-7	5 central wards of Tokyo	Motoazabu Place	March 25, 2005	10,270	5.19
Core 2	L-11	5 central wards of Tokyo	Windsor House Hiroo	September 1, 2005	2,000	1.01
Core 2	L-14	5 central wards of Tokyo	Root Azabu Jyuban	November 11, 2005	2,220	1.12
<b>Total acquisition price of core properties</b>					<b>166,056</b>	<b>83.95</b>
Sub-Core	S-3	5 central wards of Tokyo	Glenpark Sangubashi	March 2, 2004	1,040	0.53
Sub-Core	S-4	5 central wards of Tokyo	Fresca Yoyogiuehara II	March 3, 2004	524	0.26
Sub-Core	S-5	5 central wards of Tokyo	Leopalace Udagawacho Mansion	March 3, 2004	569	0.29
Sub-Core	S-6	5 central wards of Tokyo	Voil Kikuicho (planned sale) (Note 11)	March 2, 2004	520	0.26
Sub-Core	S-7	23 wards of Tokyo	Escort Kami-Ikebukuro	March 2, 2004	644	0.33
Sub-Core	S-9	Tokyo metropolitan area	Dormitory Haramachida	March 2, 2004	490	0.25
Sub-Core	S-10	Tokyo metropolitan area	J Stage Minami-Urawa	March 2, 2004	700	0.35
Sub-Core	S-11	Tokyo metropolitan area	City Forum Kami-Hongo (planned sale) (Note 12)	March 3, 2004	1,140	0.58
Sub-Core	S-12	Ordinance designated city, etc.	Bonne Uji I and II (planned sale) (Note 11)	March 3, 2004	1,260	0.64
Sub-Core	S-13	Ordinance designated city, etc.	Yoshizuka AG Building 6 and 7	March 3, 2004	428	0.22
Sub-Core	S-16	23 wards of Tokyo	J Stage Honancho	December 2, 2004	952	0.48
Sub-Core	S-34	23 wards of Tokyo	Maison Korakuen	August 12, 2005	710	0.36
Sub-Core	S-36	23 wards of Tokyo	Relation Oji	August 12, 2005	1,027	0.52
Sub-Core	S-37	Tokyo metropolitan area	No. 6 Zelvova Mansion	August 12, 2005	609	0.31
Sub-Core	S-39	Ordinance designated city, etc.	KC 21 Building	October 31, 2005	1,167	0.59
Sub-Core	S-41	Tokyo metropolitan area	Cosmo Nishi-Funabashi II	November 11, 2005	799	0.40
Sub-Core	S-43	23 wards of Tokyo	K2 (planned acquisition)	(Note 6)	393	0.20
Sub-Core	S-44	Tokyo metropolitan area	Flats Okurayama (planned acquisition)	(Note 6)	895	0.45
Sub-Core	S-46	23 wards of Tokyo	Zesty Komazawadaigaku (planned acquisition)	(Note 6)	393	0.20
Sub-Core	S-47	5 central wards of Tokyo	Zesty Yoyogi (planned acquisition)	(Note 6)	377	0.19
Sub-Core	S-48	5 central wards of Tokyo	Zesty Nishishinjuku (planned acquisition)	(Note 6)	436	0.22
Sub-Core	S-49	23 wards of Tokyo	Zesty Kyodo (planned acquisition)	(Note 6)	344	0.17
Sub-Core	C-6	23 wards of Tokyo	Zesty Ikegami A and B	March 3, 2004	381	0.19
Sub-Core	C-7	23 wards of Tokyo	Wakohre Higashi-Nippori II (planned sale) (Note 12)	March 2, 2004	972	0.49
Sub-Core	C-9	Ordinance designated city, etc.	Grand Heights Hibino	March 3, 2004	1,230	0.62
Sub-Core	C-28	5 central wards of Tokyo	L'air Minami Aoyama	September 29, 2005	1,030	0.52
Sub-Core	C-31	Ordinance designated city, etc.	Melody Heim Shin-Osaka	November 11, 2005	956	0.48
Sub-Core	C-32	Ordinance designated city, etc.	Melody Heim Matsubara	November 11, 2005	643	0.33
Sub-Core	F-4	23 wards of Tokyo	Setagaya Sun Heights	March 3, 2004	982	0.50

Sub-Core	F-5	23 wards of Tokyo	Ars Shin-Otsuka	March 2, 2004	1,117	0.56
Sub-Core	F-6	Tokyo metropolitan area	Crane Mansion Tsurumi (planned sale) (Note 11)	March 3, 2004	1,050	0.53
Sub-Core	F-8	Tokyo metropolitan area	Maison Kashiwa	March 2, 2004	840	0.42
Sub-Core	F-9	Ordinance designated city, etc.	Sky Heights Hirabari	March 3, 2004	554	0.28
Sub-Core	F-14	Tokyo metropolitan area	Maison Yachiyodai	November 11, 2005	1,281	0.65
Sub-Core	F-15	23 wards of Tokyo	Abreast Kasai	November 11, 2005	807	0.41
Sub-Core	L-1	23 wards of Tokyo	Manoa Okamoto	March 2, 2004	590	0.30
Sub-Core	L-4	5 central wards of Tokyo	Meguro Hillside Court	March 3, 2004	1,000	0.51
Sub-Core	L-5	23 wards of Tokyo	Petit Cour Kinuta	March 2, 2004	684	0.35
Sub-Core	L-6	23 wards of Tokyo	Nishi-Ogikubo Urbane Homes	March 2, 2004	1,050	0.53
Sub-Core	L-12	5 central wards of Tokyo	SOHO Kita Aoyama	September 29, 2005	1,160	0.59
<b>Total acquisition price of sub-core assets</b>					<b>31,746</b>	<b>16.05</b>
<b>Total acquisition price of entire portfolio</b>					<b>197,803</b>	<b>100.00</b>

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

Core assets target properties that can constantly provide a particularly good living environment over a long term from the perspective of convenience, surrounding environment, management conditions, state of deterioration, facility specifications, etc. While exhibiting competitiveness pursuant to core assets, sub-core assets target 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 other properties 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 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, 2006 on a date separately agreed by NRI and the seller.

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

(Note 9) In principle, NRI plans to acquire this property on December 16, 2005 or by the end of December 2005 on a date separately agreed by NRI and the seller.

(Note 10) In principle, NRI plans to acquire this property by March 31, 2006 on a date separately agreed by NRI and the seller.

(Note 11) NRI plans to transfer the beneficiary interests in trust for this property after



December 1, 2005 and by the end of December 2005 on a date separately agreed by NRI.

(Note 12) NRI plans to transfer the beneficiary interests in trust for this property on November 25, 2005.

[Attachment 3] Outside Views and Images of the Properties

(1) Pacific Livew Utsubokoen

The posted CG perspective was drawn based on plans and therefore may slightly vary from the actual property.



(2) Pacific Residence Izumi

